

# Resettlement Plans

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Land Acquisition and Resettlement Plans  
July 2016  
(Draft)

## KGZ: Central Asia Regional Economic Cooperation Corridors 1 and 3 Connector Road Project

Prepared by Kocks Consult GmbH as part of the project preparation assistance provided by ADB to MOTR of KR

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## **ABBREVIATIONS**

ADB	Asian Development Bank
AH	Affected Household
AP	Affected Person
DP	Displaced Person
EA	Executing Agency
EIA	Environmental Impact Assessment
EM	External Monitoring
FP	Focal Person
GRC	Grievance Redress Commission
GRM	Grievance Redress Mechanism
IP	Indigenous People
IMA	Independent Monitoring Agency
IPIG	Investment Project Implementation Group
LAR Commission	Land Acquisition and Resettlement Commission
LARP	Land Acquisition and Resettlement Plan
MFF	Multi-tranche Financial Facility
NGO	Non-Governmental Organization
MOTR	Ministry of Transport and Roads





## Definition of Terms

Compensation	Payment in cash or in-kind for an asset to be acquired or affected by a Project at replacement cost at current market value.
Cut-off-date	The date, after which people will not be considered eligible for compensation, i.e. they are not included in the list of AHs as defined by the census.
Detailed measurement Survey	The detailed survey of project affected land parcels and inventory of affected assets.
Project affected Persons	All the people affected by the Project through land acquisition, relocation, or loss of incomes and includes any person, household (sometimes referred to as Project affected family), firm, or public or private institution. AHs therefore include: (i) persons affected directly by the road corridor, right-of-way, tower or pole foundations or construction work area; (ii) persons losing privately owned or used buildings and structures (residential dwellings and supplementary structures); (iii) persons whose agricultural land or other productive assets such as trees or crops are affected; (iv) persons whose businesses are affected and who might experience loss of income due to the Project impact; (v) persons who lose work/employment as a result of Project impact; and (vi) people who lose access to community resources/property as a result of the Project.
Encroachers	People who move into the Project area after the cut-off date and are therefore not eligible for compensation or other rehabilitation measures provided by the Project.
Entitlement	The range of measures comprising cash or kind compensation, relocation cost, income rehabilitation assistance, transfer assistance, income substitution/business restoration, which are due to AHs, depending on the type, extent and nature of their losses, and sufficient to restore their social and economic base.
Inventory of losses	Pre-appraisal inventory of assets as a preliminary record of assets to be affected or lost as a result of the Project
Land acquisition	Process whereby a person is compelled by a public agency to alienate all or part of the land she/he possesses, to the ownership and possession of that agency, for public purposes, in return for fair compensation.
Livelihood	Means of support; subsistence (source of income)

APs with no formal rights	Physical persons who have no recognizable rights or claims to the land that they are occupying and includes people using private or state land without permission, permit or grant, i.e. those people without legal title to land and/or structures occupied or used by them.
Replacement cost	The replacement cost is the amount enough to replace an affected asset in its existing condition, without deduction of transaction costs or for any material salvaged and depreciation for age. The Calculation of compensation amount at full replacement cost will be based on the following elements: (i) fair market value of construction materials; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any.
Sharecropper	Same as tenant cultivator or tenant farmer, i.e., a person who cultivates land they do not own for an agreed proportion of the crop or harvest.
Severely affected AHs	Those physically displaced or economically displaced losing 10% or more of income generating assets.
Vulnerable	Any person who might suffer disproportionately or face the risk of being marginalized from the effects of resettlement and includes; (i) female-headed households with dependents; (ii) disabled household heads; (iii) poor households (below poverty line); (iv) landless; (v) elderly households with no means of support; (vi) households without security of tenure; (vii) ethnic minorities.

## **Executive Summary**

1. The Government of Kyrgyz Republic, the Ministry of Transport and Roads (MOTR) of the Kyrgyz Republic has requested the Asian Development Bank (ADB) for a project preparatory technical assistance (PPTA) to identify, formulate, and prepare a project associated with a proposed Central Asia Regional Economic Cooperation (CAREC) Corridors 1 and 3 Connector Road.
2. The PPTA will cover the preparation of the feasibility study of the five road sections to be rehabilitated as outputs of the proposed project. They are:
  - (i) from Balykchy to post 43 (km 0 - km 43)
  - (ii) from Kochkor - Epkin (km 62 - km 89) approximately 87 km in Kochkor Rayon of Naryn Oblast;
  - (iii) from Epkin - Bashkuugandy (km 89 - km 159) approximately 70 km Kochkor Rayon of Naryn Oblast;
  - (iv) from Bashkuugandy - Kizil - Jildiz (km 159 - 183) approximately 24 km Jumgal Rayon of Naryn Oblast
  - (v) from Aral - Too Ahuu (km 195 - km 286) approximately 70 km Jaiyl Rayon of Chui Oblast
3. This Land Acquisition and Resettlement Plan (LARP) is prepared for the Section Epkin-Bashkugandy (Km 89–Km 159) of the CAREC Corridors 1 and 3 Connector Road project by the Ministry of Transport and Roads of the Republic of Kyrgyzstan.
4. The LARP is based on the preliminary road design for the proposed road section and outlines the resettlement principles and procedures ensuring that resettlement needs are identified, so that the MOTR of the Republic of Kyrgyzstan can adopt and implement the procedures for land acquisition, involuntary resettlement, and potential loss of access to physical and economic livelihoods in compliance with the applicable laws of the Republic of Kyrgyzstan and ADB Safeguards Policy Statement (SPS 2009) on Involuntary Resettlement.
5. The LARP sets out the project goals and project implementation schedule, cut-off date and eligibility criteria for project affected people (AHs), legal framework and institutional involvement, determines valuation methodology, establishes compensation entitlements and estimated unit rates, participation and consultation procedures, and grievance redress mechanism which will be employed to compensate, and restore the livelihoods and living standards of AHs.
6. The road construction activities will be carried out along the existing road from Km 89–Km 159 trespassing the villages Jumgal, Kuiruchuk, and Tugol-Sai of Jumgal rayon.
7. Rehabilitation of the road section will impact over fifty (50) land parcels located in the villages of Jumgal, Kuiruchuk and Tugol-Sai all belonging to Jumgal rayon. Although, project impact will not require any land acquisition, some assets such as metal fences and stone walls creating boundaries of private land parcels will be affected. Besides, the total of 379 non-fruit bearing perennials, 10 fruit trees and some bushes growing berries will need to be felled down for road project purposes.
8. During LARP preparation, several activities were undertaken: onsite identification and enumeration of project affected land parcels, census, socioeconomic survey, title search, and inventory of project affected assets.

9. According to the results of these surveys the entire project impact along the given road section extends over 50 project affected land parcels hold by 48 AHs (in total 213 persons: 109 male and 104 female)

Below is the summary of project impact along the given road section:

- (i) The total number of project affected land parcels: 50
- (ii) The total number of AHs: 48 (in total 213 persons: 109 male and 104 female)
- (iii) Affected residential dwellings: 0
- (iv) Total number of DPs: 0
- (v) AHs with affected operating commercial structures: 5
- (vi) AHs with affected movable Kiosk: 2
- (vii) AHs with affected structures of non-operating businesses: 2
- (viii) Permanent stoppage of business: 1
- (ix) Temporary stoppage of business: 8
- (x) Affected fruit bearing trees and cranberry bushes: 13
- (xi) Affected non-productive and decorative perennials: 379
- (xii) Affected wooden and iron meshed fence (linear meter): 2 045
- (xiii) Affected stone walls (linear meter): 42
- (xiv) Affected clay brick walls (linear meter): 110
- (xv) Iron gates to be shifted (number of units): 5
- (xvi) Total of severely affected AHs: 1<sup>1</sup>
- (xvii) Total of Vulnerable AHs: 22

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<sup>1</sup> One AH facing permanent loss of business is qualified as severely affected due to the loss of income generating asset.

## Chapter 1. Project Background and Objectives

### Project Overview

1. The proposed CAREC Corridors 1 and 3 Connector Road (the project) will improve national and regional connectivity by rehabilitating an estimated 253 kilometers (km) of road sections connecting the CAREC Corridors 1 (Bishkek–Naryn–Torugart) and 3 (Bishkek–Osh–Batken) in the center of the Kyrgyz Republic. The proposed project is consistent with the government's priority of providing alternate access in national and regional connectivity, and aligned with the ADBs Country Partnership Strategy (2013–2017), Midterm Review of Strategy 2020 and Country Operations Business Plan (2015–2017).
2. CAREC is a proactive facilitator of project-based cooperation in transport, trade, energy, and other key sectors of mutual interest. It is a partnership of 10 countries and six multilateral institutions working together to promote development through regional cooperation, leading to accelerated growth and poverty reduction.
3. Rehabilitating the connector road between CAREC Corridors 1 and 3 will enhance linkage of remote sections of the country to regional and national corridors. This will improve connectivity and mobility, reduce transport cost, and increase access to market and social service needs for the local population in the project areas.
4. The ADB is the executive agency of the PPTA (ADB Project Number 48401-005/TA-8857 KGZ) supported by MOTR. For carrying out the PPTA, ADB has contracted an international consulting firm composed of the Joint Venture of Kocks Consult GmbH (Germany), Finnish Overseas Consultants (Finland), and Central Asian Consulting Center (Kyrgyz Republic).
5. The proposed project will: (i) reduce the cost of passenger and cargo transportation between southern and northern regions by providing direct access, (ii) provide a more direct transit route between Kazakhstan and Tajikistan, and (iii) help stimulate trade. The proposed project's scope also includes strengthening of institutional capacity and soft components to tackle sector-wide issues which may include support to: (i) improve efficiency of road asset management, (ii) assist the government with institutional reforms in the transport sector, (iii) introduce performance-based maintenance contracts, and (iv) improve road safety.
6. The expected outcome of the proposed project is improved efficiency and safer movement of goods and people on the connector road and the project's expected impact is enhanced regional connectivity and trade via a CAREC Corridors 1 and 3 connector roads.
7. The PPTA will identify, formulate, and prepare an ensuing loan and/or grant for the CAREC Corridors 1 and 3 Connector Road. The PPTA will cover the preparation of the feasibility study of the five road sections to be rehabilitated as outputs of the proposed project. They are:
  - (i) from Balykchy to post 43 (km 0 - km 43)
  - (ii) from Kochkor - Epkin (km 62 - km 89) approximately 87 km in Kochkor Rayon of Naryn Oblast;

- (iii) from Epkin - Bashkuugandy (km 89 - km 159) approximately 70 km Kochkor Rayon of Naryn Oblast;
- (iv) from Bashkuugandy - Kizil - Jildiz (km 159 - 183) approximately 24 km Jumgal Rayon of Naryn Oblast
- (v) from Aral - Too Ahuu (km 195 - km 286) approximately 70 km Jaiyl Rayon of Chui Oblast

8. The first three road sections from Balykchy to kilometer-post 43, Kochkor to Epkin and Epkin to Bashkugandy are part of the so-called 'Alternative North South Corridor'. The Alternative North-South corridor will connect the northern and southern regions of the country. Currently, the existing Bishkek-Osh highway connecting the north and south of the country, cannot cope with the increasing traffic flow. Therefore, there is demand to build a new alternative North-South road from Balykchy to Jalal-Abad. The alternative road would reduce transportation distances and, consequently, the cost of passenger and cargo transportation from southern regions to Naryn and Issyk-Kul Oblasts.

#### METHODOLOGICAL INTRODUCTION

9. This Draft LARP is prepared on the basis of preliminary road design. During LARP preparation, several activities were undertaken: onsite identification and enumeration of project affected land parcels, census, socioeconomic survey, title search, and inventory of project affected assets. In addition, number of key informant interviews including local population, representatives of local executive power, members of affected households equipped the Consultant with information on lifestyle, cultural and social issues, income and wage patterns, general trends and current prices at the commodity and real property markets.

10. Prior to census and socioeconomic surveys, the Consultant and LAR Commission conducted initial examinations. Using the road design drawings and corresponding Google earth maps, they walked along the road ROW, identified each project affected land parcel on the spot, recorded the full name of the landowner or user, and obtained their contact details. During site visit for determination of project affected land parcels and their owners and /or possessors the Consultant tested the Form of Questioner to be used for census and socioeconomic data collection. Seeing the Field Team Local people expressed interest towards the Field Team activities and the entire project as well. Interest of local people should have been satisfied accordingly, and although no formal public meeting was organized Consultant took the opportunity to interact with 37 AHs and satisfy their interest by sharing the general information on project objectives, the goals of the pending surveys and introduced the principles of compensation entitlements, cut-off date, and eligibility criteria. Additionally, AHs were informed about the pending surveys (census, socioeconomic and inventory of project affected assets), and the survey date and time was scheduled at AHs' convenience and availability. After all project affected land parcels were physically identified and their owners and users determined the Consultant commenced the remaining surveys: title search, socioeconomic survey, detailed inventory of project assets and valuation.

11. Specifically designed questionnaire will be used during socioeconomic survey to be undertaken by experienced interviewers selected by the Consultant. Privacy policy will be followed while interviewing the AHs permitting them to feel comfortable during the surveys.

12. Inventory and valuation of project affected assets was undertaken by the independent licensed valuator. The unit rates and tentative estimated LARP Budget was prepared according to the inventory results and based on the valuation principles in compliance with best international practice, country legislation, and ADB SPS 2009.

13. Prior to the LARP finalization additional works will be financed to undertake detailed surveys and produce detailed road design. Correspondingly, the LARP will be revised and updated to reflect all recent adjustments, alterations, and any changes are required to be addressed in the number of AHs, project affected land parcels and assets. If the need of such changes are confirmed the number of DPs and AHs and the scope of project impact will most likely require relevant update to address the most recent changes and qualify for the Final LARP updated based on the detailed design.

### **Measures to Prevent Encroachment**

14. Considering the time period between the public disclosures of initial Draft LARP and the Final LARP the ROW requires preservation from new encroachers and squatters, the MOTR at the earlier stage of LARP preparation initiated the process for obtaining an official document, a government Order. This provides for temporary limitation to be imposed on Municipality land, and within specific areas, suspends land sales through auctions or allocation under lease agreements, in particular allocation of land being under ownership of the Municipality, State or any other party, will be suspended during the entire road construction period. The order is effective from the date of its issuance.

15. Any ownership deed, long-term and short-term lease agreements will be considered illegal and such will be transferred to relevant State organs for further investigation of potential fraud. No cash compensation may ever be considered in case such actions take place, a lessor/or a buyer acting as a party of such deal will lose the legal benefits of Bona Fide purchaser and will not be either compensated even for any investments made to illegally acquired land or assets located within the restricted zone.

16. The Copy of the Order and visual materials specifying restricted zone where land acquisition is suspended until the completion of surveys, civil and earth works and full completion of road rehabilitation activities will be enclosed into the body text of the Final LARP. Information Pamphlets to be distributed during public consultation meetings will also be displayed on the information Boards in the concerned Municipalities and rayon offices of State Register, Department of Economy, Public, and Private Notaries operating within the project area.

### **Magnitude of Project Impact**

17. The road construction activities will be carried out along the existing road from km 89 - km 159 trespassing the villages Jumgal, Kuiruchuk, and Tugol-Sai of Jumgal rayon. Rehabilitation of the road section will impact over fifty (50) land parcels owned by 48 AHs located in the villages of Jumgal, Kuiruchuk and Tugol-Sai all belonging to Jumgal rayon. Among them seven (7) land parcels are attached with project affected commercial facilities, two (2) AHs keep movable kiosks (compartments). None of residential houses or supplementary structures subject to project impact, therefore no physical resettlement is expected within the framework of the proposed project.

18. Besides, the total of 379 non-fruit bearing perennials, 10 fruit trees and 3 cranberry bushes grown on three private land parcels will need to be felled down for road project purposes.

19. All 48 AHs will be issued relevant cash compensation to mitigate project impact on assets and compensate income loss and maintain their livelihoods at least at the pre-project levels.

20. Significant attention was given to the needs of the disadvantaged, vulnerable groups compiling 22 AHs<sup>2</sup> and one (1) severely affected AH<sup>3</sup>. The documents consider relevant additional rehabilitation to be provided to AHs qualifying as vulnerable and severely affected<sup>4</sup>.

21. The summary table below shows the scope of project impact identified based on the preliminary design drawings, census, socioeconomic survey, title search, and inventory of project affected assets, undertaken on site during the preparation of this draft LARP.

**Table 1: Summary of Project impact Magnitude according to the Geographical Location and Types of Impact**

No	Village	TOTAL Affected land parcels	AHs	Vulnerable	Severely affected	Total affected perennials	No of affected fruit - trees	No of non-fruit trees	Municipality	Homestead	Parcels w/t affected fence/walls	Affected Movable Kiosk	Affected Operating Business	Affected Non-operating Business
1	Jumgal	35	34	15	0	303	13	290	3	32	32	2	2	2
2	Kuiruchuk	12	12	6	1	89	0	89	1	11	7	0	3	0
3	Tugol-Sai	3	2	1	0	0	0	0	0	3	3	0	0	0
	<b>Total</b>	<b>50</b>	<b>48</b>	<b>22</b>	<b>1</b>	<b>392</b>	<b>13</b>	<b>379</b>	<b>4</b>	<b>46</b>	<b>42</b>	<b>2</b>	<b>5</b>	<b>2</b>

22. The IPIG made a decision to prepare LARP for the proposed road section. According to the magnitude of project impact and the level of severity of project impact on affected persons and communities, considering the ADB SPS 2009<sup>5</sup>, the sub-project is suggested to be classified

<sup>2</sup> Any person who might suffer disproportionately or face the risk of being marginalized from the effects of resettlement and includes; (i) female-headed households with dependents; (ii) disabled household heads; (iii) poor households (below poverty line); (iv) landless; (v) elderly households with no means of support; (vi) households without security of tenure; (vii) ethnic minorities.

<sup>3</sup> Severely Affected PAHs are those losing 10 % or more of income generating (producing) land/assets as a result of project related physical and/or economic displacement.

<sup>4</sup> Severely Affected PAHs are those losing 10 % or more of income generating (producing) land/assets as a result of project related physical and/or economic displacement

<sup>5</sup> Category B. A proposed project is classified as category B if its potential adverse environmental impacts are less adverse than those of category A projects. These impacts are site-specific, few if any of them are irreversible, and in most cases mitigation measures can be designed more readily than for category A projects. An initial environmental examination is required.

Link: <http://www.adb.org/sites/default/files/institutional-document/32056/safeguard-policy-statement-june2009.pdf>



as Category B However, the final decision will be made by the Client during ADB Fact Finding Mission scheduled on May 23-June 2, 2016.

### **Key Survey Findings**

23. During census and title search for identifying the legal status of project affected land parcels, several persons presented their documents to these land parcels. In some cases the land is still under shareholder's use right, while some presented updated land ownership certificates (so called) Green Books.

24. This finding confirmed the need for title search in the process of identifying AHs eligible for cash compensation of permanent loss of land. Therefore, during the LARP finalization process the legal documents of shareholders of these land parcels will require additional thorough title search to ensure that all legitimate possessor AHs are assisted in registration of private ownership right to the land parcels under their private possession prior to commencement land acquisition procedures within the framework of this LARP.

25. Another rather important issue requiring significant attention and correct approach is demarcation of project affected land parcels and precise location of area of land subject to acquisition. Demarcation needs to be undertaken by a licensed company practicing in the field of land surveys. More specifically the licensed survey company shall use the final road design and identify the factual location of the central line of the ROW on the spot; plus on the spot identify all project affected land parcels and double check the accuracy of the AH list collected during the preparation of draft LARP based on the preliminary design.

26. During on site identification project affected land parcels and the cases of land capture observed. The fact has been confirmed by the AHs as well. In many cases, walls and fences are moved to the edge of the road thus adding extra land to private land parcels. This practice is widely observed in rural areas of post-Soviet States. To the present, such facts of land capture has not been strictly monitored, neither had people moving their fences been advised to respect the road boundaries. Therefore, in some cases such captured land could have been used by local residents for lengthy periods, possibly several decades, often supplementary structures have been attached to the inner sides of these walls.

27. With road rehabilitation, developments where project impact requires relevant compensation for project affected privately owned land, legal status of land tenure acquired more prominence and importance.

28. To identify privately owned and captured land, the consultant decided to double check the collected information at the local State Cadastre office, where original cadastre maps are saved. It is possible to obtain data on factually occupied territory as well as the legally allocated area; thus allowing the calculation of area of captured land.

29. However, obtaining this data from the State Cadastre is a paid service and is provided to the applicant upon an official request and payment of the prescribed service fee. Considering the circumstances, that present document is only a Draft LARP based on the preliminary design and at the detailed design phase will most likely be followed by some changes in the number of AHs and the volume of project impact the Consultant decided not to take this paid service at this stage.

## Chapter 2: Socioeconomic Profile of Project Affected Persons

30. The Socioeconomic profile of the AHs is based on information obtained during census and the results of socioeconomic survey of covered all located AHs. The total number of affected AHs comprises 213 persons (109 are male and 104 female). Out of these 213, 88 persons (46 boys and 42 girls) are underage.

31. The table below shows the age composition of the APs according to the gender and age group divided into adults and underage persons. The majority of project affected persons are located in village Kyzyl-Jyldyz and Chaek, making up 85 % of the total number of AHs along this road section.

**Table 2: Breakdown of APs according to Age Groups and Gender**

Project Affected persons	Male		Female		Total	
	Number	%	Number	%	Number	%
Adult	63	58	62	60	125	59
Underage (below 18 years)	46	42	42	40	88	41
<b>Total</b>	<b>109</b>	<b>100</b>	<b>104</b>	<b>100</b>	<b>213</b>	<b>100</b>

32. The average size of a household is 4.4 persons. However, several households count from five to six members.

33. The majority of local population is mainly engaged in horticulture (cattle breeding) and agriculture. Main annual crops grown are wheat, barley, and hay. Hay and Lucerne are used as the main fodder for cattle; wheat is grown for family consumption, and they only sell a small share of their produce at the local market, or to wholesalers at the farm gate price.

34. Most of the project affected land parcels are of residential designation where some portion of land is allocated for orchards and fruit trees next to the residential dwellings. In addition, in their yards people have supplementary structures, such as kitchen, bathroom, toilet, cattle barn, storage, and shed.

35. In their orchards, they often grow small gardens of vegetables (cabbage, carrots, garlic, and onion). Additionally, a majority of AHs have about 2 hectares of agricultural land parcels received from the Government free of charge during the land reform undertaken in the country in the late 1990s. These land parcels are located further from the village settlement and the AHs use them for agricultural activities to grow annual crops and fodder for their cattle.

36. Most people (both men and women) are pre-occupied with cattle. Mainly men herd the cattle on rotation schedules. Some men drive cars and provide taxi services to the villagers.

37. Most of the females are housewives taking care of family and children and they also tend to the fields growing crops. A few have paid jobs as civil servants or assist their family members to run local shops selling consumer goods.

38. As composed in the table below, the major source of income of AHs is based on the information obtained during census and socioeconomic survey of 100% of located AHs.

**Table 3: Breakdown of PAPs according to their Occupation Disaggregated by Gender**

Occupation	Male		Female		Total	
	Number of Persons	%	Number of Persons	%	Number of Persons	%
Farmer	16	14.7	1	1.0	17	8.0
Housewife	0	0.0	13	12.5	13	6.1
Pensioner	8	7.3	28	26.9	36	16.9
Civil Servant	9	8.3	13	12.5	22	10.3
Between jobs	15	13.8	0	0.0	15	7.0
Private taxi service	1	0.9	0	0.0	1	0.5
School student	29	26.6	25	24.0	54	25.4
University student	2	1.8	2	1.9	4	1.9
Kindergarten	4	3.7	3	2.9	7	3.3
Toddlers not attending Kindergarten	13	11.9	14	13.5	27	12.7
Economic activity/ business	0	0.0	4	3.8	4	1.9
Hired labour	11	10.1	1	1.0	12	5.6
Working in other region of the republic	1	0.9	0	0.0	1	0.5
Working abroad/ out of region	0	0.0	0	0.0	0	0.0
Other	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>109</b>	<b>100.0</b>	<b>104</b>	<b>100.0</b>	<b>213</b>	<b>100.0</b>

39. The majority of AHs are involved in farming, which is their main source of income and wellbeing. Farming in the local context is associated with horticulture and utilization agricultural land mainly for growing annual crops to feed the cattle. During key informant interviews, census and socioeconomic survey, most of the AHs confirmed that arable and pasture land is of vital importance for their livelihood.

40. In terms of the magnitude of land take, this road project will not incur significant impact, as the main effect will be encountered over the stone walls and some perennials standing mainly on Municipality land along the edge of the existing road. Often iron meshed or light fences made of wooden poles and planks fixed with barbed wire are fixed to these decorative perennials, thus creating the land parcel boundaries. On average, the depth of the strip of land to be taken for road project purposes varies between 2 to 3 meters of captured Municipality land. AHs do not use these strips of land for agriculture purposes. Therefore, Municipality land take is not a threat to income loss or the deterioration of AHs livelihoods.

41. However timely replacement of fences and stone walls along the project affected land parcels and reconstruction of new commercial structures instead of the affected ones that AHs currently use for income generation is important. AHPs should be provided personal safety,

and preventing cattle from trespassing their orchards and gardens, and keeping their own cattle well protected on private property.

42. In terms of livelihood restoration, the most important impact expected to occur is to the AHs operating roadside shops. However, project will not impact any operating roadside shops along this road section. Often are viewed closed shops that have not been operating for years. These closed shops have not been included in the LARP implementation budget, as AHs confirmed that they have suspended commercial activities several years ago.

43. According to the analyzed data, most of the women are housewives and a majority of adult men do not have salary-paid employment, therefore placing a majority of the men into the category of interested in full time employment opportunities.

44. People in project affected area live in residential dwellings built of locally produced clay bricks. The houses are mainly one-floor, 3 to 4 rooms, and attic in the roof. Supplementary structures attached to the stone walls are used as storage facilities, summer kitchens, cattle barns, and bathrooms. Usually these structures, including baths and kitchens are built separately with external access. The roof is mainly covered by metal or asbestos sheets.

45. As usual, AHs found difficult specifying their annual income gained from agricultural activities, as they use it mostly for personal consumption. In terms of cash inflow, they found it easier to report monthly salary rates, retirement pension, and/or disability aid.

**Table 4: Breakdown of Average Monthly Expenditures of the AHs**

<b>HH Expenditures</b>	<b>Percentage Ratio of AH Expenses</b>
Bank loan	11.4
Business activity	27.0
Farming	1.0
Health	0.5
Utilities	0.4
University fee	2.6
Food	5.7
Kindergarten fee	0.4
Housing repairs	46.6
Car maintenance	2.6
Livestock	1.5
Schooling	0.2
<b>Total</b>	<b>100.0</b>

46. The biggest share of expenses relates to bank loans livestock and then other farming costs, however, livestock remains the main source of making a living, and also a reliable source of cash income for most of the AHs. Though some interviewed persons did not nominate livestock and farming as their main activity, but rather confirmed that they were looking for stable and regular paid employment.

**Table 5: Breakdown of the Possession of Durable Assets of PAPs**

Item	Number of APs	%
Automobile	20	42.6
Water Heater	3	6.4
Internet	0	0.0
Personal computer/Laptop	2	4.3
Mobile phone	42	89.4
Washing machine	30	63.8
Tractor /Combine	5	10.6
Latrine	45	95.7
WC inside the house	0	0.0
Color TV	43	91.5

47. The level of possessed durable goods varies from household to household. Most AHs have Color TVs and mobile phones. 64 % of AHs have washing machines. Total of 20 AHs keep automobiles, while none have access to Internet. None of the AHs reported the luxury of WC inside the house.

### **Education and Literacy**

48. The level of literacy of AHs is reported to be 100%. The majority of adults (97 females and 98 males) attended secondary schools. Thirteen females have higher education degrees, while 12 men are University graduates.

**Table 6: Sex-disaggregated Education and Literacy Level of Adults Members of AHs**

Education/Literacy	Male		Female		Total	
	Number of Persons	%	Number of Persons	%	Number of Persons	%
Primary	0	0	0	0	0	0
Secondary	43	68	37	60	80	64
Technical	5	8	5	8	10	8
Higher (university)	15	24	20	32	35	28
<b>Total</b>	<b>63</b>	<b>100</b>	<b>62</b>	<b>100</b>	<b>125</b>	<b>100</b>

### **Vulnerability**

49. Vulnerable AHs have been identified during the census and socioeconomic survey. Only one person is the recipient of state aid and five persons receive physical disability allowances. Four households are headed by females. Six households were identified as very poor who could not cope with their needs. One affected lives in the condemned house damaged during earthquake that took place in the region several; years ago. Lastly, the AH was qualified as vulnerable as their two HH members are single mothers. Since vulnerability category is assigned to the household, in total eighteen (18) households are qualified as vulnerable according to their socioeconomic status.

**Table 7: Vulnerable AHs along the Entire Road Section**

No	Village	Vulnerability
1	Jumgal	15
2	Kuiruchuk	6
3	Tugol-sai	1
	<b>Total</b>	<b>22</b>

*NOTE: The name of vulnerable persons is not included in the LARP. Full names, contact phones numbers, and detailed cash compensation package (per AH and compensation items) will be provided as a separate Annex for internal use during project implementation, monitoring, and assessment process. To protect the confidentiality of personal information of AHs, the Annex will not be subject to public disclosure.*

### **Major Income Source of AHs**

50. Wheat is the major crop AHs grow for personal consumption. Only a small share of their annual crops would be sold at the local market mainly through wholesalers. Vegetables, mainly potato, cabbage, carrot, garlic, and onion is grown in the orchards organized in the backyards of the land parcels assigned for residential purposes.

51. The median source of cash flow is retirement pension and State targeted aid for disability (the amount varies according to the 1st, 2nd, and 3rd category of invalidity).

52. Almost 75 % of local population keeps cattle. This is the most important activity for the majority of PAPs and the entire village population, even those that have temporary or permanent jobs.

53. Therefore, one of important element for this road project is properly selecting animal crossings. This is the most significant impact of this road project the entire population of the villages will experience.

### **Indebtedness**

54. Several AHs reported bank loan liability and shared the amount of monthly interest rate they are liable to pay to the lending institution. Bank loans are often obtained to expand private business or purchase an automobile for taxi driving business.

### **Infrastructure**

55. Major health care and social facilities are located in the village of Kochkor, the largest rayon centre in this area of project influence. Banks, ATMs are provided in the rayon centre. Large hospital, maternity house, and number of pharmacies are located in Kochkor too. Due to the geographical location, local population feels economically tied to Kochkor as well as to Chaek rayon centers.

56. Post offices and secondary schools offering full educational program (11 grades) are in all villages.

57. Irrigation is available to arable land parcels for fixed price. Potable water taps installed along the existing road. However, potable water supply provided through these taps is on a schedule that AHs have learned to live with.

58. Since project is located in alpine zone, no forests are in high mountainous region, using firewood for heating and cooking is not popular in the area. Additionally, there is no natural gas provided in the project areas, therefore APs use coal for heating and bottled liquid gas for cooking, especially in summer time.

### **Women in the Local Context**

59. The majority of affected households are headed by men. The land ownership title certificates issued during the land reform all family members, including spouses and children have been recorded as co-owners of land parcels. In the case of widows, the spouse in the first row heir according to the inheritance by law.

60. Women are mainly involved in household activities such as horticulture, animal husbandry, and general household works. Several females help their family members to run a local shop selling consumer goods. Three females are teachers at the local Public Schools. Women participate in household decision-making processes and organizing family matters. During census and socioeconomic survey, female respondents were active and willing interviewees.

### **Impact on Vulnerable People**

61. No impact on Indigenous People is expected from the Project.

62. No ethnic minorities are among the Project Affected Persons.

63. The AHs are primarily Kyrgyz. No group of local residents showed any specific or unique features that could be identified as a distinct minority group.

64. Other vulnerable groups such as female-headed households and disabled persons will be provided additional rehabilitation measures by the Project as described in the Entitlement Matrix of this LARP.

65. The Project will include appropriate measures to mitigate the potential risk of HIV/AIDS and other sexually transmitted diseases, as well as drug and human trafficking. These measures include raising public awareness on these issues.

## **Chapter 3: Compensation Entitlements**

### **Objectives of Compensation Policy**

66. The implementation of resettlement activities is linked to the implementation of the investment component of the project to ensure that displacement or restriction of access does not occur before necessary measures for resettlement are in place.

67. As stipulated in SPS 2009 and described in this LARP all project related impacts identified during the relevant studies should be addressed accordingly, meaning that all project affected persons will be provided with relevant compensation and other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, 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.

### **Compensation Eligibility Criteria and Cut-Off Date**

68. Compensation eligibility is limited to AHs by a cut-off date, May 16, 2106. The cut-off date for this proposed road section will be determined by the Government of RoK taking into consideration the date of completion of all the surveys (census, socioeconomic survey, inventory of project affected assets and title search of project affected land parcels) mutually undertaken by the Consultant through close cooperation with the LAR Commission<sup>6</sup>.

69. AHs who settle in the affected areas after the cut-off date will not be eligible for compensation, as they will be classified as illegal encroachers. These AHs, if any detected with project ROW, will be given at least three months advance notice to provide sufficient time to adhere to the official request of the LAR Commission to vacate premises and dismantle affected structures prior to project implementation. Their dismantled structures will not be confiscated and they will not be penalized or sanctioned. Indeed, forced eviction will only be considered following exhaustion of all other efforts.

70. The LARP determines the eligibility criteria of project affected persons (AHs) and provisions for compensating all types of losses and income: land, crops/trees, structures, business/employment, workdays/salaries/wages. All AHs, including non-certified land users will be compensated for lost income and assets. Loss of land will be cash compensated at full replacement cost according to current market value or if the real property market is not sufficiently active, cash compensation will be calculated at income capitalization rates as described in this LARP.

71. The criteria for eligibility to compensation are based on AHs belonging to one of three groups:

- (i) those who have certified and/or formal rights of use of the occupied land;
- (ii) those who do not have formal legal rights to land at the time of the census and SES accomplished but have a legal basis to claim for such land or assets—

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<sup>6</sup> The LAR Commission was established under the Order No 361-pof the Government of RoK December 15, 2015. Composition of the LAR Commission is provided in Chapter: Institutional Arrangements.



- provided that such claims are recognized and/or become recognized in accordance with the effective legislation of the RoK;
- (iii) those who have no recognizable legal right or claim to the land they are occupying (i.e. land users without registered certificate and informal settlers) eligible for compensation of income and assets lost rather than project affected land<sup>7</sup>.

72. Where land is to be acquired, land possessors (AHs) with registered Certificate and/or AHs who do not hold the Certificate but are eligible to claim for Certificate will receive full compensation at replacement cost for residential and arable land.

73. AHs will receive land-for-land (of equal size and productive value) for project affected irrigated arable land located within new circle interchange and 600 meters new road will be constructed close to village Tendik.

74. The AHs that are not eligible to register ownership title to land pursuant to the rules, laws or any regulations being in force in the Republic of Kyrgyzstan are not eligible for compensation for land but will receive compensation for assets attached to land and other assistance as described in the Chapter below. Special care will be given to vulnerable and severely affected AHs.

75. Households headed by single women with dependents and other vulnerable households will be eligible for further assistance<sup>8</sup> to fully mitigate project impacts. Table 9 below presents the Project's entitlement matrix, based on detected potential losses.

### Compensation Entitlements and Mitigation Measures

76. Entitlement provisions for AHs facing loss of shelter, assets and income, incorporate cash compensation at full replacement cost at the current market values in compliance with the ADB SPS 2009 and active legislation of the RoK. The entitlements are detailed below:

- (i) **Agricultural arable land** will be cash compensated at full replacement cost in the amount sufficient to purchase replacement land of equal in value and productivity in vicinity to the project affected land parcel. Method for calculation of full replacement cost will include cost of preparation of the land to levels similar to those of the affected land. The taxes and fee related to processing transaction registration will be covered by the Executing Agency.
- (ii) **Agricultural residential (homestead) land** will be cash compensated at replacement cost in the amount sufficient to purchase land of equal in value, designation, and productivity in vicinity to the project affected land parcel. Method for calculation of full replacement cost will include cost of preparation of the land to levels similar to those of the affected land. The taxes and fee related to processing transaction registration will be covered by the Executing Agency.

<sup>7</sup> According to ADB SPS 2009, AHs falling to the 3rd category will receive sufficient compensation, technical assistance and additional rehabilitation measures to be sufficient for the AHs to maintain their livelihoods at least to the pre-project levels.

<sup>8</sup> The specific description of further assistance for vulnerable people is described in the Entitlement Matrix provided below in this chapter.

- (iii) **Industrial/Commercial land (privately owned)** will be cash compensated at replacement cost in the amount sufficient to purchase land of equal in value, designation, and location in vicinity to the project affected land parcel. Method for calculation of full replacement cost will include cost of preparation of the land to levels similar to those of the affected land. The taxes and fee related to processing transaction registration will be covered by the Executing Agency.
- (iv) **Industrial/Commercial land (leased from the Municipality/State)** will be compensated in the form of land for land (in-kind) compensation with plots of equal size and designation in vicinity to the previous location to the extent possible. The replacement land will be allocated by the local rural administration free of charge to the AH. The taxes and fees related to allocation of new replacement land and issuance of relevant lease agreement and if required Construction Permit will be covered by the Executing Agency.
- (v) **Agricultural land leaseholders and workers:** Affected leaseholders will receive either a renewal of the lease in other plots or cash corresponding to the annual yield of land lost for the remaining years of the lease up to a maximum of 3 years. Sharecroppers will receive their share of harvest at market rates (if impact is temporary) plus one additional crop compensation (if impact is permanent). Agricultural workers, with contracts to be interrupted, will receive an indemnity in cash corresponding to their salary in cash including portion in-kind compensation for the remaining part of the agricultural year.
- (vi) **Residential land renters/leaseholders and house renters:** who have leased land and/or a house for residential purposes will be provided with a cash grant of three (3) months' rent at the prevailing market rate in the area and will be assisted in identifying alternative accommodation.
- (vii) **Agricultural Pasture land use rights:** will only be compensated in the form of land for land (in-kind) compensation with pasture land equal value, productivity and in vicinity to the previous location to the extent possible. Allocation of replacement pasture land will be undertaken by the LAR Commission in coordination with the local Rural Administration. All costs, fees and taxes related to provision of replacement pasture land, will be covered by the Executing Agency.
- (viii) **"Orphan land":** remaining piece of land which as a result of land take has lost previous designation and became economically unviable. In such case, landowner is eligible to claim full cash compensation for the entire area of such land parcel.
- (ix) **Severe Impact:** AHs (landowners, possessors, sharecroppers) losing more than 10% of an income generating land will receive an additional allowance for severe impacts equal to the market value of a year's gross yield of the land lost or one-time compensation calculated based on the minimum subsistence monthly income level multiplied to 12 months per AH. The data will be retrieved from official website of the National Statistical Committee of the Republic of Kyrgyzstan<sup>9</sup>.
- (x) **Affected Structures:** Houses, buildings, structures will be compensated in cash at full replacement cost, i.e. construction cost without any deductions for depreciation, salvaged materials, or transaction costs. The compensation for houses/buildings will include the cost of lost utility (water, electricity, sewerage,

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<sup>9</sup> <http://www.stat.kg/en/statistics>

gas) connections. Construction cost calculation considers market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractor's fees, plus the cost of any registration and transfer and any applicable taxes. Besides the cash compensation, the government will also provide technical assistance with building the replacement structure to AHs<sup>10</sup> in need for such help.

- (xi) **Supplementary Structures:** AHs losing supplementary structures attached to the project affected walls will be cash compensated at full replacement cost, i.e. construction cost without any deductions for depreciation, salvaged materials, or transaction costs.
- (xii) **Walls and Fences:** AHs losing solid walls or fences attached to the project affected land parcels will be cash compensated at full replacement cost, i.e. construction cost without any deductions for depreciation, salvaged materials, or transaction costs.
- (xiii) **Perennials:** Cash compensation shall reflect income replacement. Cash compensation will be calculated at current market value and according to type, age, and productive value of project affected fruit tree. Annual yield capacity of a mature fruit bearing tree multiplied to market price of a fruit (kg/SOM) and multiplied to the number of years required to grow a new tree to same productivity age.

**Sample of Formula:**

Average annual yield capacity of one mature apple tree: 40 kg

Number of years required for 2-3 years sapling to grow to the same productive level: 6 years

Market price of Apple: 35 SOM/kg  $\approx$  0.50 KGS/1 kg.

$40 \text{ kg} \times 6 \text{ yrs} \times 0.50 \text{ KGS /kg} = 120 \text{ KGS /Apple tree}$

77. No cash compensation will be issued for decorative trees and perennials not bearing fruits.

78. AHs will receive additional cash for purchase of seedlings per each project affected tree including fruit bearing, decorative and timber trees.

79. In case local government considers acceptable the AHs will be eligible to dispose logged trees themselves. Construction Company ensures free delivery of timber to the residence of AHs.

80. **Annual Crops:** Cash compensation at current market rates for the net annual harvest actually being lost. Crop compensation will be paid to landowners. In case of tenancy agreement, cash compensation will be paid to owner/tenant based on the specific sharecropping agreements (written/verbal) being made between these two parties.

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<sup>10</sup> Elderly people without adult supporters, single women, and female-headed households who may find difficult to organize construction by themselves.

81. **Permanent loss of Business (Businesses Owners):** compensation for permanent business losses will be in cash for one year income based on tax declaration. If tax declaration is unavailable, the amount of cash compensation will be based on the official minimum monthly salary in trade sector multiplied to 12 months. The data will be retrieved from official website of the National Statistical Committee of the Republic of Kyrgyzstan<sup>11</sup>.

82. **Temporary Stoppage of Business:** Compensation for temporary business stoppage will be cash covering the income of the interruption period, minimum up to three (3) months, based on tax declaration; or, where this data is not available one-time compensation calculation will be based on the minimum subsistence monthly income level multiplied to minimum 3 months per AH. The amount to be calculated according to the data retrieved from official website of the National Statistical Committee of the Republic of Kyrgyzstan<sup>12</sup>.

83. **Business workers and employees:** Indemnity for lost wages for the period of business **interruption** period, minimum up to three (3) months, based on tax declaration. In case tax declaration reports are unavailable, then one-time compensation calculated based on the minimum subsistence monthly income level (multiplied to 3 months) per AH. The amount to be calculated based on the data retrieved from official website of the National Statistical Committee of the Republic of Kyrgyzstan.

84. **Relocation subsidy for affected households subject to physical resettlement (loss of shelter):** DPs facing the need for physical resettlement due to impact to their residential house will receive additional a one-time moving allowance sufficient to cover transport costs, rental and living expenses for one (1) year. In addition, these DPs will be given priority in jobs, created as a result of the project-activities, if it fits the local labor skills that are being sought. Besides, Local Executive power and Municipality will free of charge allocate alternative land parcel and transfer ownership title and construction permit to an AH that does not have ownership title to land attached with project affected residential house, considering that such DPs are not eligible to cash compensation for affected land. This approach will ensure maintenance of livelihood of DPs without land title subject to permanent physical resettlement.

85. **Relocation subsidy for affected businesses operating in movable structures:** within this road section there are AHs who use metal compartments for trading purposes. These compartments are placed on the ground surface; they are movable and can be shifted to another location by means of special vehicles. These AHs will be provided with technical assistance to relocate their compartments to another location; IA, LAR Commission and representative of local self-government will be in charge to allocate new location and if required issue formal permit to AHs granting him/her the right to locate the compartment for trading purposes. If such technical assistance cannot be provided by project implementing agencies, one time allowance will be issued to AH for self-relocation. (Auto crane service - 9000 KGS; special vehicle to transport the compartment - 800 KGS; 2000 KGS for transportation goods, stock to a new location; in total one time allowance for self-relocation of movable commercial units will be issued 19 000 KGS per AH.

86. **Squatters (Rural Residential):** One-time rehabilitation allowance equal to market value of 1 year gross harvest (in addition to crop compensation) for land use loss.

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<sup>11</sup> <http://www.stat.kg/en/statistics>

<sup>12</sup> <http://www.stat.kg/en/statistics>

However, if proven that AHs are losing the land parcels which are the only source of income additional rehabilitation measures will be exercised in agreement with AH. Options are:

- (i) local rural administration will free of charge allocate alternative land parcel with equal productivity and designation; preferable location and existence of utilities will be considered and if not available provided before relocation; or
- (ii) if free allocation of alternative land is not possible, the LARP budget will include the costs sufficient to purchase land directly from the state and transfer to such AHs free of charge.

87. **Squatters (Agricultural):** One-time rehabilitation allowance equal to market value of 1 year gross harvest in addition to crop compensation from the project affected.

88. Besides, agricultural squatters will be assisted by local government authorities to enter long-term lease agreement on State land and continue gaining income from officially leased State land of agricultural designation of similar productivity level.

- (i) **Community Structures and Public Utilities:** If affected, assets will be fully relocated or rehabilitated to meet their pre-project functions and utilities.
- (ii) **Contractor's Temporary Requirements:** The civil works contract will require the contractor to be responsible for the temporary acquisition and reinstatement of all land required outside the road reserve for construction camps, offices, borrow pits, materials storage sites, materials processing sites, and haul roads. The contractor will select the land parcels they require and they will be responsible for negotiating agreements directly with land owners to occupy the land. In the event that a contractor fails to obtain the agreement of a landowner, the contractor would be required to select an alternative site and negotiate a new agreement. No involuntary occupation of land for temporary construction purposes would occur. Provision will be made in the civil works contract for the contractor to be responsible for providing adequate measures to cater for existing traffic while the road/bridge rehabilitation/construction works are in progress. The contractors shall be required to obtain the approval of the executing agency for all proposals for traffic management during the construction of the civil works contracts and also they shall be required to maintain all temporary diversion roads and existing roads used to carry diverted traffic from the main road.

### **Additional Rehabilitation Measures**

89. The LARP considers additional rehabilitation measures to be provided to the AHs that qualify as vulnerable and severely affected.

- (i) **Assistance for vulnerable people:** In addition to the compensation of lost land and assets, vulnerable AHs will be provided with additional rehabilitation measures; in particular, one-time allowance set to cash compensation calculated based on the minimum subsistence monthly income level multiplied to 3 months per AH. The amount of compensation will be calculated based on the data retrieved from official website of the National Statistical Committee of the

Republic of Kyrgyzstan<sup>13</sup>. Calculation of the amount of compensation is based on the Minimum monthly subsistence level for a family in Naryn Region as defined the National Statistical Committee of the Republic of Kyrgyzstan (4 605 KGS X 3 months = 13 815 KGS / AH). Besides, the members of vulnerable families will be given priority in employment in project-related jobs. Besides, the members of vulnerable families will be given priority in employment in project-related jobs.

- (ii) **AHs holders of severely affected land parcels:** AHs experiencing road project severe impact will also be provided additional assistance: one-time rehabilitation allowance for severe impact will be equal to or one-time allowance set to one year payment of the minimum subsistence monthly income level multiplied to 3 months per AH. Calculation of the amount of compensation is based on the Minimum monthly subsistence level for a family in Naryn Region as defined the National Statistical Committee of the Republic of Kyrgyzstan (4 605 KGS X 3 months = 13 815 KGS / AH). Besides, the members of vulnerable families will be given priority in employment in project-related jobs.

### Taxation and Bank Service Fees

90. In no case will the AHs be liable for any taxes and eventual transaction fees; these will be paid by the implementing agency unless waived by the government of RoK. Besides, the amount to cover bank service fees will be added on top of the amount of cash compensation to be received by AHs at the banks.

### Deposit/Escrow Accounts

91. Amount of cash compensation will be deposited to the escrow accounts if during LARP implementation process any AH is missing, absent, or deceased.

### Entitlement Matrix

99. The table below describes the Entitlements and additional allowances to compensate all type of income and assets loss identified in the context of this specific road project.

92. NOTE: The Entitlement Matrix contains Types of Impact and Compensation entitlements that are NOT expected within the framework of this road project. However, in the case that during construction process due to any unexpected reason, any of these types of project impacts are present, the project implementing unit will be authorized to follow the entitlements provided in this matrix and address each specific case accordingly, and in a timely manner.

**Table 8: Entitlement Matrix**

Asset Specification	Specification	Affected People	Compensation Entitlements
Permanent Loss of land (arable, residential, commercial, industrial)	All AHs as owners/legitimate possessors of all project affected land	AHs with registered /recognizable title and not holding captured land	Cash compensation will be calculated at full replacement cost at current market value to be sufficient to purchase land parcel of equal size, location, soil productivity and designation to project

<sup>13</sup> <http://www.stat.kg/en/statistics>

Asset Specification	Specification	Affected People	Compensation Entitlements
	parcels independent from impact severity		affected land parcel; Method for calculation of full replacement cost will include cost of preparation of the land to levels similar to those of the affected land. AHs will be free of taxes, land parcel sub-division and transaction registration costs. The taxes and fee related to processing transaction registration will be covered by the Executing Agency.
Permanent Loss of land (arable, residential, commercial, industrial)	All AHs holding captured land <sup>14</sup>	AHs who use more territory of homestead/arable land then it is registered under their ownership When homestead /arable land parcels owned/possessed by AHs where the actual area of land exceeds the area registered in the ownership certificate (title)	No cash compensation will be paid to AHs who captured Municipality land by purring up the wall and fences towards the edge of the existing road. Land parcel boundaries separating the edge of the project affected land parcel from the road ROW will be identified and if proved that AH has captured road ROW and/or Municipality land no cash compensation will be issued on the captured area as this territory belongs to the Road Right of Way and cannot become the subject of purchase and /or cash compensation to AHs.
Orphan land (of arable, residential, commercial, industrial designation)	Any private land that will lose previous designation and economic viability as a result of project related land acquisition	All AHs with facing the risk of keeping "Orphan land"	Landowner is eligible to claim full cash compensation for the entire area of such land parcel; Cash compensation will be calculated as usual at full replacement cost at current market value as applicable to the cases of permanent loss of land for title holders /legitimate possessors.
Permanent Loss of Leased Land	AHs leasing land from the State/Municipality	Leaseholders: AHs holding a lease agreements/permit to use residential, commercial, industrial land	Compensation will be undertaken in the form of land for land (in-kind compensation) with plots of equal size and designation in vicinity to the previous location to the extent possible. The replacement land will be allocated by the local rural administration free of charge to the AH. The taxes and fees related to allocation of new replacement land and issuance of relevant lease agreement and if required Construction Permit will be covered by the Executing Agency.
	All AHs holding	Leaseholders	Renewal of lease in other plots of equal value/productivity of affected land parcel;

<sup>14</sup> Captured land refers to the cases when local people put stone walls and/or fences outside of the legally designated area and through shifting the boundaries of their homestead and/or arable land parcels towards the ROW of the existing road.

<b>Asset Specification</b>	<b>Specification</b>	<b>Affected People</b>	<b>Compensation Entitlements</b>
	lease of agricultural land		or Cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a minimum of 3 years)
	Agricultural workers	APs holding a valid contract Agricultural workers	Cash indemnity corresponding to their salary for the remaining part of the agricultural year.
	Agricultural Sharecroppers	Agricultural Sharecroppers/APs without valid contract	Agricultural sharecroppers will receive their share of harvest at market rates (if impact is temporary) plus one additional crop compensation (if impact is permanent).
	All non-titled land users and agricultural squatters	agricultural squatters	One-time rehabilitation allowance equal to market value of 1 year gross harvest in addition to crop compensation from the project affected. Besides, agricultural squatters will be assisted by local government authorities to enter long-term lease agreement on State land and continue gaining income from officially leased State land of agricultural designation of similar productivity level.
	All non-titled land users and agricultural squatters	Residential squatters	One-time rehabilitation allowance equal to market value of 1 year gross harvest (in addition to crop compensation) for land use loss. However, if proven that AHs are losing the land parcels which are the only source of income additional rehabilitation measures will be exercised in agreement with AH. Options are: a. local rural administration will free of charge allocate alternative land parcel with equal productivity and designation; preferable location and existence of utilities will be considered and if not available provided before relocation; or b. if free allocation of alternative land is not possible, the LARP budget will include the costs sufficient to purchase land directly from the state and transfer to such AHs free of charge.
All Tenants	Residential land/house Tenant	All AHs	AHs who have leased land and/or a house for residential purposes will be provided with a cash grant of three (3) months' rent at the prevailing market rate in the area and will be assisted in identifying alternative accommodation.



<b>Asset Specification</b>	<b>Specification</b>	<b>Affected People</b>	<b>Compensation Entitlements</b>
Severe Impact	Additional provisions for severe impacts (loss of more than 10% of income generating land /assets)	AHs (titleholders and/or without title but eligible to claim title registration, Leaseholder, Squatters	One-time rehabilitation allowance for severe impact equal to market value of annual gross harvest of the affected land in addition to standard crop compensation.
Loss of Commercial Land	Land loss	Titleholder	Land for land compensation through provision of a plot comparable in value/location to plot lost free of taxes, Registration fees and land use right transfer costs.
		Renter/Leaseholder	One-time allowance equal to monthly rental fee (specified in the lease agreement) multiplied to 3; if Lease agreement is not available, minimum monthly salary multiplied by 3.
		Squatters	Accommodation in a government resettlement area or a self-relocation allowance.
Houses and Structures	Residential and supplementary structures, walls and fences subject to demolition for road project purposes	All relevant AHs (including squatters)	Cash compensation at replacement rates for affected structure and other fixed assets free of salvageable materials, depreciation, and transaction costs. In case of partial impacts full cash assistance to restore remaining structure.
Crops	Crops affected	All AHs (including squatters)	Crop compensation in cash at full market rate for annual harvest to be paid to land-user or tenant will be determined based on specific sharecropping agreements made between these parties.
Trees	Trees affected:  Fruit bearing perennials	All AHs (including squatters)	Cash compensation at market value on the basis of type, age, and productive value of fruit tree; Each fruit bearing tree in addition shall be compensated for purchase of saplings. AHs will be eligible to dispose logged trees themselves. Construction company ensures free delivery of timber to the residence of AHs.
	Trees affected:  Non-fruit bearing perennials		No cash compensation will be issued for perennials not bearing fruits. PAHs will be eligible to dispose logged trees themselves. Construction company ensures free delivery of timber to the residence of PAHs. In addition, each decorative tree in addition

Asset Specification	Specification	Affected People	Compensation Entitlements
			shall be compensated for purchase of sapling.
Business Employment	Temporary or permanent loss of business or employment	All AHs (including squatters)	Business owner: (i) Cash compensation equal to one year income, if loss is permanent; (ii) cash compensation for the period of business interruption, if loss is temporary. Worker/employees: Indemnity for lost wages for the period of business interruption up to a maximum of 3 months.
Relocation	Transport and transitional livelihood allowances	All AHs affected by relocation	Provision of sufficient allowance to cover transport expenses and livelihood expenses for one month.
Community Resources			Access shall be maintained or reinstated; Rehabilitation/substitution of the affected structures/utilities (i.e. bridges, roads, schools, health-centers, water pipes, irrigation channels, etc.).
Vulnerable AHs		AHs below poverty line; disabled people; pensioners; widows; female headed households; impoverished	In addition to the compensation of lost land and assets, vulnerable AHs will be provided with additional rehabilitation measures; in particular, one-time allowance set to cash compensation calculated based on the minimum subsistence monthly income level multiplied to 3 months per AH. Calculation of the amount of compensation is based on the Minimum monthly subsistence level for a family in Naryn Region as defined the National Statistical Committee of the Republic of Kyrgyzstan (4 605 KGS X 3 months = 13 815 KGS / AH). Besides, the members of vulnerable AHs will be given priority in employment in project-related jobs.

<b>Asset Specification</b>	<b>Specification</b>	<b>Affected People</b>	<b>Compensation Entitlements</b>
Severe Impact	Additional provisions for severe impacts (loss of more than 10% of income generating land /assets)	AHs (titleholders and/or without title but eligible to claim title registration, Leaseholder, Squatters	AHs experiencing road project severe impact will be provided additional one-time allowance. The amount of one time allowance set to the cash compensation. Calculation of one time allowance is based on the Minimum monthly subsistence level for a family in Naryn Region as defined the National Statistical Committee of the Republic of Kyrgyzstan (4 605 KGS X 3 months = 13 815 KGS / AH). Besides, the members of vulnerable families will be given priority in employment in project-related jobs
Temporary impact	Loss of access to land parcel	Owners/Users	Temporary access will be set up by Construction Company.
	Income loss due to lack of temporary access road to the business activity	Business units	Temporary access will be set up by Construction Company.
	Temporary loss of income caused by occupying land parcels for the camps and quarries	Owners/users	During camps' site selection process, Construction Company should coordinate with relevant state agencies and give priority to vacant lands not used for agricultural /residential purposes. But in case the land parcels selected for camps and quarries will have private land-users, all losses, and amount of due compensation shall be determined according to the principles of compensation entitlements provided under this RPF and relevant LARP.
Any other unforeseen Impacts	As required	Any	As required, in the spirit of this LARP.

## **Chapter 4: Legal-Regulatory Framework**

93. The project will be implemented in accordance with the laws of the Republic of Kyrgyzstan and ADB SPS 2009.

### **Country Legislation**

94. The following laws and Normative Acts regulate land/real property ownership rights and rules and procedures for obtaining State ownership right to privately owned land parcels based on the necessary public needs caused due to constructions activities:

- (i) The Constitution of the Republic of Kyrgyzstan (June 27, 2010)
- (ii) Civil Code (May 8, 1996, # 16; last amended on July 30, 2015 )
- (iii) Land Code (2 June 1999, # 45; last amended on July 28, 2015 N 198)
- (iv) The Law "On the roads» (№72 dated June 2, 1998, as amended on August 3, 2015 N 211)
- (v) The Law of State Registration of Rights to Immovable Property and Related Transactions (December 22, 1988 N 153, last amended on July 9, 2013 N 124)
- (vi) Valuation standards for the valuers (Government Resolution, 03 April 2006, # 217)
- (vii) The Order # 361-b of the GoK dated December 15, 2015 on formation of the LAR Commission
- (viii) The Order # 183-p of the GoK dated May 26, 2014 on suspension of any land alienation along the road.

### **The Constitution of the Republic of Kyrgyzstan; Article 12**

95. Under the Constitution of the RoK, the diversity of forms of property rights shall be recognized and equal protection afforded to private, state, municipal, and other forms of property, shall be guaranteed.

100. Kyrgyz Republic recognizes diversity of ownership forms, and guarantees the equal legal protection to private, state, municipal, and other types of land ownership. Land can be in private, municipal, and other types of ownership, however, pasturelands cannot be held in private ownership.

96. Ownership is inviolable and no one can arbitrarily be dispossessed of their property. Property can be acquired by the state against the person's (party's) will only be based on a court decision.

97. Acquisition of property for public purposes, as defined in the national laws, can be carried out only through the court's ruling and with fair and prior payment of the compensation for the affected property as well as other costs (article 12, clause 2).

- (i) The Kyrgyz Republic recognizes diversity of ownership and guarantees equal legal protection of private, state, municipal, and other forms of ownership.
- (ii) Property is inviolable. No person can be deprived of his/her property arbitrarily.
- (iii) Confiscation against the will of the owner is allowed only by decision of a court.
- (iv) Private property can be involuntarily acquired only under the Court decision.

- (v) Involuntary acquisition of private property without Court decision is allowed only in the cases stipulated by law on protect national security, public order, protection of health or morality of population and protection of the rights and freedoms of other persons. The legality of such withdrawal is subject to mandatory review by the court.
- (vi) Expropriation of property for public needs, defined under the law may only be undertaken under the court decision and in lieu of prior reimbursement cost of the given property and other losses incurred as a result of property alienation.
- (vii) Transfer of private property owned by citizens and legal entities (nationalization) into the State ownership is undertaken in accordance to the law with the condition of cost reimbursement of given property and other losses.
- (viii) The Kyrgyz Republic protects ownership of its citizens and legal entities, as well as its property, located on the territory of other states.
- (ix) The land, its mineral resources, airspace, waters, and forests are the exclusive property of the Kyrgyz Republic, are used in order to maintain a unified ecological system as the basis of livelihood and activity of the people of Kyrgyzstan, and are under special state protection.
- (x) Land may also be in private, municipal, and other forms of property, except pasture, which cannot be privately owned.
- (xi) The Law protects private ownership rights and also determines the rules and limitations for exercising the rights of private owners.

#### **Civil Code (8 May 1996, # 16; last amendment N 206 as of July 30, 2015)**

98. The Civil code provides that: a party whose rights are violated can claim full loss reimbursement (full compensation for losses incurred), unless the national legislation or the agreements (contracts) prepared in line with the national legislation indicate the contrary.

#### **Civil Code, Article 14. Loss Reimbursement**

99. Clause 1. The Civil Code identifies the losses that subject to reimbursement (compensation):

- (i) A person, whose right is violated, may claim full indemnification for losses incurred, unless the law and/or terms and conditions of agreement entered by the parties in compliance with the law provides otherwise.
- (ii) The losses are defined as follows:
  - a. A person, whose right was violated and who incurred or will have to incur costs to restore violated rights, losses or damage to his property (**Actual Loss**), and also
  - b. Unreceived income, which a person would have received under normal conditions of civil turnover, if his right had not been violated (**Lost Profit Damages**).
  - c. If a person earned income through violating a law, a person whose rights were thus violated can claim loss reimbursement along with other costs, actual loss in the amount no less than income earned by a violator.

## **Article 15. Indemnification for Losses Caused By the State Agencies and Local self-government**

100. Losses incurred by a citizen or legal entity as a consequence of illegal actions (or inactivity) of state agencies, bodies of local self-government or officials of these bodies, including issuance by a state body of an act that does not comply with legislation, are subject to indemnification by the state, as well as local self-government authorities in the cases foreseen under the law.

### **Land Code (June 2, 1999 N 45, as amended on July 28, 2015 N 198.)**

101. The Land Code of the Kyrgyz Republic defines:

## **Article 68. Withdrawal (Redemption) of the Land Plot for State and Public Needs**

102. Paragraph 1. Acquisition (purchase) of a land plot for state and public needs may be exercised on the grounds of an agreement between the authorized agency and landowner or land-user. If no agreement is achieved with the landowner/land-user of acquisition (purchase) of a land plot or offered conditions, the authorized agency has the right to apply to the court. within two months period from the date of official denial of landowner/land-user. The authorized agency has the right to claim for compensable acquisition of the given land parcel.

103. Paragraph 3. During price calculation, the purchase (redemption) price of a given land plot, shall include market value of ownership right land and buildings and structures attached to the given land plot, as well as losses incurred by landowner/land-user as a result of termination of rights to a land plot, including the damages /losses related to the earlier termination of liabilities with third parties.

104. Paragraph 4. In the event of withdrawal of the land plot for the state or public needs another land plot may be allocated to a land owner/user, subject to his consent and the value of the right to it shall be credited to the redemption price.

105. The land code also defines exceptional cases of withdrawal of the land plot when the rights for the land plot and auxiliary constructions can be withdrawn, including the following grounds:

## **Article 66. Grounds for Withdrawal of the Land Plot**

106. Withdrawal of the land plot shall be allowed in the event of:

- (i) utilization of a land plot in violation of its targeted use;
- (ii) withdrawal (redemption) of the land plot for state and public needs in accordance with provisions of this Chapter;
- (iii) failure to use a land plot or part of the land plot allocated for agricultural production within three years;
- (iv) failure to use a land plot allocated for non-agricultural production in accordance with the legislation;
- (v) failure to pay land tax within the period established by tax legislation;

- (vi) failure to pay insurance fees within the period established by the Law of the Kyrgyz Republic "On Tariffs of Insurance Fees for State Social Insurance".
- (vii) termination (cancellation) of the right to use resources by the state body on resource use in cases indicated in the Law of the Kyrgyz Republic "On Resources".
- (viii) withdrawal of the land plot in cases provided in subparagraphs 1, 3, 4 of paragraph 1 of this Article shall be produced with payment of the value of the right to land plot to the owner or user of the land plot less expenses connected with withdrawal of the land plot and arrangement of sale.
- (ix) land plots withdrawn on the grounds provided by subparagraphs 1, 3, 4, 5, 6 of paragraph 1 of this Article may be traded at sale.
- (x) in case if sale of the right to the land plot is acknowledged unaffected, the right to land plot shall be transferred to the authorized body with payment of appraisal value (normative price) of the land at the moment of sale to the owner or user of the land plot.
- (xi) the land plot may be withdrawn for satisfaction of state and/or public needs subject to payment of the value of the right to land plot and indemnification of losses.
- (xii) withdrawal of the land plot in case of failure to pay land tax within the established period shall be produced in the procedure established by the Tax Code of the Kyrgyz Republic.
- (xiii) withdrawal of the land plot in case of failure to pay insurance fees within the established period shall be produced in the procedure established by the Law of the Kyrgyz Republic "On Tariffs of Insurance Fees for State Social Insurance".

(As amended by the Law of the Kyrgyz Republic on February 17, 2003 N 36 February 26, 2007 N 22, May 7, 2012 N 46, July 20th, 2015 N 181, July 28, 2015 N 198)

#### **Article 67. Withdrawal of the Land Plot in the Event of Utilization thereof in Violation of Targeted Use**

##### **107. Withdrawal of the Land Plot:**

- (i) The land plot may be withdrawn in the event of utilization of a land plot in violation of targeted use only on the basis of a court decision.
- (ii) The authorized agency may file a claim to the court on withdrawal of the land plot after administrative penalties are applied and written notice is delivered to the land plot owner or user on elimination of violation within the period not less than three months.

108. According to paragraph 1 of Article 49 («Rights of Land Plot Owner/user») of Land Code, A land plot owner/user, unless otherwise established by law, the documents certifying the rights to land, or by an agreement, shall have the right to:

- (i) carry on independent management on the land using it in accordance with the targeted purpose (paragraph 1.1 of article 49,);

- (ii) erect, in compliance with the established procedure, buildings and structures consistent with the targeted use of the land subject to architectural planning, construction, ecological, health and hygiene, antifire, and other special requirements (norms, rules, standards), (para 1.6 of article 49);
- (iii) receive full compensation of losses in cases set forth in legislation of the Kyrgyz Republic; (para 1.5 of article 49);
- (iv) perform civil law transactions with the right to land subject to limitations established by this Code and Law of the Kyrgyz Republic "About management of the land designated for agricultural needs" (article 49, para 8).

109. In the Land Code (article 78 "Land in common Use of Settlements") the procedure for the use of the lands of public use is also defined. In particular, it is determined that:

- (i) Paragraph 1. Land in common use of settlements shall consist of land used as communication lines, or for satisfaction of cultural and household needs of the population (roads streets, squares, sidewalks, passages, parks, avenues, public gardens, water reservoirs and etc.).
- (ii) Paragraph 2. Land in common use of settlements shall not be allocated into ownership. In exceptional cases, they may be allocated by the authorized body for fixed term (temporary) use to natural and legal persons for lease for the period of up to five years, except for the cases, provided by paragraph 4 of this article.
- (iii) Paragraph 3. Construction of buildings and construction of lightened type on the land in common use allocated for fixed-term (temporary) use by the authorized body may be allowed, except for the cases, provided by paragraph 4 of this article.
- (iv) Paragraph 4. In order to ensure and meet cultural and social needs of the population in the lands of public allowed the organization, design and construction of underground capital facilities (parking lots, parking of motor transport, tunnels, passages) with social and public services, as well as the elevated pedestrian crossings, sports, concert and children's playgrounds. Limits reducing space parks, boulevards, and squares permitted in the construction of the above-mentioned objects are established by decisions of local councils. (Law of the Kyrgyz Republic on February 7, 2005 N 15, July 20, 2015 N 181)

**The Law "On the roads» (№72 dated June 2, 1998, as amended on August 3, 2015 N 211)**

110. According to the Law "On Roads" (Article 4 "Public highways"), public roads owned by the state, not to be sold, cannot be transferred to private ownership. This law (article 27, "Prohibitions on the Use of Roads") also stipulates that without the consent of the authorized state body in the field of road safety and the permission of the authorized state body in the field of Transport and Communications, or its authorized agencies on the use of public roads and right-of-ways, the following activities, among others, are prohibited:

- (i) roadside trading;



- (ii) placement of kiosks, pavilions, and similar structures.

111. Unauthorized use of roadway lands will be terminated without compensation for production costs incurred during the illegal use of the land (Article 23). (As amended by the Law of August 3, 2012 N 146).

### **The Law On state registration of rights to immovable property and related transactions**

112. The state registration of rights to immovable property and transactions with it (hereinafter - state registration of rights) is a legal act of recognition and confirmation of rights to immovable property and their encumbrances (restrictions), as well as real estate transactions, providing protection for the rights and encumbrances (restrictions), except as provided in this Law (Article 1, paragraph 1).

113. Any other document or entitlement rights and their limitations, are subject to mandatory registration in accordance with Article 4 of this Law, submitted to the registration authority not later than thirty days from the date of the (drafting) of the above document. (Article 7, paragraph 1).

114. In accordance with Article 4, the following rights and restrictions are subject to registration:

- (i) the right of ownership;
- (ii) the right of economic management;
- (iii) the right of operational management;
- (iv) (repealed in accordance with the Law of the Kyrgyz Republic dated December 19, 2003 N 237)
- (v) the right of perpetual (no fixed term) use of land;
- (vi) the rights arising out of mortgage, including a mortgage by operation of law, or collateral;
- (vii) the right to temporary use, lease or sublease for a period of three years or more;
- (viii) easements (other than those specified in Article 6 of this Act);
- (ix) restriction of the rights for the design, construction and use of a single unit of real estate, except for restrictions that apply to the real estate in accordance with the laws and other normative acts of the Kyrgyz Republic;
- (x) the rights arising from the court;
- (xi) the rights of nature, the list of which is established by legislation of the Kyrgyz Republic;
- (xii) other rights subject to registration now or in the future in accordance with the Civil Code and other legal acts of the Kyrgyz Republic;
- (xiii) the rights arising from the legalization of property.

(Law of the Kyrgyz Republic dated December 19, 2003 N 237, August 9, 2007 N 141, March 30, 2009 N 98, December 8, 2011 N 230)

115. The following rights and restrictions shall be valid regardless of whether they are registered or not, but state protection provided by this Law (Article 6) is not ensured:

- (i) the right of access to power lines, telephone and telegraph lines and poles, pipelines, and geodetic points existing at the time of opening of the registration authority, and other rights arising from social needs;
- (ii) the rights of spouses, children and other dependents, established by the legislation of the Kyrgyz Republic, even if those rights were not registered on their own;
- (iii) the right to temporary use, lease or sublease for less than specified in paragraph 7 of Article 4 of this Law;
- (iv) the right of the actual users in the pre-emptive use of real estate, established by Article 265 of the Civil Code of the Kyrgyz Republic;
- (v) the rights of the tax authorities established by the legislation of the Kyrgyz Republic;
- (vi) restrictions, acting as general rules and prohibitions (on health care, public safety, environmental protection and others.), defined by the legislation of the Kyrgyz Republic.

### **Provision on Asset Valuation**

116. The valuation of assets is based on the Interim Rules of activities of appraisers and appraisal organizations in the Kyrgyz Republic (Government Resolution №537 of August 21, 2003, as amended on December 3, 2012 N 807) as well as property valuation standards, mandatory for all the subjects of valuation activity in the Kyrgyz Republic (Government Resolution № 217 of 03 April 2006, as amended on 28 October 2014 № 619) and other provisions of national legislation.

### **The Order # 361-b of the GoK dated December 15, 2015 on formation of the LAR Commission**

117. Pursuant to the Order # 361-b of the GoK the LAR Commission has been established to actively participate in LARP preparation and Implementation activities along the proposed road section.

### **The Order # 183-p of the GoK dated May 26, 2014 on suspension of any land alienation along the road.**

118. The Order # 183-p of the GoK considers suspension of all land related activities such as alienation of land parcels within 32 meters from the central line on both sides of the existing road. The objective of the Order is to efficiently procure the funds allocated for construction of North-South Road project and considers specific limitation on allocation of land parcels and issuance on construction permits, including light construction and banners for advertisements. The limitation applies to both sides of the road and includes the territory within 32 meters from the central line of the new road design being under processing (designing). The document puts the MOTR is charge to monitor the enactment of this Order.

## ADB Safeguard Policy Statement

119. The Safeguard Policy Statement on Involuntary Resettlement describes common objectives of ADB's safeguards, lays out policy principles, and outlines the delivery process for ADB's safeguard policy.

120. The objectives of the IR policy are as follows:

- (i) To avoid involuntary resettlement, wherever possible;
- (ii) To minimize involuntary resettlement by exploring Sub-Project and design alternatives;
- (iii) To enhance, or at least restore, the livelihoods of all displaced persons in real terms, relative to pre-Sub-Project levels; and
- (iv) To improve the standards of living of the displaced poor and other vulnerable groups.

121. **Objectives:** To avoid involuntary resettlement wherever possible; to minimize involuntary resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups.

122. **Scope and Triggers:** The involuntary resettlement safeguards covers physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas. It covers them whether such losses and involuntary restrictions are full or partial, permanent or temporary.

123. Policy Principles:

- (i) Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.
- (ii) Carry out meaningful consultations with affected persons, host communities, and concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.
- (iii) Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the

loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.

- (iv) Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.
- (v) Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.
- (vi) Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.
- (vii) Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
- (viii) Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- (ix) Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.
- (x) Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.
- (xi) Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
- (xii) Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

## **LARP Principles Adopted For The Project**

124. The MOTR has prepared draft LARP in compliance with the laws and regulations of the RoK and ADB SPS to serve as the tool to ensure that project implementation process meets the core principles of involuntary resettlement as listed below:

- (i) Land acquisition, and other involuntary resettlement impacts will be avoided or minimized exploring all viable alternative project designs;
- (ii) Where unavoidable, a time-bound RP will be prepared and AHs will be assisted in improving or at least regaining their pre-project standard of living;
- (iii) Meaningful Consultation with AHs on compensation, disclosure of resettlement information to AHs, and participation of AHs in planning and implementing sub-projects will be ensured;
- (iv) Vulnerable and severely affected AHs will be provided special assistance;
- (v) Non-titled AHs (informal dwellers or squatters) will receive a livelihood allowance in lieu of land compensation and will be fully compensated for losses other than land;
- (vi) Legalizable AHs will be legalized and fully compensated for land losses;
- (vii) Provision of income restoration and rehabilitation to all AHs;
- (viii) The RP will be disclosed to the AHs in the local language;
- (ix) Payment of compensation, and rehabilitation measures will be completed prior to the contractor taking physical acquisition of the land and prior to the commencement of any construction activities on a particular package; and
- (x) Establishment of appropriate grievance redress mechanism to solve AHs grievance if it occurs.
- (xi) Internal monitoring and disclosure of reports.<sup>15</sup>

125. Notice to contractors cannot be given until the MOTR officially has confirmed in writing, stating that:

- (i) Payment has been fully disbursed to the displaced persons and rehabilitation measures are in place;
- (ii) Already-compensated/assisted displaced persons have cleared the area in a timely manner; and
- (iii) The area is free from any encumbrances.

126. Cut-off date is the date of completing DMS for which land and/or assets affected by the Project are inventoried following Detailed Design.

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<sup>15</sup> Please see for details the Chapter: Monitoring and Reporting Requirements.

## **Chapter 5: Institutional Arrangements**

127. The Chapter describes the role, authority, and responsibility of state agencies involved in the process of LARP preparation and implementation. These agencies are: MOTR/IPIG, LAR Commission, State Register, Ministry of Finance, ADB, NGOs, and consultants.

128. Several agencies and parties have been involved in the LARP preparation process. The IPIG of MOTR initiated official procedures required for LAR Commission establishment. On December 15, the LAR Commission of Naryn oblast was officially formed in accordance to the Order No 62-b dated March 15, 2016 of the Acting Representative of the Government of the Republic of Kyrgyzstan in Naryn Oblast.

The LAR Commission was composed of these seven members listed below:

- (i) Chairman: Leading Specialist of Regional Development Department of legitimate representative of the Government of Kyrgyz Republic in Naryn Oblast
- (ii) Secretary of the LAR Commission: First Deputy Head of Kochkor Regional Administration
- (iii) Members of the LAR Commission:
- (iv) Regional Coordinator of the group for implementing investment projects at the MOTR
- (v) Specialist of land arrangement and architecture of group for implementing investment projects at the MOTR
- (vi) Sociologist of the group for implementing investment projects at the MOTR
- (vii) Head of the Road Management Service Office # 955 for Bishkek-Naryn-Torugart Automobile Road.
- (viii) Head of Kochkor Department for Architecture and Urban Planning.

129. Besides, IPIG assigned Focal Person with past experience in similar projects planning and implementation to be act as the FR for the entire project to deal with any questions, claims, and /or complaints prior to official formation of GRC.

130. Resettlement team of the Consultant (Kocks Consulting) composed by International and National Resettlement Consultants together with LAR Commission are involved in preliminary LARP preparation.

131. EA at the MOTR carries overall responsibility for the preparation and implementation of the LARP. IPIG is in charge to manage and monitor LARP preparation, implementation, and monitoring.

132. The Independent Valuator was hired by the Consultant survey and hiring of the independent valuator was done by Consultant. The valuator assessed lost income, loss or stoppage of business, loss of employment, shift/removal of fences and trees (wood and productive) to be felled. The estimated LARP budget prepared by the Valuator per each AH is enclosed in the Appendixes.

133. Department of State Expertise of the State Agency for Construction and Regional Development of the Government of the Kyrgyz Republic is in charge to undertake legal expertise of the report prepared by the valuator and issue legal expertise conclusion to be attached to the final LARP.

134. The EA is responsible to ensure the LARP implementation completion including issuance of cash compensations, any physical relocation, and/or removal of structures to clear the ROW for civil works commencement.

135. After the official approval of the LARP and compensation package the Ministry of Finance will allocate the LARP implementation budget based on the estimates included in the Final LARP.

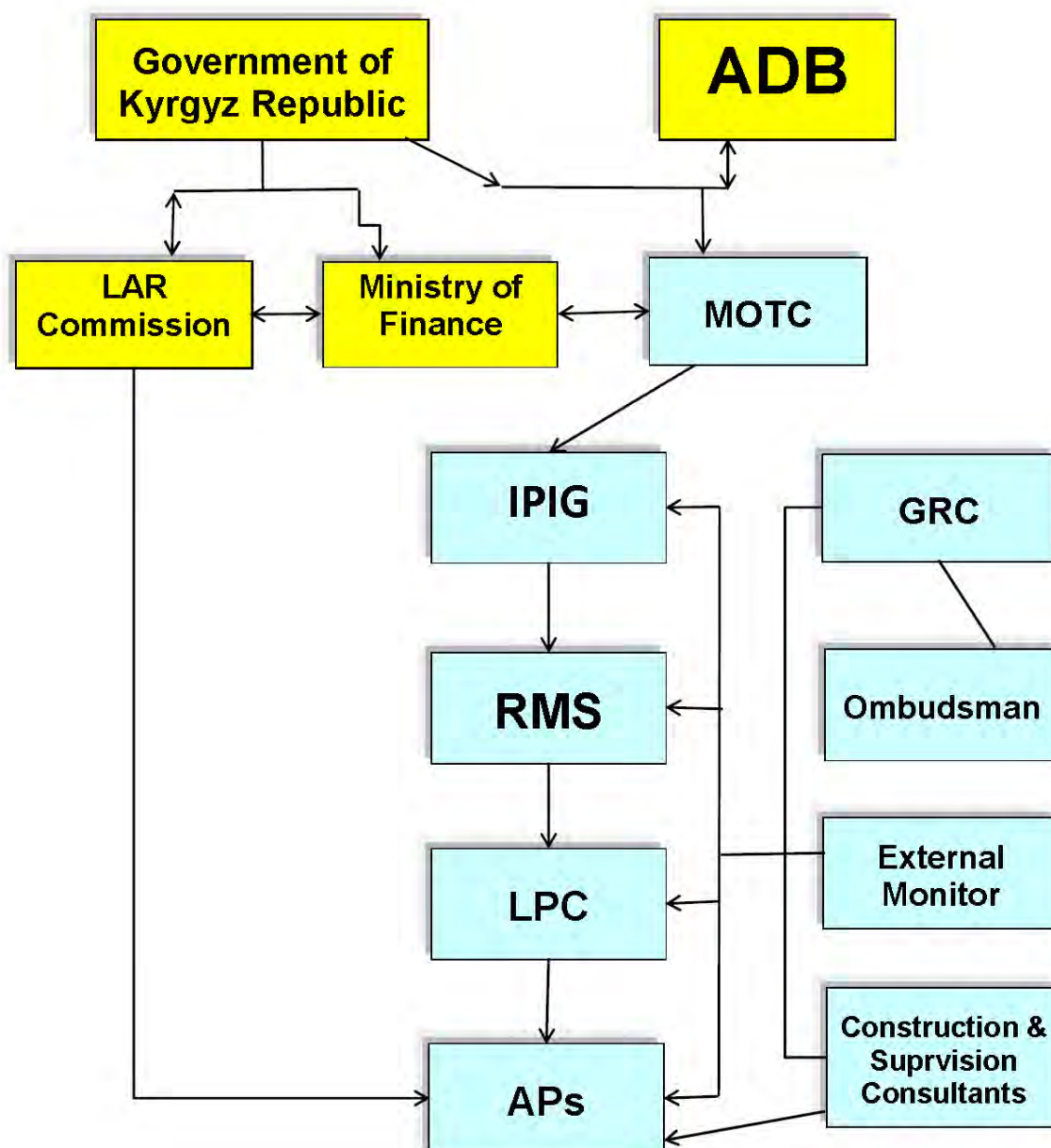
136. Following LARP approval by ADB, IPIG will start the process of implementation including drafting the Governmental Decree endorsing the LARP and the compensation disbursement and implementing it.

137. The EA will be responsible for close monitoring of physical relocation/dismantling of impacted facilities. The EA will supervise the relocation and reinstallation with support from the supervision consultant. The EA warrants that before the construction works commencement the road will be clean of any facilities subject to removal or relocation and the Contractor will not have any obstacles to his activities.

138. In the meantime, as of (fixed date to be specified as soon as known) the GRG will function and any claims, requests, or recommendations during LARP implementation and construction period will be registered and addressed by the GRC members.

139. The entire institutional arrangement for the Project implementation is presented in the following figure.

## ORGANIZATIONAL FRAMEWORK





## Chapter 6: Public Consultations and LARP Disclosure

### Public Consultation Meetings

140. The public consultation meetings have been conducted at the earlier phase of Social Impact Assessment. The public meetings were open to any interested persons including population from project affected villages and residents of villages located further from the ROW, representatives of local government, NGOs and CBOs were invited to attend the meetings too.

141. All participants were provided with information<sup>16</sup> on pending project and introduced to the safeguards principles of ADB SPS 2009.

### Public Disclosure

142. The final version of the LARP in English will be uploaded on ADB website. The Kyrgyz and Russian versions will be available on MOTR /IPIG web-site and disclosed to the public in hard copy at the offices of relevant rural administrations.

143. The Notification on the location, time and dates of Public Disclosure will be announced through the National and local media sources early enough to widely inform the public and enhance attendance of any interested person, AHs, CBOs and NGOs.

144. An information pamphlet in Kyrgyz summarizing essence of cut-off date, compensation eligibility criteria, valuation methodology and compensation entitlements, project schedules and implementation features will be prepared prior to the Final LARP approval and included as Annex to the LARP.

145. The Information Pamphlets in Kyrgyz language will be distributed to all AHs.

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<sup>16</sup> The Details of Public Consultation Meetings including the location, dates and number of participants is provided in Annex 1 and Annex 1.1 attached in the Appendixes.

## Chapter 7: Grievance Redress Mechanism

### Objectives

146. The Grievance Redress Mechanism (GRM) is a process through which the affected people need a trusted way to voice and resolve concerns about the project and the project also finds an effective way to address affected people's concerns. In this project, the grievance mechanism will be in place by which the affected people will be fully informed of their rights and procedures for addressing complaints whether verbally or in writing during consultation, DMS, and at the time of receiving compensation and resettlement assistance.

147. The MOTR will support the process of official formation of GRM to ensure that the system is in place by the approval of the final LARP<sup>17</sup>. Notable that the Consultant has already provided some introduction of GRM to local population during public consultations<sup>18</sup> held at the PPTA stage while working on Social, Poverty and Gender Analyses. Besides, IPIG has already assigned the Focal Person with past experience in similar projects planning and implementation to act as the FR for the entire project to deal with any questions, claims, and /or complaints prior to official formation of GRC. This FP is based in Bishkek most likely will be involved in GRC activities mainly when the claim reaches the Stage 2, Central level. The IPIG will suggest LAR Commission to assign Local Focal Point (LFP) permanently based in project area. According to proven practice, LCPs are locally hired people selected based on their professional back ground or similar past experience if available in the region. However, each LCP will need to be provided training and have full access to FP based in Bishkek to reach out for guidance, advice or any technical assistance that may be required at least during first couple of months being at this job.

148. During PPTA, EA and IPIG, with the assistance of the consultant (if required) and presence of the FP will ensure conduct at least one meaningful consultation with the affected communities, to inform them that GRM will be established and to provide contact details of FP's to the communities. The IPIG will ensure that the FPs are provided with mobile phone and dedicated phone number for receiving only the phone calls of the affected communities. The daily hours for receiving the phone calls will be published in the project information pamphlets, and will be displayed on Public Information Boards available in the offices of rural administration.

149. Besides, IPIG will provide the special "Question & Feedback Boxes" to be visibly placed in the entrance next to the Public Information Boards. This practice is not new of in the region and local people will easily take advantage to channel their questions, requests, claims, complaints or suggestions and recommendations to the Project Management through local FPs who will collect intake of the boxes every Monday, sort out, organize for further processing.

150. **Grievance Redress Group (GRG)** will be established and provided with required administrative support by MOTR the latest by this **final LARP Public Disclosure Date**.

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<sup>17</sup> The LARP prepared based on the detailed design to be prepared by the Detailed Design Consultant (JOC for the given road section).

<sup>18</sup> The Details of Public Consultation Meetings including the location, dates and number of participants is provided in Annex 1 and Annex 1.1 attached in the Appendixes.

151. The role and responsibility of the GRG is accept claim and complaints, assess its validity, determine the scope of eventual impacts, and timely resolve the issue, including the claims regarding the compensation and maintain grievance redress mechanism as flexible and efficient mechanism to address and resolve the claims as raised during project planning and implementation period.

### **Functioning of the GRG within the Grievance Redress Mechanism**

152. The grievance redress mechanism (GRM) involves the following two (2) stages of appeals:

- (i) **Stage 1, Local (Village) Level** The grievances will first be lodged at the level of the complainant's village community. The complainant will report his case to the Local Point of Contact (LFP) The LFP will trigger the action of the Grievance Redress Group (GRG) which will assess the situation and seek a solution through consultation with complainants, local Roads Maintenance Unit (RMU) the oblast Ombudsman, and the selected AH representative.
- (ii) **Stage 2, Central Level** In case within additional 15 days the grievance is still not resolved at local level the complainant will further raise the issue to MOTR's headquarters in Bishkek again with the support of the LFP, AH representatives, and the oblast Ombudsman. The GRG will decide on the eligibility and on the complaint case and prepare the resolution, subject to IPIG/MOTR consent.

153. GRM proceedings will entail one or more meetings for each complain and may require field investigations by specific technical or valuation experts. Grievance cases shared by more than one complainant may be held together as a single case.

154. For deliberations at the local level, the meetings will be held in the village of the complainant. For appeals at central level, the meetings will be carried out at in MOTR office in Bishkek with field trips of GRG members to the village of the complainant.

### **Composition of GRG**

155. GRG will be established by the order of MOTR. The GRG is composed at different levels of appeal by the following individuals/officers.

#### **Local Level GRG**

156. Local level GRG will be established at each Ayil-Okmotu along the project roads with the provision of members of following composition.

<b>GRG Member</b>	<b>Position held</b>
Head of Ayil-Okmotu	Chairman
Representative of RMU	Member
Female and Male AHs	Members (2)
Local Focal Point	Member
Ombudsman of the Oblast	Observer
Consultant	Invited Expert

## Central Level GRG

157. The central level GRG will be represented by 5-7 members of the following composition.

GRG Member	Position held
Head of IPIG of MOTR	Chairman
Project Coordinator at IPIG	Member
IPIG safeguards unit representative	Member
Representative of the RMU	Member
Local Focal Point	Liaison between Local & Central GRG
Ombudsman of the Oblast	Observer
Representatives of AHs (Male & Female)	Additional Observers

158. At each level of appeal, the GRG will be assisted as needed by the professional capacity needed to solve each specific case. This will include among others:

- (i) Representatives of State Rayon Administration
- (ii) Representatives of the Rayon Branch of the State Agency for Architecture and Construction
- (iii) State Registration Services of the Rayon
- (iv) Ministry of Agricultural
- (v) State Agency for Environment and Forestry
- (vi) Ministry of State Property
- (vii) Ministry of Emergency
- (viii) Technical expertise from professional engineers, and Consultants with relevant experience in social safeguards and resettlement.

## Duties of GRG Members

### Local Focal Point

159. Once AP files a complaint, the LFP is to undertake and complete the following tasks:

- (i) screen the complaint for eligibility and, if found eligible register it the Complaints Log;
- (ii) draft a complaint memo to be signed by the complainant, indicating the name of complainant, date and place the case of complaint occurred, apply the date and place of complaint submission, and attach supporting documents, as necessary;
- (iii) send the complaint memo to all members of GRG , agree the date of GRG meeting;
- (iv) request the rural administration authorities to organize the meeting;
- (v) facilitate the GRG meeting by providing a storyline for the complaint and provide factual details and relevant documents obtained;
- (vi) communicate request and queries of the complaints to the members of GRG (on on central level to GRG/IPIG/ADB);
- (vii) maintain the records of the meetings and communications between GRG and complainants
- (viii) ensure administrative and organizational support to GRG members;

- (ix) raise awareness of project stakeholders, including CBOs, NGOs AHs and local authorities on the GRM, its functions and objectives.
- (x) Liaise between local and central GRGs to convey the information of the case of complaint that was not resolved on local level and became the case to be reviewed on a Central Level.

#### **Chairman of GRG / Head of Ayil-Okmotu**

160. Once the GRG Chairman is informed about the meeting date and schedule he/she is responsible to:

- (i) review the complaint(s) and supporting materials if any ahead of the GRG meeting;
- (ii) manage to obtain any additional information prior to GRG meeting date;
- (iii) involve relevant task expert if such need is obvious after review of the complaint(s);
- (iv) ensure members attendance and chair GRG meeting;
- (v) ensure simple complaints (like notification of when construction starts or a copy of the entitlement brochure etc.) are handled /resolved at the local level during the meeting;
- (vi) ensure that records (of each meeting, communication between GRG and complainant(s)) is accurately recorded by assigned member (Meeting Secretary) and saved in the GRG files;
- (vii) convey requests and enquiries of the complainants to GRG members on Central Level if not resolved on Local Level.

#### **RMU Representative**

161. Once notified of a complaint and summoned by the LFP to a grievance meeting the RMU representative will:

- (i) Review all relevant recording of complaints and submitted documents of proof;
- (ii) participate to all grievance meetings, provide opinions and analysis, take minutes of the discussions (Secretary of the Meeting);
- (iii) accompany eventual assessment/valuation specialists in the field;
- (iv) ensure that claims from damages due to construction works are reviewed by the RMU and technical experts and assess the damages /losses incurred;
- (v) based on the position reports of GRG members and on his/her understanding of the case prepare the final grievance report and recommendations to be sent to complainant, other members of the GRG and if needed to IPIG as well. The summary report should determine, whether the case is:
  - (i) solved without further action; or
  - (ii) solvable but requires compensation or other action; or
  - (iii) not resolved and requires pending actions, such as forwarding the complaint for review on the higher-Central Level, to the Court, or to investigation to prosecutor's office.
- (vi) if the complaint is considered valid and the needed compensation/action is to be approved by IPIG the case is forwarded to GRG on Central Level with the request to proceed the review and ensure execution of the redress action; and

- (vii) when the complaint remains unresolved by Local Level GRG, and a complainant offered to lodge claim on the Central Level agree to act so, RMU representative coordinates with LFP and GRG Chairman to assist the complainant in lodging the complaint at a higher appeal level;
- (viii) in parallel inform IPIG/MOTR and proceed with the organization of the central level appeal meeting.

### **Representatives of the AHs**

162. Two representatives of the AHs, male and female persons from the affected community will participate in all GRG meetings to:

- (i) act as the full right member of GRG;
- (ii) provide relevant information related to the submitted complaints; and
- (iii) provide other GRG members as relevant with a position note to be reflected in the final meeting report.

### **Invited Consultant /Field expert**

163. Once notified of Meeting time and location the Consultant will:

- (i) Review all relevant recording of complaints and submitted documents of proof;
- (ii) If feasible visit the place of complaint to visually observe the spot and be fully aware of important details to share with GRG members during the meeting;
- (iii) assist the GRG members to get into the insight of the complaint and assist them in finding feasible, reasonable, mutually agreeable and doable solutions.

### **IPIG Project Coordinator**

164. Once notified that a complainant has lodged an appeal case at the Central level IPIG project coordinator will:

- (i) contact the complainant(s) and draft a note with his/her understanding of the complaint;
- (ii) participate to the appeal meeting, provide opinions and analysis, take minutes of the discussions;
- (iii) if needed summon again assessment/valuation specialists and accompany them in the field;
- (iv) request the chairperson to organize meetings, as necessary;
- (v) maintain communication between GRG and the complainants; and
- (vi) Complaint Register is kept with IPIG and a copy shared with the Consultant.

### **Representatives of IPIG Safeguards Unit**

165. Once notified that a complainant has lodged at central:

- (i) participate to all grievance meetings, provide opinions and analysis;
- (ii) accompany eventual assessment/valuation specialists in the field, and

- (iii) provide other GRG members as relevant with a position note to be reflected in the final meeting report.

### **Ombudsman**

166. Once notified of a complaint and a summoned by the LFP to a grievance meeting is submitted the Ombudsman will:

- (i) monitor complaint handling process and ensure that decisions made by the GRP are equitable and objective;
- (ii) provide independent opinions and recommendations related to the decision made on the case by the GRP team;
- (iii) advise the complainant(s) on their rights and entitlements, as necessary;
- (iv) participate to all GRG meetings and site visits;
- (v) participate in eventual assessment/valuation in the field; and
- (vi) prepare a position memo at the end of the meeting(s) and forward it to LFP/chairperson of the GRG.

### **GRG Chairperson/Head of IPIG of MOTR**

167. Once notified that a complainant has lodged an appeal case at central level, the GRG chairperson will:

- (i) contact the complainant(s) and draft a note with his/her understanding of the complaint;
- (ii) trigger the GRG members through a letter of invitation;
- (iii) chair the GRG meetings and ensure that minutes of the meeting are shared with all relevant parties;
- (iv) review the content of each response prepared after deliberations to ensure accuracy as well as consistency of answers provided to the complainants;
- (v) ensure the administrative and organizational support for GRG members to work; and
- (vi) support the decision made by the GRG and ensure that the follow-up actions are taken.

### **IPIG Project Coordinator**

168. Once notified that a complainant has lodged an appeal case at central level project coordinator will:

- (i) contact the complainant(s) and draft a note with his/her understanding of the complaint;
- (ii) participate to the appeal meeting, provide opinions and analysis, take minutes of the discussions;
- (iii) if needed summon again assessment/valuation specialists and accompany them in the field;
- (iv) request the chairperson to organize meetings, as necessary;
- (v) maintain communication between GRG and the complainants; and

- (vi) Complaint Register is kept with IPIG and a copy shared with the Consultant.

### **Representatives of IPIG Safeguards Unit**

169. Once notified that a complainant has lodged at central level, the representatives of IPIG safeguard and technical unit will:

- (i) prepare the chronology of events to understand sequence of developments prompting the complaint;
- (ii) provide environmental and resettlement opinion on impacts claimed by the claimant;
- (iii) examine large claims over USD\$10,000 with financial expert at Ministry and involve a qualified valuer;
- (iv) request the chairperson to organize meetings, as necessary; and
- (v) maintain communication between GRG and the complainants.

### **Technical Experts**

170. Once summoned to provide expert advice for the assessment or valuation of an impact claimed by a complainant the relevant technical expert will carry out the needed investigations and prepare a report to be handed to the complainant and the other members of the GRG. The tasks will include:

- (i) provision of relevant technical opinion for the case reviewed;
- (ii) carry out the needed investigations relevant to their expertise; and
- (iii) provide recommendation when the legal opinion from the relevant state agencies is necessary.

### **Grievance Resolution Process**

171. The LFP of GRGs will be regularly available and accessible for AHs to address concerns and grievances. He will assist the aggrieved AHs in formally lodging their claims to the GRG. The complaints and grievances from the AHs will be addressed through the process described below.

<b>Steps</b>	<b>Action Level</b>	<b>Process</b>	<b>Timeline</b>
Step 1	Resolution	At initial stage, the LFP will give hearing to the aggrieved person and try to give acceptable solutions. If any aggrieved AH is not satisfied with the solutions, then the aggrieved AH will lodge grievances in written to the concerned local GRG within 3 days.	3 days
Step 2	GRG Resolution	After receiving written complaints of AH, the LFP will review and prepare a Case File for GRG hearing and resolution. A formal hearing will be held with the GRG at a date fixed by the LFP in consultation and the aggrieved AHs. On the date of hearing, the aggrieved AH will appear before the GRG at the office of concerned Ayil-Okmotu and produce proof in support of his/her claim. The LFP will note down the statements of the complainant and document all proof. The decisions from majority of the	14 days



Steps	Action Level	Process	Timeline
		members will be considered final from the GRG and will be issued by the LFP and signed by other members of the GRG. The case record will be updated and the decision will be communicated to the complainant AH by the LFP within 14 days of submission. If any aggrieved AH is not satisfied with the solutions, then the LFP will lodge grievances in written to the central GRG at MOTR with conclusion and supporting documents prepared at local level.	
Step 3	Resolution of GRG Central	After receiving written complaints of AH, the GRG Chairperson of the central GRG will review and prepare a Case File for GRG hearing and resolution. A formal hearing will be held with the GRG at a date fixed by the GRG Chairperson and the aggrieved AHs. GRG members will contact the complainant and visit his village. The IPIG Project Coordinator will note down the statements of the complainant and document all proof. The decisions from majority of the members will be considered final from the GRG and will be issued by the GRG Chairperson and signed by other members of the GRG. The case record will be updated and the decision will be communicated to the complainant AH by the IPIG Project Coordinator within 15 days of submission.	15 days

172. The Court of law will be the last resort before the AP. Project Affected Persons can appeal to court should s/he disagrees with the decision of the Control Authority.

### **Additional Mechanisms available FOR GRIEVANCE Redress**

173. Any physical and legal person, any appellant can communicate his/her concern to the Court at any stage of grievance redress. The GRC will not restrict or influence the AP from applying to court for legal remedies.

174. If the complaint is found invalid, the GRG formulates a response and sends a written letter to the complainant, explaining the reasons of rejection. The complainant can appeal the decision and bring the case to the ADB Accountability Mechanism of the local Court. The project level GRG does not in any way impede APs access to the ADB Accountability Mechanism (AM<sup>19</sup>) or to the judicial or administrative remedies the Republic of Kyrgyzstan.

175. The Information Pamphlet and Grievance Redress Form will carry the contact information for the Office of the Special Office Facilitator to be readily available once any AP may wish to register a complaint with the ADB AM.

<sup>19</sup> Link to access relevant web page: [www.adb.org/site/accountability-mechanism/contacts](http://www.adb.org/site/accountability-mechanism/contacts)

#### **COMPLAINT RECEIVING OFFICER**

Accountability Mechanism

Asian Development Bank

6 ADB Avenue, Mandaluyong City 1550

Metro Manila, Philippines

Tel: +632 632 4444 ext 70309

Fax: +632 636 2086 [Email contact form](#)

## Chapter 8: Monitoring and Reporting Requirements

176. The Project will establish systems for internal and external monitoring and evaluation. The main purpose of the monitoring and evaluation programme is to ensure that resettlement and acquisition of land and properties have been implemented in accordance with the policies and procedures of the RPs. External monitoring and evaluation, in particular, will focus on the social impacts on the AHs, and whether or not the AHs have been restored a standard of living equal to, if not better than, that which they had before the Project.

177. The objectives of the monitoring and evaluation programme are:

- (i) To ensure that the standard of living of AHs is restored or improved;
- (ii) To monitor whether or not the time lines are being met;
- (iii) To assess if compensation, rehabilitation measures and social development support programmes are sufficient;
- (iv) To identify problems or potential problems;
- (v) To identify immediate/rapid response methods mitigate problems or potential problems; and
- (vi) To ensure that the GRM is functioning and grievances, if any, are being addressed timely and effectively.

### Internal Monitoring

178. IPIG will be in charge of internal monitoring. It has to monitor compensation payments, relocation, and the livelihood programme.

179. In the internal monitoring, specific benchmarks will be (i) information campaign and consultation with affected persons; (ii) status of land acquisition and payments of compensation; (iii) compensation for affected structures and other assets; (iv) relocation of affected persons; (v) payments for loss of income; (vi) selection and distribution of replacement land areas to AHs subject to physical resettlement; (vi) payment of resettlement assistance, (vii) close monitoring of complaints and grievance management, through assessment the claimants' satisfaction level on transparency and efficiency of grievance redress procedure; and (viii) income and livelihoods restoration activities. The above information will be collected by IPIG, which is responsible for monitoring the day-to-day resettlement activities under the project through the following instruments: (i) review of census information for affected persons (ii) consultation and informal interviews with affected persons (iii) in-depth case studies (iv) sample survey of affected persons (v) key informant interviews, and (vi) community consultation meetings.

### Reporting Requirements

180. The results will be communicated to the MOTR and ADB through **the quarterly project implementation reports**. Indicators for internal monitoring will be those related to process and immediate outputs and results. This information will be collected directly from the field by the supervision consultant and will be reported on a monthly basis; twice per year, MOTR and ADB will assess the progress and results of implementation of LARP and adjust the work program, if necessary. The monthly reports will be quarterly consolidated by the IPIG and submitted to MOTR and ADB.

## External Monitoring

181. External monitoring is mainly used for Category A projects. However, practical experience showed that if timely deployed the involvement of External Monitor may serve as the handy tool to identify problems at earlier phase to timely suggest reasonable solutions, thus enhancing implementation process and simultaneously support capacity building of implementing agency.

182. An external monitor will be recruited and provide a first monitoring report by end of AH compensation payments and thereafter on a quarterly basis. The specific tasks expected to be undertaken by the External Monitor are:

- (i) Prepare a monitoring plan to assess the level of compliance with LARP in terms of compensation payments and provision of additional allowances and technical assistance as stipulated in this LARP;
- (ii) Review public consultations with AHs;
- (iii) Scrutinize the Complaint Register that will be held with IPIG;
- (iv) Review all (100 % of AHs) compensation payments for acceptance and eligibility;
- (v) Monitor the Income Restoration Strategy including its effectiveness on women, severely affected and vulnerable groups, including those subject to physical resettlement;
- (vi) Examine the capacity of the GRG in resolving complaints at all levels;
- (vii) Assess the LAR Commission's capacity to carry out DMS and updating technical issues of RP; and
- (viii) Prepare monitoring reports in a format agreed to with IPIG and ADB.

## Reporting Requirements

183. The Compliance Report prepared by the EM shall be submitted to ADB within 2 months period after commencement of assignment by the IMA and upon completion of LARP implementation procedures.

184. The outline of compliance report will be prepared during the first mission. The outline should cover: Introduction; Methodology and Approach; Assessment and Analysis of 100 % AHs Compensation Payments (who, when, where); Grievance Reviews and Complaint Registrar; Public Consultations and Focus Group Meetings; Informal Consultations; Changes in Vulnerability of Affected Population; Summary of Grievances at each level; Solutions and Recommendations for Government and for ADB.





### Chapter 10: LARP Estimated Budget

187. Below is given the estimated LARP budget of cash compensation for AHs

**Table 10: Estimated Tentative Budget for Cash Compensation for AHs**

No	Compensation Item	Quantity	Total amount per Item (KGS)
1	Annual Crops (potato)	150 sq.m.	1, 800
2	Light Fences	2, 045 ln.m.	1,860,950
3	Stone walls	42	218, 400
4	Clay brick walls	110 ln.m.	440, 000
5	Shelter-cover replacement cost	185 sq.m.	333,000
6	Single gate shifting cost	2 units	1, 600
7	Double gate shifting cost	3 units	7, 500
8	Replacements cost for supplementary structures of clay brick	61.80 sq.m.	309, 000
9	Replacement cost for clay brick commercial structures (subject to demolition)	100.90 sq.m.	1,210,800
10	Compensation for permanent loss of business	1 unit	200, 988
11	Compensation for temporary business stoppage	5 units	251, 235
12	Relocation allowance for transporting commercial goods and 2 movable shops (metal compartment, i.e. "kiosk")	3 units	38, 000
13	Purchase of saplings to replace affected non-fruit trees	379 non-fruit trees	45, 460
14	Purchase of saplings to replace affected fruit bearing trees	10 fruit trees	3, 500
15	Replacement cost for affected fruit trees	10 fruit trees	36, 900
16	Total replacements cost for cranberry bushes	4 AHs	145, 850
17	Vulnerability	22 AHs	303,930
18	Severe Impact	1 AH	13, 815
19	<b>Sub-total</b>		<b>5, 422, 728</b>
20	Contingency (20%)		1, 084, 546
21	<b>TOTAL SUM (KGS)</b>		<b>6, 507, 274</b>
22	<b>TOTAL SUM (USD)</b> at exchange rate 1 USD -68 KGS		<b>95, 695</b>

## Appendixes

### Annex 1. Public Consultations

1. Below is given the brief overview of Public Consultations conducted by the Consultant at the earlier phase of Social Impact assessment. The Consultant's social development team conducted three stakeholder consultations in the Project Area including participation of local officials, beneficiaries, and other stakeholders in influence area of project road sections.

Date: November 24, 2015

Location: village Kochkor, administrative center of Kochkor rayon

Number of participants: 10 persons

- (i) Kok-Zhar village residents
- (ii) Chekildek village residents
- (iii) Semiz-Bel village residents
- (iv) Kara-Too village residents
- (v) Tuz village residents
- (vi) Cholpon village residents
- (vii) Arsy village residents

Date: November 26, 2015

Location: village Chaek, administrative center of Jumgal rayon

Number of participants: 52 persons

- (i) Chaek village residents
- (ii) Kyzyl-Jyldyz residents
- (iii) Tugyol-Sai residents
- (iv) Jany-Aryk residents
- (v) Bashkugandy residents
- (vi) Kuiruchuk residents

Date: November 30, 2015

Location: village Suusamyr, Suusamyr ayil okmotu of Jayil rayon

Number of participants: 26 persons

- (i) Suusamyr village residents
- (ii) Tunuk village residents
- (iii) Pervoe Maya village residents
- (iv) Kaiser village residents
- (v) Kyzyl-Oi village residents

2. In all the consultations, the participants gave a range of suggestions on the project design - rehabilitation of more inclusive road corridor (sidewalks, bus stops, roadside service areas, livestock underpasses, street-lighting, crossings, etc) beyond just pavements. Design related suggestions were communicated to the technical team in order to address the same appropriately. Chaek and Kyzyl-Jyldyz officials and residents shared their concerns for bypass avoiding village centers, and minimization of resettlement impacts. The basic information delivered during Consultations was on project components, road sections, social safeguards that will be addressed during the project design and also resettlement impacts of the project. Additional key informant interviews, informal roadside consultations with road-users, and visits

to several Project Area enterprises and tourism services operations, including coal mining area, were also carried out.

3. The Project Information Brochure, Road Maps, Presentation on Technical Design (handout) has been distributed to participants of the Consultations.

### **Annex 1.1 Project Information Brochure**

#### **Project Name: Central Asia Regional Economic Cooperation Corridors 1 and 3 Connector Road Project**

4. The Ministry of Transport and Roads (MOTR) of the Kyrgyz Republic has requested the Asian Development Bank (ADB) for a project preparatory technical assistance (PPTA) to identify, formulate, and prepare a project associated with a proposed Central Asia Regional Economic Cooperation (CAREC) Corridors 1 and 3 Connector Road. CAREC is a proactive facilitator of project-based cooperation in transport, trade, energy, and other key sectors of mutual interest. It is a partnership of 10 countries and six multilateral institutions working together to promote development through regional cooperation, leading to accelerated growth and poverty reduction.

5. The ADB is the executive agency of the PPTA (ADB Project Number 48401-005/ TA-8857 KGZ) supported by MOTR. For carrying out the PPTA, ADB has contracted an international consulting firm composed of the Joint Venture of Kocks Consult GmbH (Germany), Finnish Overseas Consultants (Finland), and Central Asian Consulting Center (Kyrgyz Republic). The consulting services will be implemented over twelve calendar months. The contract between ADB and the consultant was signed on 23 June 2015 and should be completed by 21 June 2016. For carrying out the services in Kyrgyz Republic, a project office has been established in Bishkek.

### **Project Description**

6. The proposed CAREC Corridors 1 and 3 Connector Road (the project) will improve national and regional connectivity by rehabilitating an estimated 253 kilometers (km) of road sections connecting the CAREC Corridors 1 (Bishkek–Naryn–Torugart) and 3 (Bishkek–Osh–Batken) in the center of the Kyrgyz Republic. The proposed project is consistent with the government's priority of providing alternate access in national and regional connectivity, and aligned with the ADBs Country Partnership Strategy (2013-2017), Midterm Review of Strategy 2020 and Country Operations Business Plan (2015–2017).

7. Rehabilitating the connector road between CAREC Corridors 1 and 3 will enhance linkage of remote sections of the country to regional and national corridors. This will improve connectivity and mobility, reduce transport cost, and increase access to market and social service needs for the local population in the project areas.

8. The proposed project will: (i) reduce the cost of passenger and cargo transportation between southern and northern regions by providing direct access, (ii) provide a more direct transit route between Kazakhstan and Tajikistan, and (iii) help stimulate trade. The proposed project's scope also includes strengthening of Institutional capacity and soft components to tackle sector-wide issues which may include support to: (i) improve efficiency of road asset



management, (ii) assist the government with institutional reforms in the transport sector, (iii) introduce performance-based maintenance contracts, and (iv) improve road safety.

9. The expected outcome of the proposed project is improved efficiency and safer movement of goods and people on the connector road and the project's expected impact is enhanced regional connectivity and trade via a CAREC Corridors 1 and 3 connector road.

### **Major Outputs and PPTA Activities**

10. The PPTA will identify, formulate, and prepare an ensuing loan and/or grant for the CAREC Corridors 1 and 3 Connector Road. Its main objective is to carry out a feasibility study suitable for ADB financing. The PPTA will cover the preparation of the feasibility study of the three road sections to be rehabilitated as outputs of the proposed project. They are:

- (i) from Balykchy village to kilometer marker 43, approximately 43 km in Tong Raion, Issyk Kul oblast and Kochkor Raion, Naryn oblast;
- (ii) from Kochkor village to Kyzyl Jyldyz village, approximately 119 km in Kochkor and Jumgal Raions, Naryn oblast; and
- (iii) from Aral village (via Suusamyr valley) to Too Ashuu Pass and CAREC 3 road corridor (Bishkek-Osh road), approximately 91 km in Jumgal Raion, Naryn oblast and Jayil Raion, Chui oblast.

11. The first two road sections from Balykchy to kilometer-post 43 and Kochkor to Bashkugandy are part of the so-called 'Alternative North South Corridor'. The Alternative North-South corridor will connect the northern and southern regions of the country. Currently, the existing Bishkek-Osh highway connecting the north and south of the country, cannot cope with the increasing traffic flow. Therefore, there is demand to build a new alternative North-South road from Balykchy to Jalal-Abad. The alternative road would reduce transportation distances and, consequently, the cost of passenger and cargo transportation from southern regions to Naryn and Issyk-Kul oblasts.

12. Key tasks of the PPTA to be carried out over the 12 month study period include:

- (i) Feasibility study and preliminary engineering design;
- (ii) Road sector analysis;
- (iii) Environment and social safeguards survey and analysis;
- (iv) Social, poverty, and gender analysis;
- (v) Draft Land Acquisition and Resettlement Plan (LARP)
- (vi) Financial analysis and management assessment;
- (vii) Economic assessment;
- (viii) Road asset management assessment;
- (ix) Transport sector capacity strengthening; and
- (x) Climate change assessment.

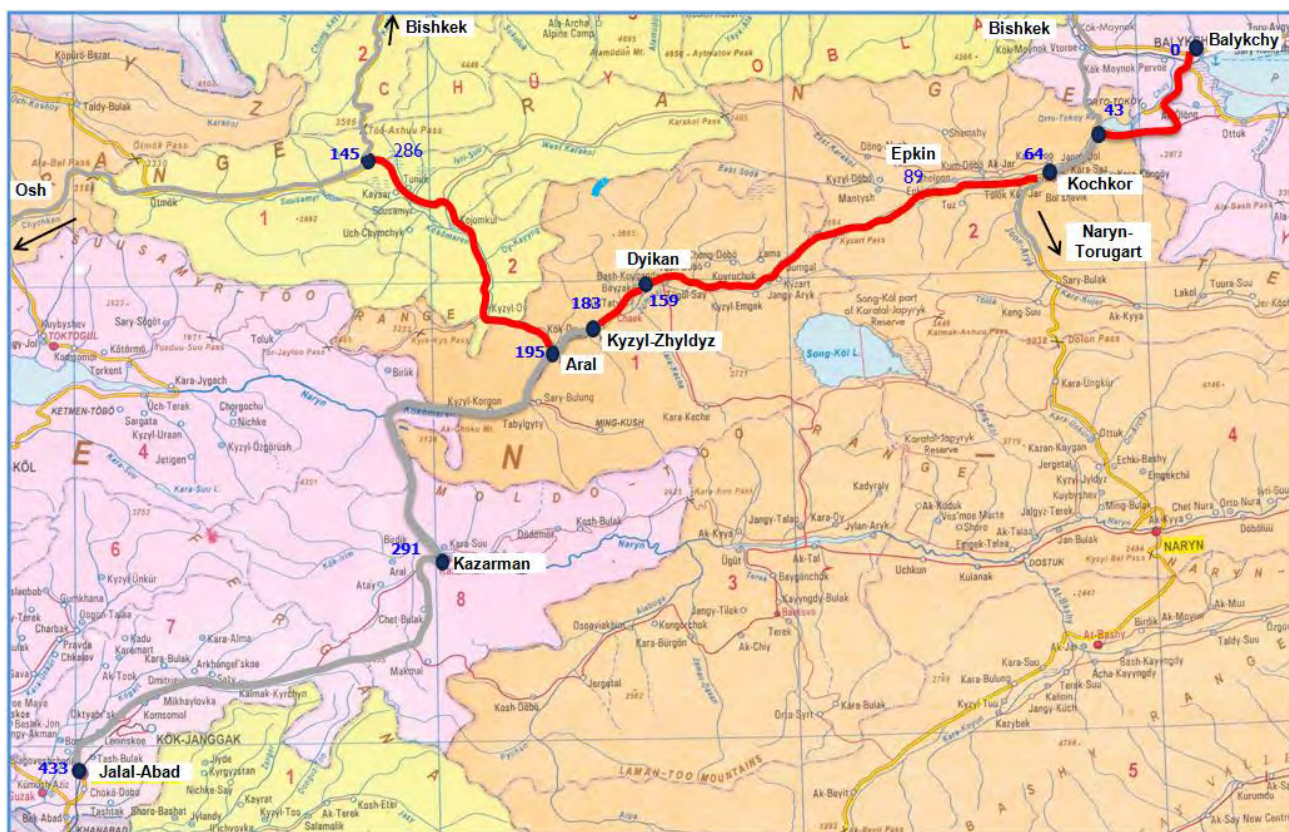
13. Environmental and social aspects of the proposed project are significant considerations and stakeholder communication, participation, and consultation are important dimensions of the PPTA. Stakeholders, including local administrations, participation in workshops, meetings, and trainings will be carried out during the PPTA and project design stage, and public consultations with local residents and relevant NGOs and civil society organizations (CSOs) will be held.

14. It is worth noting that as a consequence of the preliminary road design, the project impact may extend over privately owned/used land parcels. To mitigate project impacts, the Consultant will undertake all required surveys within the ROW defined for the proposed road project. The objective of these surveys is to determine each and every project affected land parcel and assets, identify their legitimate owners and/or users, and assess the types and volume of project impact and prepare draft Land Acquisition and Resettlement Plan (LARP) separately for each road section in compliance with the legislation of the Republic of Kyrgyzstan, and in compliance with the objectives<sup>20</sup> of the ADB Safeguards Policy Statement (SPS 2009). Potential impacts on businesses occurring as a result of changes in traffic flows will also be identified. LARPs will be prepared based on the results and findings of the surveys: including census and socioeconomic survey, and inventory to be undertaken with the direct participation of potential project affected households, LAR Commission, representatives of local government, NGOs, and any party interested in participating in the LARP preparation process. The LARPs will determine relevant compensation entitlements and any required additional mitigation measures, project implementation schedule, describe legal framework and SPS policy requirements regulating LARP implementation procedures, rights and responsibilities of project affected persons, and the role of State Agencies and Institutions responsible for project implementation. Additionally, the document will describe Grievance Redress Mechanism to receive and facilitate resolution of project affected persons' concerns. Prior to project implementation, the draft LARPs will be publicly disclosed so that stakeholders and any interested parties have an opportunity to review and provide their own suggestions or comments that will be considered, and if relevant, incorporated into the Final LARPs.

15. To summarize, the overall objective of LARPs is to ensure that replacement cost of acquired assets is provided, and that livelihoods of project affected communities, if not improved, are at least maintained to the pre-project levels.

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<sup>20</sup> To avoid involuntary resettlement wherever possible; to minimize involuntary resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups. (source: ADB Policy Paper, Safeguard Policy Statement, dated June 2009  
Link: <http://www.adb.org/sites/default/files/institutional-document/32056/safeguard-policy-statement-june2009.pdf>



For additional information on the PPTA and the proposed project and/or to offer a comment or your opinion upon it, please contact:

Mr. Ruslan Satybaldiev, Project Manager  
Investment Project Implementation Group  
(IPIG)  
Ministry of Transport and Roads (MOTR)  
42, N. Isanov St.  
Bishkek City 720017  
Kyrgyz Republic  
Tel.: +996 (312) 900-970

Ms. Zhibek Kadyrbekova, Office Manager  
KOCKS Consult GmbH  
Bishkek Project Building, Room no.104  
Prospect Chui 164A  
Tel.: +996 (312) 31-17-75  
e-mail: [zhibek.kadyrbekova@gmail.com](mailto:zhibek.kadyrbekova@gmail.com)

**Annex 2. Grievance Form**

<b>Section of Complainant:</b>	
Full Name: _____ _____	Mailing/Permanent Residence Address: Village: ----- Municipality: ----- ---
Preferred option of communication: Mark with X Response mailed to: _____ Face-to-face meeting in GR Focal Point _____	Contacts Mobile: ----- Landline: ----- - E-mail: -----
Language for Communication (mark with X)	Kyrgyz Russian Other _____ (please specify)
Complain submission date:	Date of hearing:
Please, describe the reason of your discontent or claim in details. Use extra pages if needed. Present copies of the relevant documents, if available	
Results/decisions of complain after hearing:	
If complaints/grievance are not resolved, please write down the reasons:	
Signature: _____ Date: _____	

**Annex 3. Information Pamphlet**

**Annex 4. Detailed Table of AHs and Project Affected Assets**

**Annex 5. Project Photo Gallery**

# Resettlement Plan

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Land Acquisition and Resettlement Plan  
July 2016  
(Draft)

## KGZ: Central Asia Regional Economic Cooperation Corridors 1 and 3 Connector Road Project (Section 2, Bashkugandy–Kizil Djizil [Km 159–Km 183])

Prepared by Kocks Consult GmbH as part of the project preparation assistance provided by ADB to MOTR of KR

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## ABBREVIATIONS

ADB	Asian Development Bank
AH	Affected Household
AP	Affected Person
DP	Displaced Person
EA	Executing Agency
EIA	Environmental Impact Assessment
EM	External Monitoring
FP	Focal Person
GRC	Grievance Redress Commission
GRM	Grievance Redress Mechanism
IP	Indigenous People
IMA	Independent Monitoring Agency
PIU	Project Implementation Unit
IDB	Islamic Development Bank
SFD	The Saudi Fund for Development
LAR Commission	Land Acquisition and Resettlement Commission
LARP	Land Acquisition and Resettlement Plan
MFF	Multi-tranche Financial Facility
NGO	Non-Governmental Organization
MOTR	Ministry of Transport and Roads

## Definition of Terms

Compensation	Payment in cash or in-kind for an asset to be acquired or affected by a Project at replacement cost at current market value.
Cut-off-date	The date, after which people will not be considered eligible for compensation, i.e. they are not included in the list of AHs as defined by the census.
Detailed measurement Survey	The detailed survey of project affected land parcels and inventory of affected assets.
Project affected Persons	All the people affected by the Project through land acquisition, relocation, or loss of incomes and includes any person, household (sometimes referred to as Project affected family), firm, or public or private institution. AHs therefore include: (i) persons affected directly by the road corridor, right-of-way, tower or pole foundations or construction work area; (ii) persons losing privately owned or used buildings and structures (residential dwellings and supplementary structures); (iii) persons whose agricultural land or other productive assets such as trees or crops are affected; (iv) persons whose businesses are affected and who might experience loss of income due to the Project impact; (v) persons who lose work/employment as a result of Project impact; and (vi) people who lose access to community resources/property as a result of the Project.
Encroachers	People who move into the Project area after the cut-off date and are therefore not eligible for compensation or other rehabilitation measures provided by the Project.
Entitlement	The range of measures comprising cash or kind compensation, relocation cost, income rehabilitation assistance, transfer assistance, income substitution/business restoration, which are due to AHs, depending on the type, extent and nature of their losses, and sufficient to restore their social and economic base.
Inventory of losses	Pre-appraisal inventory of assets as a preliminary record of assets to be affected or lost as a result of the Project
Land acquisition	Process whereby a person is compelled by a public agency to alienate all or part of the land she/he possesses, to the ownership and possession of that agency, for public purposes, in return for fair compensation.
Livelihood	Means of support; subsistence (source of income)

APs with no formal rights	Physical persons who have no recognizable rights or claims to the land that they are occupying and includes people using private or state land without permission, permit or grant, i.e. those people without legal title to land and/or structures occupied or used by them.
Replacement cost	The replacement cost is the amount enough to replace an affected asset in its existing condition, without deduction of transaction costs or for any material salvaged and depreciation for age. The Calculation of compensation amount at full replacement cost will be based on the following elements: (i) fair market value of construction materials; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any.
Sharecropper	Same as tenant cultivator or tenant farmer, i.e., a person who cultivates land they do not own for an agreed proportion of the crop or harvest.
Severely affected AHs	Those physically displaced or economically displaced losing 10% or more of income generating assets.
Vulnerable	Any person who might suffer disproportionately or face the risk of being marginalized from the effects of resettlement and includes; (i) female-headed households with dependents; (ii) disabled household heads; (iii) poor households (below poverty line); (iv) landless; (v) elderly households with no means of support; (vi) households without security of tenure; (vii) ethnic minorities.

## Executive Summary

1. This Land Acquisition and Resettlement Plan (LARP) for the Section 1 - Dikan-Kizil Djizil (km 159 - km 183) of the CAREC Corridors 1 and 3 Connector Road project is prepared by the Ministry of Transport and Roads of the Republic of Kyrgyzstan.

2. The LARP is based on the preliminary road design for the proposed road section and outlines the resettlement principles and procedures ensuring that resettlement needs are identified, so that the Ministry of Transport and Roads (MOTR) of the Kyrgyz Republic can adopt and implement the procedures for land acquisition, involuntary resettlement, and potential loss of access to physical and economic livelihoods in compliance with the applicable laws of the Republic of Kyrgyzstan and ADB Safeguards Policy Statement (SPS 2009) on Involuntary Resettlement.

3. The LARP sets out the project goals and project implementation schedule, cut-off date and eligibility criteria for project affected people (AHs), legal framework and institutional involvement, determines valuation methodology, establishes compensation entitlements and estimated unit rates, participation and consultation procedures, and grievance redress mechanism which will be employed to compensate, and restore the livelihoods and living standards of AHs.

4. As a result of the census, demarcation and inventory of affected assets the magnitude of project impact as follows:

- (i) The total number of project affected land parcels: 127
- (ii) The total number of AHs: 123 (in total 314 persons)
- (iii) Affected residential dwellings: 3
- (iv) Total number of DPs: 1<sup>1</sup>
- (v) Affected supplementary structures: 15
- (vi) Affected commercial structures: 0
- (vii) Permanent stoppage of business: 0
- (viii) Permanent loss of profit, salaries and/or wages: 0
- (ix) Temporary stoppage of business: 6
- (x) Temporary loss of profit, salaries and/or wages: 11
- (xi) Affected fruit bearing perennials: 29
- (xii) Affected growing berry shrubs: 34
- (xiii) Affected non-productive and decorative perennials: 221
- (xiv) Affected non-productive and decorative perennials (saplings): 4
- (xv) Affected wooden fence (linear meter): 3 201
- (xvi) Affected clay brick walls/modern block (linear meter): 1 598
- (xvii) Affected iron meshed fence (linear meter): 1 013
- (xviii) Total of severely affected AHs: 7<sup>2</sup>
- (xix) Total of Vulnerable AHs: 21
- (xx) Total number of land parcels/AHs losing annual crops: 6

<sup>1</sup> One of these three affected residential houses is not fully furnished and therefore neither inhabited yet. Therefore, physical resettlement will only occur in regard with one affected household.

<sup>2</sup> Among them six (6) AHs are the owners of agricultural arable land parcels traversed by the ROW of Chaek by-pass and the seventh is the AH with the affected residential dwelling subject to physical resettlement.

## **Chapter 1. Project Background and Objectives**

1. The Government of Kyrgyz Republic (The Government) has requested a project Preparation Technical Assistance (PPTA) for the Asian Development Bank (ADB) to notify, formulate and prepare an ensuing loan and/or grant for CAREC Corridors 1 and 3 Connector Road.
2. For this Islamic Development Bank and the Saudi Fund for Development (SFD) and (co-financing IFI) financed section, the process for social assessment and planning, safeguard documentation, consultation, and disclosure requirements was conducted to satisfy ADB's Safeguard Policy Statement. During implementation, IFIs shall be responsible for (i) ensuring that activities carried out in connection with its financed section comply with their safeguard requirements, and (ii) resolving any complaints in relation to such section.
3. The Ministry of Transport and Roads (MOTR) of the Kyrgyz Republic has requested the Asian Development Bank (ADB) for a project preparatory technical assistance (PPTA) to identify, formulate, and prepare a project associated with a proposed Central Asia Regional Economic Cooperation (CAREC) Corridors 1 and 3 Connector Road. CAREC is a proactive facilitator of project-based cooperation in transport, trade, energy, and other key sectors of mutual interest. It is a partnership of 10 countries and six multilateral institutions working together to promote development through regional cooperation, leading to accelerated growth and poverty reduction.
4. The ADB is the executive agency of the PPTA (ADB Project Number 48401-005/ TA-8857 KGZ) supported by MOTR. For carrying out the PPTA, ADB has contracted an international consulting firm composed of the Joint Venture of Kocks Consult GmbH (Germany), Finnish Overseas Consultants (Finland), and Central Asian Consulting Center (Kyrgyz Republic).
5. The proposed CAREC Corridors 1 and 3 Connector Road (the project) will improve national and regional connectivity by rehabilitating an estimated 253 kilometers (km) of road sections connecting the CAREC Corridors 1 (Bishkek-Naryn-Torugart) and 3 (Bishkek-Osh-Batken) in the center of the Kyrgyz Republic. The proposed project is consistent with the government's priority of providing alternate access in national and regional connectivity, and aligned with the ADBs Country Partnership Strategy (2013-2017), Midterm Review of Strategy 2020 and Country Operations Business Plan (2015 -2017).
6. Rehabilitating the connector road between CAREC Corridors 1 and 3 will enhance linkage of remote sections of the country to regional and national corridors. This will improve connectivity and mobility, reduce transport cost, and increase access to market and social service needs for the local population in the project areas.
7. The proposed project will: (i) reduce the cost of passenger and cargo transportation between southern and northern regions by providing direct access, (ii) provide a more direct transit route between Kazakhstan and Tajikistan, and (iii) help stimulate trade. The proposed project's scope also includes strengthening of institutional capacity and soft components to tackle sector-wide issues which may include support to: (i) improve efficiency of road asset management, (ii) assist the government with institutional reforms in the transport sector, (iii) introduce performance-based maintenance contracts, and (iv) improve road safety.
8. The expected outcome of the proposed project is improved efficiency and safer movement of goods and people on the connector road and the project's expected impact is enhanced regional connectivity and trade via a CAREC Corridors 1 and 3 connector roads.
9. The PPTA will identify, formulate, and prepare an ensuing loan and/or grant for the CAREC Corridors 1 and 3 Connector Road. The PPTA will cover the preparation of the

feasibility study of the five road sections to be rehabilitated as outputs of the proposed project. They are:

- (i) from Balykchy to post 43 (km 0 - km 43)
- (ii) from Kochkor - Epkin (km 62 - km 89) approximately 87 km in Kochkor Rayon of Naryn Oblast;
- (iii) from Epkin - Deykan (km 89 - km 159) approximately 70 km Kochkor Rayon of Naryn Oblast;
- (iv) from Deykan - Kizil - Jildiz (km 159 - 183) approximately 24 km Jumgal Rayon of Naryn Oblast
- (v) from Aral - Too Ahuu (km 195 - km 286) approximately 70 km Jaiyl Rayon of Chui Oblast

10. The first two road sections from Balykchy to kilometer-post 43 and Kochkor to Bashkugandy are part of the so-called 'Alternative North South Corridor'. The Alternative North-South corridor will connect the northern and southern regions of the country. Currently, the existing Bishkek-Osh highway connecting the north and south of the country, cannot cope with the increasing traffic flow. Therefore, there is demand to build a new alternative North-South road from Balykchy to Jalal-Abad. The alternative road would reduce transportation distances and, consequently, the cost of passenger and cargo transportation from southern regions to Naryn and Issyk-Kul Oblasts.

### **Project Scope of Work**

11. The existing road section of Category III will be upgraded to category II within the settlements, meaning that these road sections will be upgraded from 2 lanes into 4 lanes (2 lanes on each side of the road). km 172 - km 179

12. The road construction activities will be carried out along the existing road from km 159 - km 183 trespassing the villages: , and Kizil-Jildiz. However, at Km 172 the by-pass will be constructed to avoid the densely populated area of village Chaek and connect to the existing road at km 179.

13. According to the proposed road design, the existing road currently qualifying to Category III will be widened and upgraded to the Category II. As a result, the road width from the central line will grow from 16 meters up to 32 meters.

### **Magnitude of Project Impact**

14. Road widening will require some land takes on each side of the existing road and acquisition of some portion of land parcels closely located on both sides of the road. In case of by-pass, some section of 7 km long by-pass with trespass through privately owned agricultural land parcels and pasture lands, and about 1.5 km of by-pass falls over the existing road subject to widening thus affecting several structures (concrete foundations), two residential house, fences and stone walls along the homestead and arable land parcels.

15. The table below provides the summary data on the scope of project impact identified based on the preliminary design drawings and surveys undertaken on site during the preparation of this draft LARP.

16. The project impact is mainly localized in the villages (Bashkuugandy, Kairima, Kizil-Jidliz and rayon center Chaek) and will most likely entail loss of shelter, commercial and supplementary structures as well as stone walls and light fences; Perennials mainly non-fruit and decorative trees standing very close to project affected fences and stone walls will also be affected by the proposed road project. Although two (2) residential houses are affected only one (1) household needs to be physically resettled due to by-pass construction. The second residential house is not finished yet and the owner lives in another residential dwelling with the other members of his family. Construction activities may also entail some temporary disturbance to land and commercial activities of road side businesses and permanent loss of land will affect 116 land parcels where widening of existing ROW will inevitably require acquisition of land on each side of road. Additionally, 7 cases of severe impact and 21 vulnerable AHs are also identified.

17. Based on the preliminary design the potential impact on portions of private land parcels, iron meshed fences and stone walls, is confirmed. In total, according to preliminary design, the project impact extends over 127 land parcels. Among them 4 (four) land parcel belong to local Municipality and remaining 123 project affected land parcel will be partially acquired, 123 AHs (314 persons) will be issued relevant cash compensation to mitigate project impact on assets and compensate income loss and maintain their livelihoods at least at the pre-project levels.

18. Significant attention was given to the needs of the disadvantaged, vulnerable groups<sup>23</sup> and severely affected AHs. The documents consider relevant additional rehabilitation to be provided to AHs qualifying as vulnerable and severely affected<sup>24</sup>.

19. The field surveys revealed the following types of expected project impact:

**Permanent impact on:**

- (i) land (rural residential, arable, pasture, municipality)
- (ii) shelter (residential house)
- (iii) shops built of Municipality land
- (iv) kiosks built on private land parcels
- (v) supplementary structures (cattle barns, outdoor latrines and bathrooms, etc.)
- (vi) light fences, clay brick walls and modern block walls
- (vii) perennials (decorative and fruit bearing trees)
- (viii) annual crops (wheat, barley etc.)

**B. Temporary Impact on:**

- (ix) income of business owners and hired staff (during road construction activities)

20. The PIU made a decision to prepare LARP for the proposed road section. According to the magnitude of project impact and the level of severity of project impact on affected persons and communities, considering the ADB SPS 2009<sup>25</sup>, the sub-project is suggested to be classified as Category B. However, the final decision by will be made by the Client and co-financing IFI.

<sup>23</sup> Please see the Definition of Terms.

<sup>24</sup> Severely Affected PAHs are those losing 10 % or more of income generating land/assets as a result project related physical and/or economic displacement.

<sup>25</sup> Category B. A proposed project is classified as category B if its potential adverse environmental impacts are less adverse than those of category A projects. These impacts are site-specific, few if any of them are irreversible, and in most cases mitigation measures can be designed more readily than for category A projects. An initial environmental examination is required.

## Key Survey Findings

21. Based on the findings of the preliminary surveys conducted by the Consultant it was revealed that the entire road section 2 can be subdivided into two sub-sections:
22. Bashkuugandy-Kizil Djizil (km 159 - km 183) widening of existing road based on the preliminary road design, requiring permanent acquisition of 3 meters wide strip of land on both sides of the existing road
23. Chaek by-pass (km 172 - km 179) avoiding the Chaek town and trespassing some agricultural land parcels, then connecting to existing local road and at the end of the sub-section then turning from the existing local road and again trespassing some pasture lands and wetlands.
24. The volume of impact on private land parcels and assets varies per sub-sections. In case of Bashkuugandy-Kizil Djizil (km 159 - km 183), the road widening will apply to the existing main road. There are three villages (Bashkuugandy, Kairima and Kizil-Jildiz) and town Chaek located along this road sub-section. The land take will be limited to about 3 meters wide strip of land of private homestead parcels, with affected fences/walls, perennials and some supplementary structures attached to these walls from the inner sides.
25. As per second sub-section, Chaek by-pass, larger area of private land parcels will subject to permanent acquisition (where the new road will be constructed), plus some municipality land lease as pasture lands will be occupied together with unused wetlands. Besides, out of 7 km long by-pass, approximately 1.5 km falls on existing street (Saparbekov St), where road widening will again affect some fences/walls and supplementary structures.
26. The Consultant surveyed Chaek by-pass using the road design drawings compared to Cadastral maps saved in the State Cadastre office and tried to identify land parcels falling within ROW on the section where new road will be constructed. At the starting point of the Chaek by-pass project impact will be extended on several the agricultural land parcels. In Soviet Era these lands belonged to the State Institution for Breeding Saplings. Later, after the breakdown of Soviet Union, the State Institution for Breeding Saplings went through the process of reorganizations and privatization. Several individuals (former members of directorate) formed Farmers Union and managed to dispose the land of the Institution among the members of this Farmers' Union.
27. These unions obtained the right to use the land, Share of land form 0.50- ha to 3.5 ha have been allocated to shareholders. The members of farmers unions were identified by the head of the family. Each family member holds an equal share in the family portion. While trying to identify the legal status of project affected land parcels, several persons presented their documents to these land parcels. In some cases the land is still under shareholder's use right, while some presented updated land ownership certificates (so called) Green Books where instead of all family members only the head of family is recorded as the private individual shareholder.
28. This finding confirmed the need for title search in the process of identifying AHs eligible for cash compensation of permanent loss of land. Therefore, during the LARP finalization process these land parcels and relevant shareholders documents require thorough title search to ensure that all legitimate AHs eligible to cash compensation for permanently acquired land parcels are identified, recorded as AHs and their shares also determined prior to the commencement of the LARP implementation.



29. Another rather important issue requiring significant attention and correct approach is demarcation of project affected land parcels and precise location of area of land subject to acquisition. Demarcation needs to be undertaken by a licensed company practicing in the field of land surveys. More specifically the licensed survey company shall use the final road design and identify the factual location of the central line of the ROW on the spot; plus on the spot identify all project affected land parcels and double check the accuracy of the AH list collected during the preliminary LARP preparation.
30. This approach needs to be exercised along the entire road section and include the by-pass section. This is the only possibility to identify precisely the project affected portion of land parcels falling within the ROW.

## Methodological Introduction

31. During February 24 - 26 and since March 10 to the present<sup>26</sup>, several activities were undertaken: census, land demarcation, and initial inventory of project affected assets. The draft LARP is prepared on the basis of preliminary road design. Besides, number of key informant interviews, several focus group meetings, and the results of socioeconomic survey of 50% of AHs equipped the Consultant with information on lifestyle, cultural and social issues, income and wage patterns, general trends and current prices at the commodity and real property markets.

32. Prior to the LARP finalization additional works will be financed to undertake detailed surveys and produce detailed road design. Correspondingly, the LARP will be revised and updated to reflect all recent adjustments, alterations, and changes in the number of composition of project affected land parcels and assets. If such changes are required, the number of DPs and AHs and the scope of project impact will most likely require relevant update to address the most recent changes and qualify for the Final LARP updated based on the detailed design and safeguards requirements of co-financing IFI.

33. Considering the time period between the public disclosures of initial Draft LARP and the Final LARP the ROW requires preservation from new encroachers and squatters, the MOTR at the earlier stage of LARP preparation initiated the process for obtaining an official document, a government Order. This provides for temporary limitation to be imposed on Municipality land, and within specific areas, suspends land sales through auctions or allocation under lease agreements, in particular allocation of land being under ownership of the Municipality, State or any other party, will be suspended during the entire road construction period. The order is effective from the date of its issuance.

34. Any ownership deed, long-term and short-term lease agreements will be considered illegal and such will be transferred to relevant State organs for further investigation of potential fraud. No cash compensation may ever be considered in case such actions take place, a lessor/or a buyer acting as a party of such deal will lose the legal benefits of Bona Fide purchaser and will not be either compensated even for any investments made to illegally acquired land or assets located within the restricted zone.

35. The Copy of the Order and visual materials specifying restricted zone where land acquisition is suspended until the completion of surveys, civil and earth works and full completion of road rehabilitation activities will be enclosed into the body text of the Final LARP. Information Pamphlets to be distributed during public consultation meetings will also be displayed on the information Boards in the concerned Municipalities and rayon offices of State Register, Department of Economy, Public, and Private Notaries operating within the project area.

36. Prior to census and socioeconomic surveys, the Consultant and LAR Commission conducted initial examinations. Using the road design drawings and corresponding Google earth maps, they walked along the road ROW, identified each project affected land parcel on the spot, recorded the full name of the landowner or user, and obtained their contact details.

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<sup>26</sup> At the completion of surveys the end date will be entered.

During site visit for determination of project affected land parcels and their owners and /or possessors the Consultant tested the Form of Questioner to be used for census and socioeconomic data collection. Seeing the Field Team Local people expressed interest towards the Field Team activities and the entire project as well. Interest of local people should have been satisfied accordingly, and although no formal public meeting was organized Consultant took the opportunity to interact with AHs and satisfy their interest by sharing the general information on project objectives, the goals of the pending surveys and introduced the principles of compensation entitlements, cut-off date, and eligibility criteria. Additionally, AHs were informed about the pending surveys (census, socioeconomic and inventory of project affected assets), and the survey date and time was scheduled at AHs' convenience and availability. After all project affected land parcels were physically identified and their owners and users determined the Consultant commenced the remaining surveys: title search, socioeconomic survey, detailed inventory of project assets and valuation.

37. Specifically designed questionnaire will be used during socioeconomic survey to be undertaken by experienced interviewers selected by the Consultant. Privacy policy will be followed while interviewing the AHs permitting them to feel comfortable during the surveys.

38. During on site identification project affected land parcels and the cases of land capture observed. The fact has been confirmed by the AHs as well. In many cases, walls and fences are moved to the edge of the road thus adding extra land to private land parcels. This practice is widely observed in rural areas of post-Soviet States. To the present, such facts of land capture has not been strictly monitored, neither had people moving their fences been advised to respect the road boundaries. Therefore, in some cases such captured land could have been used by local residents for lengthy periods, possibly several decades, often supplementary structures have been attached to the inner sides of these walls.

39. With road rehabilitation, developments where project impact requires relevant compensation for project affected privately owned land, legal status of land tenure acquired more prominence and importance.

40. To identify privately owned land; the captured land, the consultant decided to double check the collected information at the Chaek State Cadastre office, where cadastre maps last updated in 2004, are available.

41. It is possible to obtain data on factually occupied territory as well as the legally allocated area; thus allowing the calculation of area of captured land. However, this data is only legally valid if obtained from the State Cadastre. This is a paid service and is provided to the applicant upon an official request and payment of the prescribed service fee.

## Chapter 2: Socioeconomic Profile of Project Affected Persons

42. The Socioeconomic profile of the AHs is based on information obtained during census and the results of socioeconomic survey of covered all located AHs. The total number of affected AHs comprise 314 persons (162 are female and 152 male). Out of these 314, 72 persons (42 girls and 30 boys) are underage.

43. The table below shows the age composition of the APs according to the gender and age group divided into adults and underage persons.

44. The majority of project affected persons are located in village Kyzyl-Jyldyz and Chaek, making up 85 % of the total number of AHs along this road section.

**Table 1: Breakdown of APs according to Age Groups and Gender**

Age Group of APs	Male				Female	Total
	Number of PAPs		Number of PAPs		Number of PAPs	%
Adult	122		120		242	77
Underage (below 18 years)	30		42		72	23
<b>Total</b>	<b>152</b>		<b>162</b>		<b>314</b>	<b>100</b>

Source: The results of the SES undertaken by the Consultant

45. The average size of a household is 2.55 persons. However, several households count from five to six members.

46. The majority of local population is **mainly engaged in horticulture (cattle breeding) and agriculture**. Main annual crops grown are Arpa, Lucerne (Yonja), hay, wheat. Hey, Arpa and Lucerne are used as the main fodder for cattle; wheat is grown for family consumption, and they only sell a small share of their produce at the local market, or to wholesalers at the farm gate price.

47. Most of the project affected land parcels are of residential designation where some portion of land is allocated for orchards and fruit trees next to the residential dwellings. In addition, in their yards people have supplementary structures, such as kitchen, bathroom, toilet, cattle barn, storage, and shed.

48. In their orchards, they often grow small gardens of vegetables (tomato, cucumber, cabbage, carrots, beans, garlic, and onion). Additionally, a majority of AHs have about 2 hectares of agricultural land parcels received from the Government free of charge during the land reform undertaken in the country in the late 1990s. These land parcels are located further from the village settlement and the AHs use them for agricultural activities to grow annual crops and fodder for their cattle.

49. Most people (both men and women) are pre-occupied with cattle. Mainly men herd the cattle on rotation schedules. Some men drive cars and provide taxi services to the villagers. A few AHs, for various reasons, sold their agricultural land parcels and therefore keep fewer cattle, and make their living through running small businesses<sup>27</sup> instead of farming and horticulture.

50. Most of the females are housewives taking care of family and children and they also tend to the fields growing crops. A few have paid jobs as civil servants or assist their family members to run local shops selling consumer goods.

51. As composed in the table below, the major source of income of AHs is based on the information obtained during census and socioeconomic survey of 100% of located AHs.

**Table 2: Breakdown of PAPs according to their Occupation Disaggregated by Gender**

Occupation	Male		Female		Total	
	Number of PAPs	%	Number of PAPs	%	Number of PAPs	%
Farming/Livestock	34	22	5	3	39	12
Housewife	0	0	74	46	74	24
Pensioner	13	9	18	11	31	10
Civil Servant	9	6	8	5	17	5
Between jobs	21	14	0	0	21	7
Private tax service	0	0	0	0	0	0
School student	24	16	33	20	57	18
University student	7	5	8	5	15	5
Kindergarten	6	4	9	6	15	5
Economic activity/business	6	4	1	1	7	2
Hired labour	17	11	2	1	19	6
Working in other region of the republic	10	7	4	2	14	4
Working abroad	0	0	0	0	0	0
Other	5	3	0	0	5	2
<b>Total</b>	<b>152</b>	<b>100</b>	<b>162</b>	<b>100</b>	<b>314</b>	<b>100</b>

Source: The results of the SES undertaken by the Consultant.

52. The majority of AHs are involved in farming, which is their main source of income and wellbeing. Farming in the local context is associated with horticulture and utilization agricultural land mainly for growing annual crops to feed the cattle. During key informant interviews during the census and socioeconomic survey, most of the AHs confirmed that arable and pasture land is of vital importance for their livelihood.

53. In terms of the magnitude of land take, this road project will not incur significant impact, as the main effect will be encountered over the stone walls and some perennials standing mainly on Municipality land along the edge of the existing road. Often iron meshed or light fences made of wooden poles and planks fixed with barbed wire are fixed to these decorative

<sup>27</sup> Selling consumer goods in local shops, running car repair workshop became main source of cash income for these AHs

perennials, thus creating the land parcel boundaries. On average, the depth of the strip of land to be taken for road project purposes varies between 2 to 3 meters of captured Municipality land. AHs do not use these strips of land for agriculture purposes. Therefore, Municipality land take is not a threat to income loss or the deterioration of AHs livelihoods.

54. However timely replacement of fences and stone walls along the project affected land parcels and reconstruction of new commercial structures instead of the affected ones that AHs currently use for income generation is important. AHPs should be provided personal safety, and preventing cattle from trespassing their orchards and gardens, and keeping their own cattle well protected on private property.

55. In terms of livelihood restoration, the most important impact expected to occur is to the AHs operating roadside shops. Six (6) AHs operate roadside shops along this road section. However, none of these businesses will face permanent stoppage, rather only temporary business stoppage is expected during civil works and road construction. Additionally, nearby there are closed shops that have not been operating for years. These closed shops (more specifically windows cut through the stone walls) have not been included in the LARP implementation budget, as AHs confirmed that they have suspended commercial activities several years ago.

56. According to the analyzed data, most of the women are housewives and a majority of adult men do not have salary-paid employment, therefore placing a majority of the men into the category of interested in full time employment opportunities.

57. People in project affected area live in residential dwellings built of locally produced clay bricks. The houses are mainly one-floor, 3 to 4 rooms, and attic in the roof. Supplementary structures attached to the stone walls are used as storage facilities, summer kitchens, cattle barns, and bathrooms. Usually these structures, including baths and kitchens are built separately with external access. The roof is mainly covered by metal or asbestos sheets.

58. As usual, AHs found difficult specifying their annual income gained from agricultural activities, as they use it mostly for personal consumption. In terms of cash inflow, they found it easier to report monthly salary rates, retirement pension, and/or disability aid.

59. Most of the surveyed households keep livestock and poultry. Many of them stated that this is their main source of living and cash inflow (when the need occurs, the family sells a cow, sheep or goat and use extra cash for special purposes). Many AHs own horses and use them as the means of transportation or as a source of income.

**Table 3: Breakdown of Average Monthly Expenditures of the PAPs**

<b>HH Expenditures</b>	<b>Ratio of HH Expenses</b>
Bank loan	13
Business activity	9
Farming	6
Health	4
Utilities	7
University fee	4
Food	28
Kindergarten fee	2
Housing repairs	7
Car maintenance	9
Livestock	9
Schooling	2
<b>Total</b>	<b>100</b>

Source: The results of the SES undertaken by the Consultant.

60. The biggest share of expenses relates to bank loans livestock and then other farming costs, however, livestock remains the main source of making a living, and also a reliable source of cash income for most of the AHs. Though some interviewed persons did not nominate livestock and farming as their main activity, but rather confirmed that they were looking for stable and regular paid employment.

61. The level of possessed durable goods varied. Most AHs do not have Color TV and washing machine, while mobile phones are widely used. refrigerator. Among interviewed households, only 15 keep automobile, while 5 others keep tractor, minivan and large vehicles.

**Table 4: Breakdown of the Possession of Durable Assets of PAPs**

<b>Item</b>	<b>Number of APs own Item</b>	<b>%</b>
Automobile	15	12
water heater	4	3
Internet	1	1
Personal computer/Laptop	2	2
Mobile phone	36	29
Washing machine	33	27
Tractor /Combine	0	0
Latrine	36	29
WC inside the house	3	2
Color TV	58	47

Source: The results of the SES undertaken by the Consultant.

## Education and Literacy

62. The level of literacy of AHs is reported to be 100%. The majority of adults (97 females and 98 males) attended secondary schools. Thirteen females have higher education degrees, while 12 men are University graduates.

**Table 5: Sex-Disaggregated Education and Literacy Level of Adults Members of AHs**

Education/Literacy	Male		Female		TOTAL	
	No of PAP	%	No of PAP	%	No of PAP	%
Primary	9	7	6	5	15	6
Secondary	98	80	97	81	195	81
Technical	3	2	4	3	7	3
Higher (University)	12	10	13	11	25	10
Illiterate (primary not completed)	0	0	0	0	0	0
<b>Total</b>	<b>122</b>	<b>100</b>	<b>120</b>	<b>108</b>	<b>242</b>	<b>100</b>

Source: The results of the SES undertaken by the Consultant.

## Vulnerability

63. Vulnerable PAPs have been identified during the census and socioeconomic survey. Two females and one male disabled persons are the recipients of state aid for physical disability. In addition, there are eleven widowed women and one elderly single male also qualifying as vulnerable. One household has more than one disabled person in a family. Since vulnerability category is assigned to the household, in total twenty-one (21) households are qualified as vulnerable according to their social status and/or illnesses.

*NOTE: The name of vulnerable persons is not included in the LARP. Full names, contact phones numbers, and detailed cash compensation package (per AH and compensation items) will be provided as a separate Annex for internal use during project implementation, monitoring, and assessment process. To protect the confidentiality of personal information of AHs, the Annex will not be subject to public disclosure.*

## Major Income Source of AHs

64. Wheat is the major crop AHs grow for personal consumption. Only a small share of their annual crops would be sold at the local market mainly through wholesalers. Vegetables, mainly potato, cabbage, carrot, garlic, and onion is grown in the orchards organized in the backyards of the land parcels assigned for residential purposes.

65. The median source of cash flow is retirement pension and State targeted aid for disability (the amount varies according to the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> category of invalidity).

66. Almost 75 % of local population keeps cattle. This is the most important activity for the majority of PAPs and the entire village population, even those that have temporary or permanent jobs.



67. Therefore, the most important element for this road project is properly selecting animal crossings. This is the most significant impact of this road project the entire population of the villages will experience.

68. Another source of income is business: running a local shop, car repair workshops and mechanic's ramps, car wash facilities and taxi driving.

69. According to the interviewed AHs with affected perennials including fruit bearing trees, fruits collected from the trees growing along the roads are not such an important part in the income portfolio of the households. These trees mainly create either nice shade and are often used to hold up light fences made of wooden poles and barb wire. A total of 29 affected fruit trees were recorded during the Inventory of project affected assets.

### **Indebtedness**

70. Several AHs reported bank loan liability and shared the amount of monthly interest rate they are liable to pay to the lending institution. Bank loans are often obtained to expand private business or purchase an automobile for taxi driving business.

### **Infrastructure**

71. Major health care and social facilities are located in the town of Chaek. At least two commercial banks operate in Chaek. Local people are comfortable to withdraw cash from ATM machines and use pay boxes to top up mobiles and conduct a number of other payments. Large hospital and maternity house and number of pharmacies are also located in Chaek. Medical point and dentistry is also in the centre of the village of Kizil-Jyldyz. About 9 % of AHs expenditures are used for transportation. Additional to the small shops run by local residents, major markets for trading purposes are located in the town of Chaek, though the larger markets are in Narin and Bishkek.

72. Post offices and secondary schools (9 grades) are in all villages. Some villages offer 11 years educational program. There are four (4) secondary schools (11 grades) in Chaek.

73. Irrigation is available to arable land parcels for fixed price. Potable water taps installed along the existing road. However, potable water supply provided through these taps is on schedule that AHs have learned to adjust with.

74. Since project is located in alpine zone, no forests are in high mountainous region, using firewood for heating and cooking is not popular in the area. Additionally, there is no natural gas provided in the project areas, therefore APs use coal for heating and bottled liquid gas for cooking, especially in summer time.

### **Women in the Local Context**

75. The majority of affected households are headed by men. The land ownership title certificates issued during the land reform all family members, including spouses and children have been recorded as co-owners of land parcels. In the case of widows, the spouse in the first row heir according to the inheritance by law.

76. Women are mainly involved in household activities such as horticulture, animal husbandry, and general household works. There are several females who help their family members to run a local shop selling consumer goods. Three females are teachers at the local Public Schools. Women participate in household decision-making processes and organizing family matters. During census and socioeconomic survey, female respondents were active and willing interviewees.

## **Impact on Vulnerable People**

77. There are no indigenous people in Azerbaijan therefore no such impact may be expected from the Project. No ethnic minorities are among the Project Affected Persons. The AHs are primarily Kyrgyz. No group of local residents showed any specific or unique features that could be identified as a distinct minority group.

78. Other vulnerable groups such as female-headed households and disabled persons will be provided additional rehabilitation measures by the Project as described in the Entitlement Matrix of this LARP.

79. The Project will include appropriate measures to mitigate the potential risk of HIV/AIDS and other sexually transmitted diseases, as well as drug and human trafficking. These measures include raising public awareness on these issues.

## Chapter 3: Compensation Entitlements

### Objectives of Compensation Policy

80. The implementation of resettlement activities is linked to the implementation of the investment component of the project to ensure that displacement or restriction of access does not occur before necessary measures for resettlement are in place.

81. As stipulated in SPS 2009 and described in this LARP all project related impacts identified during the relevant studies should be addressed accordingly, meaning that all project affected persons will be provided with relevant compensation and other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, 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.

### Compensation Eligibility Criteria and Cut-Off Date

82. Compensation eligibility is limited to AHs by a cut-off date, **May 16, 2016**. The cut-off date for this proposed road section will be determined by the Government of Kyrgyz Republic taking into consideration the date of completion of all the surveys (census, socioeconomic survey, inventory of project affected assets and title search of project affected land parcels) mutually undertaken by the Consultant through close cooperation with the LAR Commission<sup>28</sup>. However, this shall be updated and confirmed per co-financing IFI safeguards requirements.

83. AHs who settle in the affected areas after the cut-off date will not be eligible for compensation, as they will be classified as illegal encroachers. These AHs, if any detected with project ROW, will be given at least three months advance notice to provide sufficient time to adhere to the official request of the LAR Commission to vacate premises and dismantle affected structures prior to project implementation. Their dismantled structures will not be confiscated and they will not be penalized or sanctioned. Indeed, forced eviction will only be considered following exhaustion of all other efforts.

84. The LARP determines the eligibility criteria of project affected persons (AHs) and provisions for compensating all types of losses and income: land, crops/trees, structures, business/employment, workdays/salaries/wages. All AHs, including non-certified land users will be compensated for lost income and assets. Loss of land will be cash compensated at full replacement cost according to current market value or if the real property market is not sufficiently active, cash compensation will be calculated at income capitalization rates as described in this LARP.

85. The criteria for eligibility to compensation are based on AHs belonging to one of three groups:

- (i) those who have certified and/or formal rights of use of the occupied land;
- (ii) those who do not have formal legal rights to land at the time of the DMS or census accomplishes but have a legal basis to claim for such land or assets—provided that such claims are recognized and/or become recognized in accordance with the effective legislation of the KR;
- (iii) those who have no recognizable legal right or claim to the land they are occupying (i.e. land users without registered certificate and informal settlers)

<sup>28</sup> The LAR Commission was established under the Order No 361-pof the Government of KR December 15, 2015. Composition of the LAR Commission is provided in Chapter: Institutional Arrangements.

eligible for compensation of income and assets lost rather than project affected land<sup>29</sup>.

86. Where land is to be acquired, land possessors (AHs) with registered Certificate and/or AHs who do not hold the Certificate but are eligible to claim for Certificate will receive full compensation at replacement cost for residential and arable land.

87. AHs will receive land-for-land (of equal size and productive value) for project affected pasture land located within Chaek by-pass.

88. The AHs that are not eligible to register ownership title to land pursuant to the rules, laws or any regulations being in force in the Kyrgyz Republic are not eligible for compensation for land but will receive compensation for assets attached to land and other assistance as described in the Chapter below. Special care will be given to vulnerable and severely affected AHs.

89. Households headed by single women with dependents and other vulnerable households will be eligible for further assistance<sup>30</sup> to fully mitigate project impacts. Table XX below presents the Project's entitlement matrix, based on detected potential losses.

### Compensation Entitlements and Mitigation Measures

90. Entitlement provisions for AHs facing loss of shelter, assets and income, incorporate cash compensation at full replacement cost at the current market values in compliance with the ADB SPS 2009 and active legislation of the KR. During implementation, co-financing IFI shall be responsible for (i) ensuring that activities carried out in connection with its financed section comply with their safeguard requirements, and (ii) resolving any complaints in relation to such section.

91. The entitlements are detailed below:

92. **Agricultural arable land** will be cash compensated at full replacement cost in the amount sufficient to purchase replacement land of equal in value and productivity in vicinity to the project affected land parcel. Method for calculation of full replacement cost will include cost of preparation of the land to levels similar to those of the affected land. The taxes and fee related to processing transaction registration will be covered by the Executing Agency.

93. **Agricultural residential (homestead) land** will be cash compensated at replacement cost in the amount sufficient to purchase land of equal in value, designation, and productivity in vicinity to the project affected land parcel. Method for calculation of full replacement cost will include cost of preparation of the land to levels similar to those of the affected land. The taxes and fee related to processing transaction registration will be covered by the Executing Agency.

94. **Industrial/Commercial land (privately owned)** will be cash compensated at replacement cost in the amount sufficient to purchase land of equal in value, designation, and location in vicinity to the project affected land parcel. Method for calculation of full replacement cost will include cost of preparation of the land to levels similar to those of the affected land. The taxes and fee related to processing transaction registration will be covered by the Executing Agency.

<sup>29</sup> According to ADB SPS 2009, AHs falling to the 3rd category will receive sufficient compensation, technical assistance and additional rehabilitation measures to be sufficient for the AHs to maintain their livelihoods at least to the pre-project levels.

<sup>30</sup> The specific description of further assistance for vulnerable people is described in the Entitlement Matrix provided below in this chapter.

95. **Industrial/Commercial land (leased from the Municipality/State)** will be compensated in the form of land for land (in-kind) compensation with plots of equal size and designation in vicinity to the previous location to the extent possible. The replacement land will be allocated by the local rural administration free of charge to the AH. The taxes and fees related to allocation of new replacement land and issuance of relevant lease agreement and if required Construction Permit will be covered by the Executing Agency.

96. **Agricultural land leaseholders and workers:** Affected leaseholders will receive either a renewal of the lease in other plots or cash corresponding to the annual yield of land lost for the remaining years of the lease up to a maximum of 3 years. Sharecroppers will receive their share of harvest at market rates (if impact is temporary) plus one additional crop compensation (if impact is permanent). Agricultural workers, with contracts to be interrupted, will receive an indemnity in cash corresponding to their salary in cash including portion in-kind compensation for the remaining part of the agricultural year.

97. **Residential land renters/leaseholders and house renters:** who have leased land and/or a house for residential purposes will be provided with a cash grant of three (3) months' rent at the prevailing market rate in the area and will be assisted in identifying alternative accommodation.

98. **Agricultural Pasture land use rights:** will only be compensated in the form of land for land (in-kind) compensation with pasture land equal value, productivity and in vicinity to the previous location to the extent possible. Allocation of replacement pasture land will be undertaken by the LAR Commission in coordination with the local Rural Administration. All costs, fees and taxes related to provision of replacement pasture land, will be covered by the Executing Agency.

99. **"Orphan land":** remaining piece of land which as a result of land take has lost previous designation and became economically unviable. In such case, landowner is eligible to claim full cash compensation for the entire area of such land parcel.

100. **Severe Impact:** AHs (landowners, possessors, sharecroppers) losing more than 10% of an income generating land will receive an additional allowance for severe impacts equal to the market value of a year's gross yield of the land lost or one-time compensation calculated based on the minimum subsistence income level multiplied to 12 months per AH calculated according to the composition of the family members and their age as determined by the Government of Kyrgyzstan.

101. Houses, buildings, structures will be compensated in cash at full replacement cost, i.e. construction cost without any deductions for depreciation, salvaged materials, or transaction costs. The compensation for houses/buildings will include the cost of lost utility (water, electricity, sewerage, gas) connections. Construction cost calculation considers market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractor's fees, plus the cost of any registration and transfer and any applicable taxes. Besides the cash compensation, the government will also provide technical assistance with building the replacement structure to AHs<sup>31</sup> in need for such help.

102. **Supplementary Structures:** AHs losing supplementary structures attached to the project affected walls will be cash compensated at full replacement cost, i.e. construction cost without any deductions for depreciation, salvaged materials, or transaction costs.

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<sup>31</sup> Elderly people without adult supporters, single women, and female-headed households who may find difficult to organize construction by themselves.

103. **Walls and Fences:** AHs losing solid walls or fences attached to the project affected land parcels will be cash compensated at full replacement cost, i.e. construction cost without any deductions for depreciation, salvaged materials, or transaction costs.

104. **Perennials:** Cash compensation shall reflect income replacement. Cash compensation will be calculated at current market value and according to type, age, and productive value of project affected fruit tree. Annual yield capacity of a mature fruit bearing tree multiplied to market price of a fruit (kg/SOM) and multiplied to the number of years required to grow a new tree to same productivity age.

(i) **Sample of Formula:**

(ii) Average annual yield capacity of one mature apple tree: 40 kg

(iii) Number of years required for 2-3 years sapling to grow to the same productive level: 6 years

(iv) Market price of Apple : 35 KGS/kg  $\approx$  0.50 USD/1 kg.

(v)  $40 \text{ kg} \times 6 \text{ yrs} \times 0.50 \text{ USD/kg} = 120 \text{ USD/Apple tree}$

105. No cash compensation will be issued for decorative trees and perennials not bearing fruits. **AHs will receive additional cash for purchase of seedlings per each project affected tree including fruit bearing, decorative and timber trees.** In case local government considers acceptable the AHs will be eligible to dispose logged trees themselves. Construction Company ensures free delivery of timber to the residence of AHs.

106. **Annual Crops:** Cash compensation at current market rates for the net annual harvest actually being lost. Crop compensation will be paid to land owners. In case of tenancy agreement, cash compensation will be paid to owner/tenant based on the specific sharecropping agreements (written/verbal) being made between these two parties.

107. **Businesses Owners:** compensation for permanent business losses will be in cash for one year income based on tax declaration. If tax declaration is unavailable, the amount of cash compensation will be based on the official minimum monthly salary in trade sector multiplied to 12 months . The data will be retrieved from official website of the National Statistical Committee of the Republic of Kyrgyzstan<sup>32</sup>.

108. Compensation for temporary business stoppage will be cash covering the income of the interruption period, minimum up to three (3) months, based on tax declaration or, where this data is not available, one-time compensation calculated based on the minimum subsistence monthly income level multiplied to 3 months per AH. The amount to be calculated according to the composition of the family members and their ages as determined by the Government of Kyrgyzstan at the official website of the National Statistical Committee of the Republic of Kyrgyzstan.

109. **Business workers and employees:** Indemnity for lost wages for the period of business interruption period, minimum up to three (3) months, based on tax declaration. In case tax declaration reports are unavailable, then one-time compensation calculated based on the minimum subsistence monthly income level (multiplied to 3 months) per AH. The amount to be calculated according to the composition of the family members and their ages as determined by the Government of Kyrgyzstan at the official website of the National Statistical Committee of the Republic of Kyrgyzstan.

110. **Relocation subsidy:** AHs forced to relocate will receive additional a one-time moving allowance sufficient to cover transport costs, rental and living expenses for one (1) year. In addition, these DPs will be given priority in jobs, created as a result of the project-activities, if it

<sup>32</sup> <http://www.stat.kg/en/statistics>

fits the local labor skills that are being sought. Besides, Local Executive power and Municipality will free of charge allocate alternative land parcel and transfer ownership title and construction permit to an AH that does not have ownership title to land attached with project affected residential house, considering that such DPs are not eligible to cash compensation for affected land. This approach will ensure maintenance of livelihood of DPs without land title subject to permanent physical resettlement.

111. **Squatters:** Agricultural The squatters, whose livelihoods are affected, will be provided with actual crop loss compensation for double for 2 years so that they are given enough subsidy to maintain livelihood until they get into a new deal with agricultural land owner. Besides, if interested such squatters will be assisted by local government authorities to enter long-term lease agreement on State land and continue gaining income from officially leased State land of agricultural designation of similar productivity level.

112. **Community Structures and Public Utilities:** If affected, assets will be fully relocated or rehabilitated to meet their pre-project functions and utilities.

113. **Contractor's Temporary Requirements:** The civil works contract will require the contractor to be responsible for the temporary acquisition and reinstatement of all land required outside the road reserve for construction camps, offices, borrow pits, materials storage sites, materials processing sites, and haul roads. The contractor will select the land parcels they require and they will be responsible for negotiating agreements directly with land owners to occupy the land. In the event that a contractor fails to obtain the agreement of a landowner, the contractor would be required to select an alternative site and negotiate a new agreement. No involuntary occupation of land for temporary construction purposes would occur. Provision will be made in the civil works contract for the contractor to be responsible for providing adequate measures to cater for existing traffic while the road/bridge rehabilitation/construction works are in progress. The contractors shall be required to obtain the approval of the executing agency for all proposals for traffic management during the construction of the civil works contracts and also they shall be required to maintain all temporary diversion roads and existing roads used to carry diverted traffic from the main road.

### **Additional Rehabilitation Measures**

114. The LARP considers additional rehabilitation measures to be provided to the AHs that qualify as vulnerable and severely affected.

115. **Assistance for vulnerable people:** In addition to the compensation of lost land and assets, vulnerable AHs will be provided with additional rehabilitation measures; in particular, one-time allowance set to cash compensation calculated based on the minimum subsistence monthly income level multiplied to 12 months per AH. The amount to be calculated according to the composition of the family members and their ages as determined by the Government of Kyrgyzstan at the official website of the National Statistical Committee of the Republic of Kyrgyzstan. Besides, the members of vulnerable families will be given priority in employment in project-related jobs.

116. **AHs holders of severely affected land parcels:** AHs experiencing road project severe impact will also be provided additional assistance: one-time rehabilitation allowance for severe impact will be equal to or one-time allowance set to one year payment of the minimum subsistence monthly income level multiplied to 12 months per AH. The amount to be calculated according to the composition of the family members and their ages as determined by the Government of Kyrgyzstan at the official website of the National Statistical Committee of the Republic of Kyrgyzstan. Besides, the members of vulnerable families will be given priority in employment in project-related jobs.

## Taxation and Bank Service Fees

117. In no case will the AHs be liable for any taxes and eventual transaction fees; these will be paid by the implementing agency unless waived by the government of KR. Besides, the amount to cover bank service fees will be added on top of the amount of cash compensation to be received by AHs at the banks.

## Deposit/Escrow Accounts

118. Amount of cash compensation will be deposited to the escrow accounts if during LARP implementation process any AH is missing, absent, or deceased.

## Entitlement Matrix

119. The table below describes the Entitlements and additional allowances to compensate all type of income and assets loss identified in the context of this specific road project.

NOTE: The Entitlement Matrix contains Types of Impact and Compensation entitlements that are NOT expected within the framework of this road project. However, in the case that during construction process due to any unexpected reason, any of these types of project impacts are present, the project implementing unit will be authorized to follow the entitlements provided in this matrix and address each specific case accordingly, and in a timely manner.

**Table 6: Entitlement Matrix**

<b>Asset Specification</b>	<b>Specification</b>	<b>Affected People</b>	<b>Compensation Entitlements</b>
Permanent Loss of land	All AHs as owners/legitimate possessors of (homestead/arable) land independent from impact severity	AHs with registered /recognizable title and not holding captured land	Cash compensation will be calculated at full replacement cost at current market value to be sufficient to purchase land parcel of equal size, location, soil productivity and designation to project affected land parcel; AHs will be free of taxes, land parcel subdivision and transaction registration costs.
Permanent Loss of land	All AHs holding captured land <sup>33</sup>	AHs who use more territory of homestead/arable land then it is registered under their ownership When homestead /arable land parcels owned/possessed by AHs where the actual area of land exceeds the area registered in the ownership certificate (title)	No cash compensation will be paid to AHs who captured Municipality land by purring up the wall and fences towards the edge of the existing road. Land parcel boundaries separating the edge of the project affected land parcel from the road ROW will be identified and if proved that AH has captured road ROW and/or Municipality land no cash compensation will be issued on the captured area as this territory belongs to the Road Right of Way and cannot become the subject of purchase and /or cash compensation to AHs.
	All AHs holding a lease agreement	Leaseholders	Renewal of lease in other plots of equal value/productivity of affected land parcel; or Cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a minimum of 3

<sup>33</sup> Captured land refers to the cases when local people put stone walls and/or fences outside of the legally designated area and through shifting the boundaries of their homestead and/or arable land parcels towards the ROW of the existing road.



Asset Specification	Specification	Affected People	Compensation Entitlements
			years)
	All persons	Agricultural workers losing their contract	Cash indemnity corresponding to their salary for the remaining part of the agricultural year.
	All persons holding valid contracts	Agricultural workers losing their contract	Cash indemnity corresponding to their salary for the remaining part of the agricultural year.
	All non-titles land users and agricultural squatters	Non-titled land users /Squatters	One-time rehabilitation allowance equal to market value of 1 year gross harvest (in addition to crop compensation) for land use loss. However, if proven that AHs are losing the land parcels which is the only source of income additional rehabilitation measures will be exercised in agreement with AH. Options are: a. rural administration will free of charge allocated alternative land parcel with equal productivity and designation; preferable location and existence of utilities will be considered and if not available provided before relocation; or b. if free allocation is not possible the LARP budget will include the costs sufficient to purchase land directly from the state and free of charge transfer to AHs.
	Additional provisions for severe impacts (loss of more than 10% of income generating land /assets)	AHs (titleholders and/or without title but eligible to claim title registration, Leaseholder, Squatters	One-time rehabilitation allowance for severe impact equal to market value of annual gross harvest of the affected land in addition to standard crop compensation.
Loss of Commercial Land	Land loss	Titleholder	Land for land compensation through provision of a plot comparable in value/location to plot lost free of taxes, Registration fees and land use right transfer costs.
		Renter/Leaseholder	One-time allowance equal to monthly rental fee (specified in the lease agreement) multiplied to 3; if Lease agreement is not available, minimum monthly salary multiplied by 3.
		Squatters	Accommodation in a government resettlement area or a self-relocation allowance.
Houses and Structures	Residential and supplementary structures, walls and fences subject to demolition for road project purposes	All relevant AHs (including squatters)	Cash compensation at replacement rates for affected structure and other fixed assets free of salvageable materials, depreciation, and transaction costs. In case of partial impacts full cash assistance to restore remaining structure.
Crops	Crops affected	All AHs (including squatters)	Crop compensation in cash at full market rate for annual harvest to be paid to land-user or tenant will be determined based on

Asset Specification	Specification	Affected People	Compensation Entitlements
			specific sharecropping agreements made between these parties.
Trees	Trees affected:  Fruit bearing perennials	All AHs (including squatters)	Cash compensation at market value on the basis of type, age, and productive value of fruit tree; Each fruit bearing tree in addition shall be compensated for purchase of saplings. AHs will be eligible to dispose logged trees themselves. Construction company ensures free delivery of timber to the residence of AHs.
	Trees affected:  Non-fruit bearing perennials		No cash compensation will be issued for perennials not bearing fruits. PAHs will be eligible to dispose logged trees themselves. Construction company ensures free delivery of timber to the residence of PAHs.
Business Employment	Temporary or permanent loss of business or employment	All AHs (including squatters)	Business owner: (i) Cash compensation equal to one year income, if loss is permanent; (ii) cash compensation for the period of business interruption, if loss is temporary. Worker/employees: Indemnity for lost wages for the period of business interruption up to a maximum of 3 months.
Relocation	Transport and transitional livelihood allowances	All AHs affected by relocation	Provision of sufficient allowance to cover transport expenses and livelihood expenses for one month.
Community Resources			Access shall be maintained or reinstated; Rehabilitation/substitution of the affected structures/utilities (i.e. bridges, roads, schools, health-centers, water pipes, irrigation channels, etc.).
Vulnerable AHs		AHs below poverty line; disabled people; pensioners; widows; female headed households; impoverished	In addition to the compensation of lost land and assets, vulnerable AHs will be provided with additional rehabilitation measures; in particular, one-time allowance set to cash compensation calculated based on the minimum subsistence monthly income level multiplied to 12 months per AH. The amount to be calculated according to the composition of the family members and their ages as determined by the Government of Kyrgyzstan at the official website of the National Statistical Committee of the Republic of Kyrgyzstan. Besides, the members of vulnerable AHs will be given priority in employment in project-related jobs.

Asset Specification	Specification	Affected People	Compensation Entitlements
			AHs experiencing road project severe impact will also be provided additional assistance: one-time rehabilitation allowance for severe impact will be equal to or one-time allowance set to one year payment of the minimum subsistence monthly income level multiplied to 12 months per AH. The amount to be calculated according to the composition of the family members and their ages as determined by the Government of Kyrgyzstan at the official website of the National Statistical Committee of the Republic of Kyrgyzstan. Besides, the members of vulnerable families will be given priority in employment in project-related jobs.
Temporary impact	Loss of access to land parcel	Owners/Users	Temporary access will be set up by Construction Company.
	Income loss due to lack of temporary access road to the business activity	Business units	Temporary access will be set up by Construction Company.
	Temporary loss of income caused by occupying land parcels for the camps and quarries	Owners/users	During camps' site selection process, Construction Company should coordinate with relevant state agencies and give priority to vacant lands not used for agricultural /residential purposes. But in case the land parcels selected for camps and quarries will have private land-users, all losses and amount of due compensation shall be determined according to the principles of compensation entitlements provided under this RPF and relevant LARP.
Any other unforeseen Impacts	As required	any	As required, in the spirit of this LARP.

## Chapter 4: Legal-Regulatory Framework

### Country Legislation

120. The following laws and Normative Acts regulate land/real property ownership rights and rules and procedures for obtaining State ownership right to privately owned land parcels based on the necessary public needs caused due to constructions activities:

- (i) The Constitution of the Republic of Kyrgyzstan (June 27, 2010)
- (ii) Civil Code (May 8, 1996, # 16; last amended on July 30, 2015 )
- (iii) Land Code (2 June 1999, # 45; last amended on July 28, 2015 N 198)
- (iv) The Law "On the roads» (№72 dated June 2, 1998, as amended on August 3, 2015 N 211)
- (v) The Law of State Registration of Rights to Immovable Property and Related Transactions (December 22, 1988 N 153, last amended on July 9, 2013 N 124)
- (vi) Valuation standards for the valuers (Government Resolution, 03 April 2006, # 217)
- (vii) The Order # 361-b of the GoK dated December 15, 2015 on formation of the LAR Commission
- (viii) The Order # 183-p of the GoK dated May 26, 2014 on suspension of any land alienation along the road.
- (ix) The Constitution of the Republic of Kyrgyzstan; Article 12

121. Under the Constitution of the RoK, the diversity of forms of property rights shall be recognized and equal protection afforded to private, state, municipal, and other forms of property, shall be guaranteed.

122. Kyrgyz Republic recognizes diversity of ownership forms, and guarantees the equal legal protection to private, state, municipal, and other types of land ownership. Land can be in private, municipal, and other types of ownership, however, pasturelands cannot be held in private ownership.

123. Ownership is inviolable and no one can arbitrarily be dispossessed of their property. Property can be acquired by the state against the person's (party's) will only be based on a court decision.

124. Acquisition of property for public purposes, as defined in the national laws, can be carried out only through the court's ruling and with fair and prior payment of the compensation for the affected property as well as other costs (article 12, clause 2).

- (i) The Kyrgyz Republic recognizes diversity of ownership and guarantees equal legal protection of private, state, municipal, and other forms of ownership.
- (ii) Property is inviolable. No person can be deprived of his/her property arbitrarily.
- (iii) Confiscation against the will of the owner is allowed only by decision of a court. Private property can be involuntarily acquired only under the Court decision. Involuntary acquisition of private property without Court decision is allowed only in the cases stipulated by law on protect national security, public order, protection of health or morality of population and protection of the rights and

- freedoms of other persons. The legality of such withdrawal is subject to mandatory review by the court.
- (iv) Expropriation of property for public needs, defined under the law may only be undertaken under the court decision and in lieu of prior reimbursement cost of the given property and other losses incurred as a result of property alienation.
  - (v) Transfer of private property owned by citizens and legal entities (nationalization) into the State ownership is undertaken in accordance to the law with the condition of cost reimbursement of given property and other losses.
  - (vi) The Kyrgyz Republic protects ownership of its citizens and legal entities, as well as its property, located on the territory of other states.
  - (vii) The land, its mineral resources, airspace, waters, and forests are the exclusive property of the Kyrgyz Republic, are used in order to maintain a unified ecological system as the basis of livelihood and activity of the people of Kyrgyzstan and are under special state protection.
  - (viii) Land may also be in private, municipal, and other forms of property, except pasture, which cannot be privately owned.
  - (ix) The Law protects private ownership rights and also determines the rules and limitations for exercising the rights of private owners.

**Civil Code (8 May 1996, # 16; last amendment N 206 as of July 30, 2015)**

125. The Civil code provides that: a party whose rights are violated can claim full loss reimbursement (full compensation for losses incurred), unless the national legislation or the agreements (contracts) prepared in line with the national legislation indicate the contrary.

Civil Code, Article 14. Loss Reimbursement

Clause 1. The Civil Code identifies the losses that subject to reimbursement (compensation):

A person, whose right is violated, may claim full indemnification for losses incurred, unless the law and/or terms and conditions of agreement entered by the parties in compliance with the law provides otherwise.

126. The losses are defined as follows:

- (i) A person, whose right was violated and who incurred or will have to incur costs to restore violated rights, losses or damage to his property (**Actual Loss**), and also
- (ii) Unreceived income, which a person would have received under normal conditions of civil turnover, if his right had not been violated (**Lost Profit Damages**).
- (iii) If a person earned income through violating a law, a person whose rights were thus violated can claim loss reimbursement along with other costs, actual loss in the amount no less than income earned by a violator.

**Article 15. Indemnification for Losses Caused By the State Agencies and Local self-government**

127. Losses incurred by a citizen or legal entity as a consequence of illegal actions (or inactivity) of state agencies, bodies of local self-government or officials of these bodies, including issuance by a state body of an act that does not comply with legislation, are subject to

indemnification by the state, as well as local self-government authorities in the cases foreseen under the law.

**Land Code (June 2, 1999 N 45, as amended on July 28, 2015 N 198.)**

128. The Land Code of the Kyrgyz Republic defines:

**Article 68. Withdrawal (Redemption) of the Land Plot for State and Public Needs**

129. Paragraph 1. Acquisition (purchase) of a land plot for state and public needs may be exercised on the grounds of an agreement between the authorized agency and landowner or land-user. If no agreement is achieved with the landowner/land-user of acquisition (purchase) of a land plot or offered conditions, the authorized agency has the right to apply to the court. within two months period from the date of official denial of landowner/land-user. The authorized agency has the right to claim for compensable acquisition of the given land parcel.

130. Paragraph 3. During price calculation, the purchase (redemption) price of a given land plot, shall include market value of ownership right land and buildings and structures attached to the given land plot, as well as losses incurred by landowner/land-user as a result of termination of rights to a land plot, including the damages /losses related to the earlier termination of liabilities with third parties.

131. Paragraph 4. In the event of withdrawal of the land plot for the state or public needs another land plot may be allocated to a land owner/user, subject to his consent and the value of the right to it shall be credited to the redemption price.

132. The land code also defines exceptional cases of withdrawal of the land plot when the rights for the land plot and auxiliary constructions can be withdrawn, including the following grounds:

**Article 66. Grounds for Withdrawal of the Land Plot**

133. Withdrawal of the land plot shall be allowed in the event of:

- (i) utilization of a land plot in violation of its targeted use;
- (ii) withdrawal (redemption) of the land plot for state and public needs in accordance with provisions of this Chapter;
- (iii) failure to use a land plot or part of the land plot allocated for agricultural production within three years;
- (iv) failure to use a land plot allocated for non-agricultural production in accordance with the legislation;
- (v) failure to pay land tax within the period established by tax legislation;
- (vi) failure to pay insurance fees within the period established by the Law of the Kyrgyz Republic "On Tariffs of Insurance Fees for State Social Insurance".
- (vii) termination (cancellation) of the right to use resources by the state body on resource use in cases indicated in the Law of the Kyrgyz Republic "On Resources".
- (viii) withdrawal of the land plot in cases provided in subparagraphs 1, 3, 4 of paragraph 1 of this Article shall be produced with payment of the value of the right to land plot to the owner or user of the land plot less expenses connected with withdrawal of the land plot and arrangement of sale.
- (ix) land plots withdrawn on the grounds provided by subparagraphs 1, 3, 4, 5, 6 of paragraph 1 of this Article may be traded at sale.
- (x) in case if sale of the right to the land plot is acknowledged unaffected, the right to land plot shall be transferred to the authorized body with payment of appraisal

value (normative price) of the land at the moment of sale to the owner or user of the land plot.

- (xi) the land plot may be withdrawn for satisfaction of state and/or public needs subject to payment of the value of the right to land plot and indemnification of losses.
- (xii) withdrawal of the land plot in case of failure to pay land tax within the established period shall be produced in the procedure established by the Tax Code of the Kyrgyz Republic.
- (xiii) withdrawal of the land plot in case of failure to pay insurance fees within the established period shall be produced in the procedure established by the Law of the Kyrgyz Republic "On Tariffs of Insurance Fees for State Social Insurance".

134. (As amended by the Law of the Kyrgyz Republic on February 17, 2003 N 36 February 26, 2007 N 22, May 7, 2012 N 46, July 20th, 2015 N 181, July 28, 2015 N 198).

#### **Article 67. Withdrawal of the Land Plot in the Event of Utilization thereof in Violation of Targeted Use**

135. The land plot may be withdrawn in the event of utilization of a land plot in violation of targeted use only on the basis of a court decision.

136. The authorized agency may file a claim to the court on withdrawal of the land plot after administrative penalties are applied and written notice is delivered to the land plot owner or user on elimination of violation within the period not less than three months.

137. According to paragraph 1 of Article 49 («Rights of Land Plot Owner/user») of Land Code, A land plot owner/user, unless otherwise established by law, the documents certifying the rights to land, or by an agreement, shall have the right to:

- (i) carry on independent management on the land using it in accordance with
- (ii) the targeted purpose (paragraph 1.1 of article 49,);
- (iii) erect, in compliance with the established procedure, buildings and
- (iv) structures consistent with the targeted use of the land subject to
- (v) architectural planning, construction, ecological, health and hygiene, antfire,
- (vi) and other special requirements (norms, rules, standards), (para 1.6 of article 49);
- (vii) receive full compensation of losses in cases set forth in legislation of the Kyrgyz Republic; (para 1.5 of article 49);
- (viii) perform civil law transactions with the right to land subject to limitations established by this Code and Law of the Kyrgyz Republic "About management of the land designated for agricultural needs" (article 49, para 8).

138. In the Land Code (article 78 "Land in common Use of Settlements") the procedure for the use of the lands of public use is also defined. In particular, it is determined that:

139. Paragraph 1. Land in common use of settlements shall consist of land used as communication lines, or for satisfaction of cultural and household needs of the population (roads streets, squares, sidewalks, passages, parks, avenues, public gardens, water reservoirs and etc.).

140. Paragraph 2. Land in common use of settlements shall not be allocated into ownership. In exceptional cases, they may be allocated by the authorized body for fixed term (temporary) use to natural and legal persons for lease for the period of up to five years, except for the cases, provided by paragraph 4 of this article.

141. Paragraph 3. Construction of buildings and construction of lightened type on the land in common use allocated for fixed-term (temporary) use by the authorized body may be allowed, except for the cases, provided by paragraph 4 of this article.

142. Paragraph 4. In order to ensure and meet cultural and social needs of the population in the lands of public allowed the organization, design and construction of underground capital facilities (parking lots, parking of motor transport, tunnels, passages) with social and public services, as well as the elevated pedestrian crossings, sports, concert and children's playgrounds. Limits reducing space parks, boulevards, and squares permitted in the construction of the above-mentioned objects are established by decisions of local councils. (Law of the Kyrgyz Republic on February 7, 2005 N 15, July 20, 2015 N 181)

### **The Law "On the roads» (№72 dated June 2, 1998, as amended on August 3, 2015 N 211)**

143. According to the Law "On Roads" (Article 4 "Public highways"), public roads owned by the state, not to be sold, cannot be transferred to private ownership. This law (article 27, "Prohibitions on the Use of Roads") also stipulates that without the consent of the authorized state body in the field of road safety and the permission of the authorized state body in the field of Transport and Communications, or its authorized agencies on the use of public roads and right-of-ways, the following activities, among others, are prohibited:

- (i) roadside trading;
- (ii) placement of kiosks, pavilions, and similar structures.
- (iii) Unauthorized use of roadway lands will be terminated without compensation for production costs incurred during the illegal use of the land (Article 23). (As amended by the Law of August 3, 2012 N 146).

### **The Law On state registration of rights to immovable property and related transactions**

144. The state registration of rights to immovable property and transactions with it (hereinafter - state registration of rights) is a legal act of recognition and confirmation of rights to immovable property and their encumbrances (restrictions), as well as real estate transactions, providing protection for the rights and encumbrances (restrictions), except as provided in this Law (Article 1, paragraph 1).

145. Any other document or entitlement rights and their limitations, are subject to mandatory registration in accordance with Article 4 of this Law, submitted to the registration authority not later than thirty days from the date of the (drafting) of the above document. (Article 7, paragraph 1).

146. In accordance with Article 4, the following rights and restrictions are subject to registration:

- (i) the right of ownership;
- (ii) the right of economic management;
- (iii) the right of operational management;
- (iv) (repealed in accordance with the Law of the Kyrgyz Republic dated December 19, 2003 N 237}
- (v) the right of perpetual (no fixed term) use of land;
- (vi) the rights arising out of mortgage, including a mortgage by operation of law, or collateral;
- (vii) the right to temporary use, lease or sublease for a period of three years or more;
- (viii) easements (other than those specified in Article 6 of this Act);
- (ix) restriction of the rights for the design, construction and use of a single unit of real estate, except for restrictions that apply to the real estate in accordance with the laws and other normative acts of the Kyrgyz Republic;



- (x) the rights arising from the court;
- (xi) the rights of nature, the list of which is established by legislation of the Kyrgyz Republic;
- (xii) other rights subject to registration now or in the future in accordance with the Civil Code and other legal acts of the Kyrgyz Republic;
- (xiii) the rights arising from the legalization of property.

**Law of the Kyrgyz Republic dated December 19, 2003 N 237, August 9, 2007 N 141, March 30, 2009 N 98, December 8, 2011 N 230.**

147. The following rights and restrictions shall be valid regardless of whether they are registered or not, but state protection provided by this Law (Article 6) is not ensured:

- (i) the right of access to power lines, telephone and telegraph lines and poles, pipelines, and geodetic points existing at the time of opening of the registration authority, and other rights arising from social needs;
- (ii) the rights of spouses, children and other dependents, established by the legislation of the Kyrgyz Republic, even if those rights were not registered on their own;
- (iii) the right to temporary use, lease or sublease for less than specified in paragraph 7 of Article 4 of this Law;
- (iv) the right of the actual users in the pre-emptive use of real estate, established by Article 265 of the Civil Code of the Kyrgyz Republic;
- (v) the rights of the tax authorities established by the legislation of the Kyrgyz Republic;
- (vi) restrictions, acting as general rules and prohibitions (on health care, public safety, environmental protection and others.), defined by the legislation of the Kyrgyz Republic.

#### **Provision on asset valuation**

148. The valuation of assets is based on the Interim Rules of activities of appraisers and appraisal organizations in the Kyrgyz Republic (Government Resolution №537 of August 21, 2003, as amended on December 3, 2012 N 807) as well as property valuation standards, mandatory for all the subjects of valuation activity in the Kyrgyz Republic (Government Resolution № 217 of 03 April 2006, as amended on 28 October 2014 № 619) and other provisions of national legislation.

#### **The Order # 361-b of the GoK dated December 15, 2015 on formation of the LAR Commission**

149. Pursuant to the Order # 361-b of the GoK the LAR Commission has been established to actively participate in LARP preparation and Implementation activities along the proposed road section.

#### **The Order # 183-p of the GoK dated May 26, 2014 on suspension of any land alienation along the road.**

150. The Order # 183-p of the GoK considers suspension of all land related activities such as alienation of land parcels within 32 meters from the central line on both sides of the existing road. The objective of the Order is to efficiently procure the funds allocated for construction of North-South Road project and considers specific limitation on allocation of land parcels and issuance on construction permits, including light construction and banners for advertisements. The limitation applies to both sides of the road and includes the territory within 32 meters from the central line of the new road design being under processing (designing).

151. The document puts the MOTR in charge to monitor the enactment of this Order.

### **ADB Safeguard Policy Statement**

152. The Safeguard Policy Statement on Involuntary Resettlement describes common objectives of ADB's safeguards, lays out policy principles, and outlines the delivery process for ADB's safeguard policy.

153. The objectives of the IR policy are as follows:

- (i) To avoid involuntary resettlement, wherever possible;
- (ii) To minimize involuntary resettlement by exploring Sub-Project and design alternatives;
- (iii) To enhance, or at least restore, the livelihoods of all displaced persons in real terms, relative to pre-Sub-Project levels; and
- (iv) To improve the standards of living of the displaced poor and other vulnerable groups.

154. **Objectives:** To avoid involuntary resettlement wherever possible; to minimize involuntary resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups.

155. **Scope and Triggers:** The involuntary resettlement safeguards covers physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas. It covers them whether such losses and involuntary restrictions are full or partial, permanent or temporary.

156. Policy Principles:

- (i) Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.
- (ii) Carry out meaningful consultations with affected persons, host communities, and concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.
- (iii) Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.

- (iv) Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.
- (v) Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.
- (vi) Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.
- (vii) Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
- (viii) Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- (ix) Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.
- (x) Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.
- (xi) Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
- (xii) Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

### **LARP Principles Adopted For the Project**

157. The MOTR has prepared draft LARP in compliance with the laws and regulations of the RoK and ADB SPS to serve as the tool to ensure that project implementation process meets the core principles of involuntary resettlement as listed below:

- (i) Land acquisition, and other involuntary resettlement impacts will be avoided or minimized exploring all viable alternative project designs;
- (ii) Where unavoidable, a time-bound RP will be prepared and AHs will be assisted in improving or at least regaining their pre-project standard of living;
- (iii) Meaningful Consultation with AHs on compensation, disclosure of resettlement information to AHs, and participation of AHs in planning and implementing sub-projects will be ensured;
- (iv) Vulnerable and severely affected AHs will be provided special assistance;

- (v) Non-titled AHs (informal dwellers or squatters) will receive a livelihood allowance in lieu of land compensation and will be fully compensated for losses other than land;
- (vi) Legalizable AHs will be legalized and fully compensated for land losses;
- (vii) Provision of income restoration and rehabilitation to all AHs;
- (viii) The RP will be disclosed to the AHs in the local language;
- (ix) Payment of compensation, and rehabilitation measures will be completed prior to the contractor taking physical acquisition of the land and prior to the commencement of any construction activities on a particular package; and
- (x) Establishment of appropriate grievance redress mechanism to solve AHs grievance if it occurs.
- (xi) Internal monitoring and disclosure of reports<sup>34</sup>.

158. Notice to contractors cannot be given until the MOTR officially has confirmed in writing, stating that:

- (i) Payment has been fully disbursed to the displaced persons and rehabilitation measures are in place;
- (ii) Already-compensated/assisted displaced persons have cleared the area in a timely manner; and
- (iii) The area is free from any encumbrances.

159. Cut-off date is the date of completing DMS for which land and/or assets affected by the Project are inventoried following Detailed Design.

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<sup>34</sup> Please see for details the Chapter: Monitoring and Reporting Requirements o.

## Chapter 5: Institutional Arrangements

160. The Chapter describes the role, authority and responsibility of state agencies involved in the process of LARP preparation and implementation. These agencies are: MOTR/PIU<sup>35</sup>, LAR Commission, State Register, Ministry of Finance, IFI NGOs, and consultants.

161. Several agencies and parties have been involved in the LARP preparation process. The MOTR initiated official procedures required for LAR Commission establishment. On December 15 the LAR Commission of Narin oblast was officially formed in accordance to the Order No 62-b dated March 15, 2016 of the Acting Representative of the Government of the Kyrgyz Republic in Naryn Oblast.

162. The LAR Commission was composed of these seven members listed below:

- (i) Chairman: Leading Specialist of Regional Development Department of legitimate representative of the Government of Kyrgyz Republic in Naryn Oblast
- (ii) Secretary of the LAR Commission: First Deputy Head of Kochkor Regional Administration
- (iii) Members of the LAR Commission:
- (iv) Regional Coordinator of the group for implementing investment projects at the Ministry of Transport and Roads (MOTR)
- (v) Specialist of land arrangement and architecture of group for implementing investment projects at the Ministry of Transport and Roads (MOTR)
- (vi) Sociologist of the group for implementing investment projects at the Ministry of Transport and Roads (MOTR)
- (vii) Head of the Road Management Service Office # 955 for Bishkek-Naryn-Torugart Automobile Road.
- (viii) Head of Kochkor Department for Architecture and Urban Planning.

163. Besides, PIU assigned Focal Person with past experience in similar projects planning and implementation to be act as the FR for the entire project to deal with any questions, claims, and /or complaints prior to official formation of GRC.

164. Resettlement team of the Consultant (Kocks Consulting) composed by International and National Resettlement Consultants together with LAR Commission are involved in preliminary LARP preparation.

165. EA at the MOTR carries overall responsibility for the preparation and implementation of the LARP. PIU is in charge to manage and monitor LARP preparation, implementation, and monitoring.

166. The Independent Valuator was hired by the Consultant survey and hiring of the independent valuator was done by Consultant. The valuator assessed lost income, loss or stoppage of business, loss of employment, shift/removal of fences and trees (wood and productive) to be felled. The estimated LARP budget prepared by the Valuator per each AH is enclosed in the Appendixes.

167. Department of State Expertise of the State Agency for Construction and Regional Development of the Government of the Kyrgyz Republic is in charge to undertake legal

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<sup>35</sup> IDB and SFD have its own separate project implementation unit (PIU), which will be responsible for project implementation activities.

expertise of the report prepared by the valuator and issue legal expertise conclusion to be attached to the final LARP.

168. The EA is responsible to ensure the LARP implementation completion including issuance of cash compensations, any physical relocation, and/or removal of structures to clear the ROW for civil works commencement.

169. After the official approval of the LARP and compensation package the Ministry of Finance will allocate the LARP implementation budget based on the estimates included in the Final LARP.

170. Following LARP approval by IFI, PIU will start the process of implementation including process of endorsing the LARP and the compensation disbursement and implementing it.

171. The EA will be responsible for close monitoring of physical relocation/dismantling of impacted facilities. The EA will supervise the relocation and reinstallation with support from the supervision consultant. The EA warrants that before the construction works commencement the road will be clean of any facilities subject to removal or relocation and the Contractor will not have any obstacles to his activities.

172. In the meantime, as of (fixed date to be specified as soon as known) the GRG will function and any claims, requests or recommendations during LARP implementation and construction period will be registered and addressed by the GRC members.

## **Chapter 6: Public Consultations and LARP Disclosure**

### **Public Consultation Meetings**

173. The public consultation meetings have been conducted at the earlier phase of Social Impact Assessment. The public meetings were open to any interested persons including population from project affected villages and residents of villages located further from the ROW, representatives of local government, NGOs and CBOs were invited to attend the meetings too.

174. All participants were provided with information on pending project and introduced to the safeguards principles of ADB SPS 2009.

### **Public Disclosure**

175. The final version of the draft LARP in English will be uploaded on ADB website. The Kyrgyz and Russian versions will be available on MOTR web-site and disclosed to the public in hard copy at the offices of relevant rural administrations. Further, an information pamphlet in Kyrgyz summarizing essence of cut-off date, compensation eligibility criteria, valuation methodology and compensation entitlements, project schedules and implementation features will be provided to all AHs in accordance with co-financing IFI safeguards and Kyrgyz legislation requirements.

## Chapter 7: Grievance Redress Mechanism

### Objectives

176. The Grievance Redress Mechanism (GRM) is a process through which the affected people need a trusted way to voice and resolve concerns about the project and the project also finds an effective way to address affected people's concerns. In this project, the grievance mechanism will be in place by which the affected people will be fully informed of their rights and procedures for addressing complaints whether verbally or in writing during consultation, DMS, and at the time of receiving compensation and resettlement assistance.

177. The MOTR will support the process of official formation of GRM to ensure that the system is in place by the approval of the final LARP. Notable that the Consultant has already provided some introduction of GRM to local population during public consultations held at the PPTA stage while working on Social, Poverty and Gender Analyses. Besides, MOTR will assign the Focal Person with past experience in similar projects planning and implementation to act as the FR for the entire project to deal with any questions, claims, and /or complaints prior to official formation of GRC.

178. If applicable in accordance with co-financing IFIs safeguards requirements, **Grievance Redress Group (GRG)** will be established and provided with required administrative support by MOTR during the project validity period. The role and responsibility of the GRG is accept claim and complaints, assess its validity, determine the scope of eventual impacts, and timely resolve the issue, including the claims regarding the compensation and maintain grievance redress mechanism as flexible and efficient mechanism to address and resolve the claims as raised during project planning and implementation period.

### Functioning of the GRG within the Grievance Redress Mechanism

179. The suggested structure of the grievance redress mechanism (GRM) involves the following two (2) stages of appeals:

**Stage 1: Local (Village) Level** The grievances will first be lodged at the level of the complainant's village community. The complainant will report his case to the Local Point of Contact (LPC) The LPC will trigger the action of the Grievance Redress Group (GRG) which will assess the situation and seek a solution through consultation with complainants, local Roads Maintenance Unit (RMU) the oblast Ombudsman, and the selected AH representative.

**Stage 2: Central Level** In case within additional 15 days the grievance is still not resolved at local level the complainant will further raise the issue to MOTR's headquarters in Bishkek again with the support of the LPC, AH representatives, and the oblast Ombudsman. The GRG will decide on the eligibility and on the complaint case and prepare the resolution, subject to PIU/MOTR consent.

180. GRM proceedings will entail one or more meetings for each complain and may require field investigations by specific technical or valuation experts. Grievance cases shared by more than one complainant may be held together as a single case.

181. For deliberations at the local level, the meetings will be held in the village of the complainant. For appeals at central level the meetings will be carried out at in MOTR office in Bishkek with field trips of GRG members to the village of the complainant.



## Composition of GRG

182. GRG will be established by the order of MOTR. The GRG is composed at different levels of appeal by the following individuals/officers.

### Local level GRG

183. Local level GRG will be established at each Ayil-Okmotu along the project roads with the provision of members of following composition.

GRG Member	Position held
Head of Ayil-Okmotu	Chairman
Representative of RMU	Member
Female and Male AHs	Members (2)
Local Focal Point	Member
Ombudsman of the Oblast	Observer
Consultant	Invited Expert

### Central Level GRG

184. The central level GRG will be represented by 5 members of the following composition.

GRG Member	Position held
Head of PIU of MOTR	Chairman
Project Coordinator at PIU	Member
PIU safeguards unit representative	Member
Representative of the RMU	Member
Local Focal Point	Liaison between Local & Central GRG
Ombudsman of the Oblast	Observer
Representatives of AHs (Male & Female)	Additional Observers

185. At each level of appeal, the GRG will be assisted as needed by the professional capacity needed to solve each specific case. This will include among others:

- (i) Representatives of State Rayon Administration
- (ii) Representatives of the Rayon Branch of the State Agency for Architecture and Construction
- (iii) State Registration Services of the Rayon
- (iv) Ministry of Agricultural
- (v) State Agency for Environment and Forestry
- (vi) Ministry of State Property
- (vii) Ministry of Emergency
- (viii) Technical expertise from professional engineers.

## Duties of GRG Members

### Local Point of Contact (LPC) / Head of Ayil-Okmotu

186. Once the LPC Receives written notification of a complaint s/he will:

- (i) draft a complaint memo to be signed by the complainant and the LPC indicating name of complainant, date and place of presentation of complaint, description of complaint and supporting documents, if any;
- (ii) for such simple complaints like notification of when construction starts or a copy of the entitlement brochure this should/could be handled at the local level;
- (iii) send the complaint memo to all members of the local level GRG, summon them for a GRG meeting and establish the date of the first and (if needed following) grievance redress meetings;
- (iv) request village authorities to organize the meeting(s);
- (v) chair the GRG meetings;
- (vi) convey requests and enquiries of the complainants to PIU/MOTR and to the other members of the GRG at village level;
- (vii) maintain records of each meeting and each communication between him/her and the complainants;
- (viii) participate as a witness to appeal cases at all levels;
- (ix) ensure the administrative and organizational support for GRG members to work; and
- (x) disseminate the information on the GRM across the local communities concerned.

### **RMU Representative**

187. Once notified of a complaint and summoned by the LPC to a grievance meeting the RMU representative will:

- (i) contact the complainant(s) and draft a note with his/her understanding of the complaint;
- (ii) recording of complaints and submitted documents of proof;
- (iii) participate to all grievance meetings, provide opinions and analysis, take minutes of the discussions;
- (iv) accompany eventual assessment/valuation specialists in the field;
- (v) ensure that claims from damages due to construction works are reviewed by the RMU and technical experts as to costs that may not have been considered in the initial valuation;
- (vi) based on the position reports of GRG members and on his/her understanding of the case prepare the final grievance report and recommendations to be sent to complainant, other GRG members and PIU. The report may indicate that: i) the case is solved without further action; ii) that the case is solvable but requires compensation or other action or iii) that the case remains unsolved;
- (vii) if the complaint is considered valid and the needed compensation/action is approved by PIU, proceed for the delivery or compensation or for the execution of the redress action; and
- (viii) when prompted by the LPC that a complainant with an unsolved grievance wants to lodge the complaint at a higher appeal level inform PIU/MOTR and proceed with the organization of the central level appeal meeting.

### **Representatives of the AHs**

188. Two representatives of the AHs from the affected community will participate in all GRG meetings and will:

- (i) participate to all grievance redress meetings;
- (ii) provide relevant information related to the submitted complaints; and
- (iii) provide other GRG members as relevant with a position note to be reflected in the final meeting report.

### **Consultant**

189. Once notified of a complaint and summoned by the LPC to a grievance meeting the Consultant will:

- (i) contact the complainant(s) and draft a note with his/her understanding of the complaint;
- (ii) trigger the GRG members through a letter of invitation;
- (iii) review the content of each response prepared after deliberations to ensure accuracy as well as consistency of answers provided to the complainants;
- (iv) ensure the administrative and organizational support for GRG members to work; and
- (v) support the decision made by the GRG and ensure that the follow-up actions are taken.

### **PIU Project Coordinator**

190. Once notified that a complainant has lodged an appeal case at central level project coordinator will:

- (i) contact the complainant(s) and draft a note with his/her understanding of the complaint;
- (ii) participate to the appeal meeting, provide opinions and analysis, take minutes of the discussions;
- (iii) if needed summon again assessment/valuation specialists and accompany them in the field;
- (iv) request the chairperson to organize meetings, as necessary;
- (v) maintain communication between GRG and the complainants; and
- (vi) Complaint Register is kept with PIU and a copy shared with the Consultant.

### **Representatives of PIU Safeguards Unit**

191. Once notified that a complainant has lodged at central:

- (i) participate to all grievance meetings, provide opinions and analysis;
- (ii) accompany eventual assessment/valuation specialists in the field, and
- (iii) provide other GRG members as relevant with a position note to be reflected in the final meeting report.

### **Ombudsman**

192. Once notified of a complaint and a summoned by the LPC to a grievance meeting is submitted the Ombudsman will:

- (i) monitor complaint handling process and ensure that decisions made by the GRP are equitable and objective;
- (ii) provide independent opinions and recommendations related to the decision made on the case by the GRP team;
- (iii) advise the complainant(s) on their rights and entitlements, as necessary;
- (iv) participate to all GRG meetings and site visits;
- (v) participate in eventual assessment/valuation in the field; and
- (vi) prepare a position memo at the end of the meeting(s) and forward it to LPC/chairperson of the GRG.

### **GRG Chairperson/Head of PIU of MOTR**

- (vii) Once notified that a complainant has lodged an appeal case at central level, the GRG chairperson will:
- (viii) contact the complainant(s) and draft a note with his/her understanding of the complaint;
- (ix) trigger the GRG members through a letter of invitation;
- (x) chair the GRG meetings and ensure that minutes of the meeting are shared with all relevant parties;
- (xi) review the content of each response prepared after deliberations to ensure accuracy as well as consistency of answers provided to the complainants;
- (xii) ensure the administrative and organizational support for GRG members to work; and
- (xiii) support the decision made by the GRG and ensure that the follow-up actions are taken.

### **Representatives of PIU Safeguards Unit**

193. Once notified that a complainant has lodged at central level, the representatives of PIU safeguard and technical unit will:

- (i) prepare the chronology of events to understand sequence of developments prompting the complaint;
- (ii) provide environmental and resettlement opinion on impacts claimed by the claimant;
- (iii) examine large claims over USD\$10,000 with financial expert at Ministry and involve a qualified valuer;
- (iv) request the chairperson to organize meetings, as necessary; and
- (v) maintain communication between GRG and the complainants.

### **Technical Experts**

194. Once summoned to provide expert advice for the assessment or valuation of an impact claimed by a complainant the relevant technical expert will carry out the needed investigations and prepare a report to be handed to the complainant and the other members of the GRG.

The tasks will include:

- (i) provision of relevant technical opinion for the case reviewed;
- (ii) carry out the needed investigations relevant to their expertise; and
- (iii) provide recommendation when the legal opinion from the relevant state agencies is necessary.

### **Grievance Resolution Process**

195. The LPC of GRGs will be regularly available and accessible for AHs to address concerns and grievances. He will assist the aggrieved AHs in formally lodging their claims to the GRG. The complaints and grievances from the AHs will be addressed through the process described below.

<b>Steps</b>	<b>Action level</b>	<b>Process</b>	<b>Timeline</b>
Step 1	Resolution	At initial stage, the LPC will give hearing to the aggrieved person and try to give acceptable solutions. If any aggrieved AH is not satisfied with the solutions, then the aggrieved AH will lodge	3 days

		grievances in written to the concerned local GRG within 3 days.	
Step 2	GRG Resolution	After receiving written complaints of AH the LPC will review and prepare a Case File for GRG hearing and resolution. A formal hearing will be held with the GRG at a date fixed by the LPC in consultation and the aggrieved AHs. On the date of hearing, the aggrieved AH will appear before the GRG at the office of concerned Ayil-Okmotu and produce proof in support of his/her claim. The LPC will note down the statements of the complainant and document all proof. The decisions from majority of the members will be considered final from the GRG and will be issued by the LPC and signed by other members of the GRG. The case record will be updated and the decision will be communicated to the complainant AH by the LPC within 15 days of submission. If any aggrieved AH is not satisfied with the solutions, then the LPC will lodge grievances in written to the central GRG at MOTR with conclusion and supporting documents prepared at local level.	15 days
Step 3	Resolution of GRG Central	After receiving written complaints of AH the GRG Chairperson of the central GRG will review and prepare a Case File for GRG hearing and resolution. A formal hearing will be held with the GRG at a date fixed by the GRG Chairperson and the aggrieved AHs. GRG members will contact the complainant and visit his village. The PIU Project Coordinator will note down the statements of the complainant and document all proof. The decisions from majority of the members will be considered final from the GRG and will be issued by the GRG Chairperson and signed by other members of the GRG. The case record will be updated and the decision will be communicated to the complainant AH by the PIU Project Coordinator within 15 days of submission.	15 days

NOTE: An appellant can communicate his/her concern to the Court at any stage of grievance redress.

## **Chapter 8: Monitoring and Reporting Requirements**

196. If applicable in accordance with co-financing IFI safeguards requirements, the Project will establish systems for internal and external monitoring and evaluation. The main purpose of the monitoring and evaluation programme is to ensure that resettlement and acquisition of land and properties have been implemented in accordance with the policies and procedures of the RPs. External monitoring and evaluation, in particular, will focus on the social impacts on the AHs, and whether or not the AHs have been restored a standard of living equal to, if not better than, that which they had before the Project.

197. The objectives of the monitoring and evaluation programme are:

- (i) To ensure that the standard of living of AHs is restored or improved;
- (ii) To monitor whether or not the time lines are being met;
- (iii) To assess if compensation, rehabilitation measures and social development support programmes are sufficient;
- (iv) To identify problems or potential problems;
- (v) To identify immediate/rapid response methods mitigate problems or potential problems; and
- (vi) To ensure that the GRM is functioning and grievances, if any, are being addressed timely and effectively.

### **Internal Monitoring**

198. PIU will be in charge of internal monitoring. It has to monitor compensation payments, relocation, and the livelihood programme.

199. The results will be communicated to the MOTR and co-financing IFI through the quarterly project implementation reports. Indicators for internal monitoring will be those related to process and immediate outputs and results. This information will be collected directly from the field by the supervision consultant and will be reported on a monthly basis; twice per year MOTR and co-financing IFI will assess the progress and results of implementation of LARP and adjust the work program, if necessary. The monthly reports will be quarterly consolidated by the PIU and submitted to MOTR and co-financing IFI.

200. In the internal monitoring, specific benchmarks will be (i) information campaign and consultation with affected persons; (ii) status of land acquisition and payments of compensation; (iii) compensation for affected structures and other assets; (iv) relocation of affected persons; (v) payments for loss of income; (vi) selection and distribution of replacement land areas to AHs subject to physical resettlement; (vii) payment of resettlement assistance, (viii) close monitoring of complaints and grievance management, through assessment the claimants' satisfaction level on transparency and efficiency of grievance redress procedure; and (ix) income and livelihoods restoration activities. The above information will be collected by PIU, which is responsible for monitoring the day-to-day resettlement activities under the project through the following instruments: (i) review of census information for affected persons (ii) consultation and informal interviews with affected persons (iii) in-depth case studies (iv) sample survey of affected persons (v) key informant interviews, and (vi) community consultation meetings.

### **External Monitoring**

201. An external monitor will be recruited and provide a first monitoring report by end of AH compensation payments and thereafter on a quarterly basis. The specific tasks expected to be undertaken by the External Monitor are:

- (i) Prepare a monitoring plan to assess the level of compliance with LARP in terms of compensation payments and provision of additional allowances and technical assistance as stipulated in this LARP;
- (ii) Review public consultations with AHs;
- (iii) Scrutinize the Complaint Register that will be held with PIU;
- (iv) Review all (100 % of AHs) compensation payments for acceptance and eligibility;
- (v) Monitor the Income Restoration Strategy including its effectiveness on women, severely affected and vulnerable groups, including those subject to physical resettlement;
- (vi) Examine the capacity of the GRG in resolving complaints at all levels;
- (vii) Assess the LAR Commission's capacity to carry out DMS and updating technical issues of RP; and
- (viii) Prepare monitoring reports in a format agreed to with PIU and IFI.

### **Reporting Requirements**

202. If applicable in accordance with co-financing IFI safeguards requirements, the Compliance Report shall be submitted to co-financing IFI within 2 months period after commencement of assignment by the IMA and upon completion of LARP implementation procedures.















203. The compliance report will prepare an outline during the first mission. The outline should cover: Introduction; Methodology and Approach; Assessment and Analysis of 100 % AHs Compensation Payments (who, when, where); Grievance Reviews and Complaint Registrar; Public Consultations and Focus Group Meetings; Informal Consultations; Changes in Vulnerability of Affected Population; Summary of Grievances at each level; Solutions and Recommendations for Government and for co-financing IFI.

### Chapter 9: LARP Implementation Schedule

204. The LARP preparation and implementation schedule is described in Table XX below together with the main sub-project implementation milestones in accordance with ADB SPS 2009, which may need to be updated in accordance with c-financing IFI safeguards requirements.

205. The LARP preparation and implementation schedule is described below together with the project implementation milestones.

**Table 8: Implementation Schedule**

Table of Implementation Schedule																					
Tasks	Months																				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
LARP Preparation																					
Census, socioeconomic surveys and inventory of project affected assets																					
Deploying independent valuator and appraisal of affected structures																					
Data analyses																					
Development of Initial Draft LARP																					
MOTR/PIU and ADB Review and provide comments to the LARP	 																				
Incorporating Comments and Enouncement of LARP Public Disclosure /Public Consultations																					
Bid Announcement for selection Construction Contractor																					
FINAL Detailed Design LARP being prepared																					
Submission of Final LARP draft to MOTR/PIU and co-financing IFI for comments																					
Issuance of co-financing IFI No Objection to the FINAL LARP																					
FINAL LARP is reviewed by relevant State Institutions and approved by GOK																					
Public Disclosure of the Final LARP																					





### Chapter 10: Preliminary LARP Estimated Budget

206. Below is given the estimated LARP budget of cash compensation for Ahs calculated in accordance with ADB SPS 2009, which may need to be updated in accordance with co-financing IFI safeguards requirements.

**Table 9: Estimated budget for Cash Compensation for AHs**

NO	Compensation Item	Quantity	Total amount per Item (KGS)
1	Land Purchase (residential /homestead)	3, 250 sq.m.	552, 500
2	Land Purchase (arable)	63, 000 sq.m.	756,000
3	Residential houses	289 sq.m.	3,626,000
4	Structure-buildings	227 sq.m.	2,964,780
5	Movable shops	n/a	7,000
6	Supplementary structures	1230 sq.m.	5,364,150
7	Stone Walls	3,671 ln.m	6,073,280
8	Light fences	4307 ln.m.	4,064,100
9	Decorative trees and bushes	295 pcs.	39,560
10	Fruit-bearing trees and bushes	101 pcs	169,840
11	Annual Crops (hay)	45,020 sq.m	225,100
12	Annual Crops (vegetables)	4,100 sq.m.	147, 6000
13	Annual Crops (cereal)	14,000 sq.m.	105,000
14	Income loss (permanent stoppage of business)	1 unit	200, 988
15	Income loss (temporary stoppage of business)	2 units	132,972
16	<b>Sub-total</b>		<b>24,428,870</b>
17	Vulnerability	7 AH	96,705
18	Severe Impact	21 AH	290,115
19	<b>Sub-total</b>		<b>386,820</b>
10	<b>TOTAL SUM (KGS)</b>		<b>24,815,690</b>
11	Contingency (20%)		4,963,138
12	<b>TOTAL SUM (KGS)</b>		<b><u>29,778, 828</u></b>
13	<b>TOTAL SUM (USD)</b> at exchange rate 1 USD -68 KGS		<b><u>437,923.95</u></b>

## Appendixes

### Annex 1. Public Consultations

1. Below is given the brief overview of Public Consultations conducted by the Consultant at the earlier phase of Social Impact assessment. The Consultant's social development team conducted three stakeholder consultations in the Project Area including participation of local officials, beneficiaries, and other stakeholders in influence area of project road sections.

Date: November 24, 2015

Location: village Kochkor, administrative center of Kochkor rayon

Number of participants: 10 persons

- (i) Kok-Zhar village residents
- (ii) Chekildek village residents
- (iii) Semiz-Bel village residents
- (iv) Kara-Too village residents
- (v) Tuz village residents
- (vi) Cholpon village residents
- (vii) Arsy village residents

Date: November 26, 2015

Location: village Chaek, administrative center of Jumgal rayon

Number of participants: 52 persons

- (i) Chaek village residents
- (ii) Kyzyl-Jyldyz residents
- (iii) Tugyol-Sai residents
- (iv) Jany-Aryk residents
- (v) Bashkugandy residents
- (vi) Kuiruchuk residents

Date: November 30, 2015

Location: village Suusamyr, Suusamyr ayil okmotu of Jayil rayon

Number of participants: 26 persons

- (i) Suusamyr village residents
- (ii) Tunuk village residents
- (iii) Pervoe Maya village residents
- (iv) Kaisar village residents
- (v) Kyzyl-Oi village residents

2. In all the consultations, the participants gave a range of suggestions on the project design - rehabilitation of more inclusive road corridor (sidewalks, bus stops, roadside service areas, livestock underpasses, street-lighting, crossings, etc) beyond just pavements. Design related suggestions were communicated to the technical team in order to address the same appropriately. Chaek and Kyzyl-Jyldyz officials and residents shared their concerns for bypass avoiding village centers, and minimization of resettlement impacts. The basic information delivered during Consultations was on project components, road sections, social safeguards that will be addressed during the project design and also resettlement impacts of the project. Additional key informant interviews, informal roadside consultations with road-users, and visits

to several Project Area enterprises and tourism services operations, including coal mining area, were also carried out.

3. The Project Information Brochure, Road Maps, Presentation on Technical Design (handout) has been distributed to participants of the Consultations.

### **Annex 1.1 Project Information Brochure**

#### **Project Name: Central Asia Regional Economic Cooperation Corridors 1 and 3 Connector Road Project**

4. The Ministry of Transport and Roads (MOTR) of the Kyrgyz Republic has requested the Asian Development Bank (ADB) for a project preparatory technical assistance (PPTA) to identify, formulate, and prepare a project associated with a proposed Central Asia Regional Economic Cooperation (CAREC) Corridors 1 and 3 Connector Road. CAREC is a proactive facilitator of project-based cooperation in transport, trade, energy, and other key sectors of mutual interest. It is a partnership of 10 countries and six multilateral institutions working together to promote development through regional cooperation, leading to accelerated growth and poverty reduction.

5. The ADB is the executive agency of the PPTA (ADB Project Number 48401-005/ TA-8857 KGZ) supported by MOTR. For carrying out the PPTA, ADB has contracted an international consulting firm composed of the Joint Venture of Kocks Consult GmbH (Germany), Finnish Overseas Consultants (Finland), and Central Asian Consulting Center (Kyrgyz Republic). The consulting services will be implemented over twelve calendar months. The contract between ADB and the consultant was signed on 23 June 2015 and should be completed by 21 June 2016. For carrying out the services in Kyrgyz Republic a project office has been established in Bishkek.

### **Project Description**

6. The proposed CAREC Corridors 1 and 3 Connector Road (the project) will improve national and regional connectivity by rehabilitating an estimated 253 kilometers (km) of road sections connecting the CAREC Corridors 1 (Bishkek-Naryn-Torugart) and 3 (Bishkek-Osh-Batken) in the center of the Kyrgyz Republic. The proposed project is consistent with the government's priority of providing alternate access in national and regional connectivity, and aligned with the ADBs Country Partnership Strategy (2013-2017), Midterm Review of Strategy 2020 and Country Operations Business Plan (2015 -2017).

7. Rehabilitating the connector road between CAREC Corridors 1 and 3 will enhance linkage of remote sections of the country to regional and national corridors. This will improve connectivity and mobility, reduce transport cost, and increase access to market and social service needs for the local population in the project areas.

8. The proposed project will: (i) reduce the cost of passenger and cargo transportation between southern and northern regions by providing direct access, (ii) provide a more direct transit route between Kazakhstan and Tajikistan, and (iii) help stimulate trade. The proposed

project's scope also includes strengthening of Institutional capacity and soft components to tackle sector-wide issues which may include support to: (i) improve efficiency of road asset management, (ii) assist the government with institutional reforms in the transport sector, (iii) introduce performance-based maintenance contracts, and (iv) improve road safety.

9. The expected outcome of the proposed project is improved efficiency and safer movement of goods and people on the connector road and the project's expected impact is enhanced regional connectivity and trade via a CAREC Corridors 1 and 3 connector road.

## **Major Outputs and PPTA Activities**

10. The PPTA will identify, formulate, and prepare an ensuing loan and/or grant for the CAREC Corridors 1 and 3 Connector Road. Its main objective is to carry out a feasibility study suitable for ADB financing. The PPTA will cover the preparation of the feasibility study of the three road sections to be rehabilitated as outputs of the proposed project. They are:

- (i) from Balykchy village to kilometer marker 43, approximately 43 km in Tong raion, Issyk Kul oblast and Kochkor raion, Naryn oblast;
- (ii) from Kochkor village to Kyzyl Jyldyz village, approximately 119 km in Kochkor and Jumgal raions, Naryn oblast; and
- (iii) from Aral village (via Suusamyr valley) to Too Ashuu Pass and CAREC 3 road corridor (Bishkek-Osh road), approximately 91 km in Jumgal raion, Naryn oblast and Jayil raion, Chui oblast.

11. The first two road sections from Balykchy to kilometer-post 43 and Kochkor to Bashkugandy are part of the so-called 'Alternative North South Corridor'. The Alternative North-South corridor will connect the northern and southern regions of the country. Currently, the existing Bishkek-Osh highway connecting the north and south of the country, cannot cope with the increasing traffic flow. Therefore, there is demand to build a new alternative North-South road from Balykchy to Jalal-Abad. The alternative road would reduce transportation distances and, consequently, the cost of passenger and cargo transportation from southern regions to Naryn and Issyk-Kul oblasts.

12. Key tasks of the PPTA to be carried out over the 12 month study period include:

- (i) Feasibility study and preliminary engineering design;
- (ii) Road sector analysis;
- (iii) Environment and social safeguards survey and analysis;
- (iv) Social, poverty, and gender analysis;
- (v) Draft Land Acquisition and Resettlement Plan (LARP)
- (vi) Financial analysis and management assessment;
- (vii) Economic assessment;
- (viii) Road asset management assessment;
- (ix) Transport sector capacity strengthening; and
- (x) Climate change assessment.

13. Environmental and social aspects of the proposed project are significant considerations and stakeholder communication, participation, and consultation are important dimensions of the PPTA. Stakeholders, including local administrations, participation in workshops, meetings, and trainings will be carried out during the PPTA and project design stage, and public consultations with local residents and relevant NGOs and civil society organizations (CSOs) will be held.

14. It is worth noting that as a consequence of the preliminary road design, the project impact may extend over privately owned/used land parcels. To mitigate project impacts, the Consultant will undertake all required surveys within the ROW defined for the proposed road project. The objective of these surveys is to determine each and every project affected land parcel and assets, identify their legitimate owners and/or users, and assess the types and volume of project impact and prepare draft Land Acquisition and Resettlement Plan (LARP) separately for each road section in compliance with the legislation of the Republic of Kyrgyzstan, and in compliance with the objectives<sup>36</sup> of the ADB Safeguards Policy Statement (SPS 2009). Potential impacts on businesses occurring as a result of changes in traffic flows will also be identified. LARPs will be prepared based on the results and findings of the surveys: including census and socioeconomic survey, and inventory to be undertaken with the direct participation of potential project affected households, LAR Commission, representatives of local government, NGOs, and any party interested in participating in the LARP preparation process. The LARPs will determine relevant compensation entitlements and any required additional mitigation measures, project implementation schedule, describe legal framework and SPS policy requirements regulating LARP implementation procedures, rights and responsibilities of project affected persons, and the role of State Agencies and Institutions responsible for project implementation. Additionally, the document will describe Grievance Redress Mechanism to receive and facilitate resolution of project affected persons' concerns. Prior to project implementation, the draft LARPs will be publicly disclosed so that stakeholders and any interested parties have an opportunity to review and provide their own suggestions or comments that will be considered, and if relevant, incorporated into the Final LARPs.

15. To summarize, the overall objective of LARPs is to ensure that replacement cost of acquired assets is provided, and that livelihoods of project affected communities, if not improved, are at least maintained to the pre-project levels.

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<sup>36</sup> To avoid involuntary resettlement wherever possible; to minimize involuntary resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups. (source: ADB Policy Paper, Safeguard Policy Statement, dated June 2009  
Link: <http://www.adb.org/sites/default/files/institutional-document/32056/safeguard-policy-statement-june2009.pdf>



16. For additional information on the PPTA and the proposed project and/or to offer a comment or your opinion upon it, please contact:

Mr. Ruslan Satybaldiev, Project  
Manager  
Investment Project Implementation  
Group (IPIG)  
Ministry of Transport and Roads  
(MOTR)  
42, N. Isanov St.  
Bishkek City 720017  
Kyrgyz Republic  
Tel.: +996 (312) 900-970

Ms. Zhibek Kadyrbekova, Office  
Manager  
KOCKS Consult GmbH  
Bishkek Project Building, Room no.104  
Prospect Chui 164A  
Tel.: +996 (312) 31-17-75  
e-mail: [zhibek.kadyrbekova@gmail.com](mailto:zhibek.kadyrbekova@gmail.com)

**Annex 2: Grievance Form**

<b>Section of Complainant:</b>	
Full Name: _____ _____ _____	Mailing/Permanent Residence Address: Village: ----- Municipality: ----- ---
Preferred option of communication: Mark with X Response mailed to: _____ Face-to-face meeting in GR Focal Point _____	Contacts Mobile: ----- Landline: ----- - E-mail: -----
Language for Communication (mark with X)	Kyrgyz Russian Other _____ (please specify)
Complain submission date:	Date of hearing:
Please, describe the reason of your discontent or claim in details. Use extra pages if needed. Present copies of the relevant documents, if available           	
Results/decisions of complain after hearing:	
If complaints/grievance are not resolved, please write down the reasons:	
Signature: _____ Date: _____	



Annex 3. Information Pamphlet

Annex 4. Detailed table of AHs and project affected assets

Annex 5. Project Photo Gallery

# Resettlement Plan

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Land Acquisition and Resettlement Plan  
July 2016  
(Draft)

## KGZ: Central Asia Regional Economic Cooperation Corridors 1 and 3 Connector Road Project (Section 3, Aral–Too–Ashuu [Km 195–Km 286])

Prepared by Kocks Consult GmbH as part of the project preparation assistance provided by ADB to MOTR of KR

This resettlement plan is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature. Your attention is directed to the "terms of use" section of this website.

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## ABBREVIATIONS

ADB	Asian Development Bank
AH	Affected Household
AP	Affected Person
DP	Displaced Person
EDB	Eurasian Development Bank
EA	Executing Agency
EIA	Environmental Impact Assessment
EM	External Monitoring
FP	Focal Person
GRC	Grievance Redress Commission
GRM	Grievance Redress Mechanism
IFI	International Finance Institution
IP	Indigenous People
IMA	Independent Monitoring Agency
PIU	Project Implementation Unit
LAR Commission	Land Acquisition and Resettlement Commission
LARP	Land Acquisition and Resettlement Plan
MFF	Multi-tranche Financial Facility
NGO	Non-Governmental Organization
MOTR	Ministry of Transport and Communication
SES	Socio Economic Survey

## Definition of Terms

Compensation	Payment in cash or in-kind for an asset to be acquired or affected by a Project at replacement cost at current market value.
Cut-off-date	The date, after which people will not be considered eligible for compensation, i.e. they are not included in the list of AHs as defined by the census.
Detailed measurement Survey	The detailed survey of project affected land parcels and inventory of affected assets.
Project Affected Persons	All the people affected by the Project through land acquisition, relocation, or loss of incomes and includes any person, household (sometimes referred to as Project affected family), firm, or public or private institution. AHs therefore include: (i) persons affected directly by the road corridor, right-of-way, tower or pole foundations or construction work area; (ii) persons losing privately owned or used buildings and structures (residential dwellings and supplementary structures); (iii) persons whose agricultural land or other productive assets such as trees or crops are affected; (iv) persons whose businesses are affected and who might experience loss of income due to the Project impact; (v) persons who lose work/employment as a result of Project impact; and (vi) people who lose access to community resources/property as a result of the Project.
Encroachers	People who move into the Project area after the cut-off date and are therefore not eligible for compensation or other rehabilitation measures provided by the Project.
Entitlement	The range of measures comprising cash or kind compensation, relocation cost, income rehabilitation assistance, transfer assistance, income substitution/business restoration, which are due to AHs, depending on the type, extent and nature of their losses, and sufficient to restore their social and economic base.
Inventory of losses	Pre-appraisal inventory of assets as a preliminary record of assets to be affected or lost as a result of the Project
Land acquisition	Process whereby a person is compelled by a public agency to alienate all or part of the land she/he possesses, to the ownership and possession of that agency, for public purposes, in return for fair compensation.
Livelihood	Means of support; subsistence (source of income)

APs with no formal rights	Physical persons who have no recognizable rights or claims to the land that they are occupying and includes people using private or state land without permission, permit or grant, i.e. those people without legal title to land and/or structures occupied or used by them.
Replacement cost	The replacement cost is the amount enough to replace an affected asset in its existing condition, without deduction of transaction costs or for any material salvaged and depreciation for age. The Calculation of compensation amount at full replacement cost will be based on the following elements: (i) fair market value of construction materials; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any.
Sharecropper	Same as tenant cultivator or tenant farmer, i. e a person who cultivates land they do not own for an agreed proportion of the crop or harvest.
Severely Affected AHs	Those physically displaced or economically displaced losing 10% or more of income generating assets.
Vulnerable	Any person who might suffer disproportionately or face the risk of being marginalized from the effects of resettlement and includes; (i) female-headed households with dependents; (ii) disabled household heads; (iii) poor households (below poverty line); (iv) landless; (v) elderly households with no means of support; (vi) households without security of tenure; (vii) ethnic minorities.

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## Executive Summary

1. The Government of Kyrgyz Republic, the Ministry of Transport and Roads (MOTR) of the Kyrgyz Republic has requested the Asian Development Bank (ADB) for a project preparatory technical assistance (PPTA) to identify, formulate, and prepare a project associated with a proposed Central Asia Regional Economic Cooperation (CAREC) Corridors 1 and 3 Connector Road.

2. For this EDB (co-financing IFI) road section, the process for social assessment and planning, safeguard documentation, consultation, and disclosure requirements was conducted to satisfy ADB's Safeguard Policy Statement. During implementation, the IFI shall be responsible for (i) ensuring that activities carried out in connection with its financed section comply with their safeguard requirements, and (ii) resolving any complaints in relation to such section.

3.

4. The PPTA will cover the preparation of the feasibility study of the five road sections to be rehabilitated as outputs of the proposed project. They are:

- (i) from Balykchy to post 43 (km 0 - km 43)
- (ii) from Kochkor - Epkin (km 62 - km 89) approximately 87 km in Kochkor Rayon of Naryn Oblast;
- (iii) from Epkin - Deykan (km 89 - km 159) approximately 70 km Kochkor Rayon of Naryn Oblast;
- (iv) from Deykan - Kizil - Jildiz (km 159 - 183) approximately 24 km Jumgal Rayon of Naryn Oblast
- (v) from Aral - Too Ashuu (km 195 - km 286) approximately 70 km Jaiyl Rayon of Chui Oblast

5. This Land Acquisition and Resettlement Plan (LARP) is prepared for the Section Aral - Too-Ashuu (km 195 - km 286) of the CAREC Corridors 1 and 3 Connector Road project by the Ministry of Transport and Communication of the Republic of Kyrgyzstan.

6. The LARP is based on the preliminary road design for the proposed road section and outlines the resettlement principles and procedures ensuring that resettlement needs are identified, so that the Ministry of Transport and Communication (MOTR) of the Republic of Kyrgyzstan can adopt and implement the procedures for land acquisition, involuntary resettlement, and potential loss of access to physical and economic livelihoods in compliance with the applicable laws of the Republic of Kyrgyzstan and ADB Safeguards Policy Statement (SPS 2009) on Involuntary Resettlement.

7. The LARP sets out the project goals and project implementation schedule, cut-off date and eligibility criteria for project affected people (AHs), legal framework and institutional involvement, determines valuation methodology, establishes compensation entitlements and estimated unit rates, participation and consultation procedures, and grievance redress mechanism which will be employed to compensate, and restore the livelihoods and living standards of AHs.



8. The road construction activities will be carried out along the this road section from starting at km 195 and ending at km 286 thus traversing territories of the villages Kirchin (of Jumgal rayon) and villages of Kizil-oi, Kozomkul and Tynuk belong to Jayil rayon.

9. During LARP preparation, several activities were undertaken: onsite identification and enumeration of project affected land parcels, census, socioeconomic survey, title search, and inventory of project affected assets.

10. According to the results of these surveys the entire project impact along the given road section extends over eighty-nine (89) project affected land parcels. Out of these 89 land parcels, one (1) land parcel belongs to local Municipality, one (1) land parcel is owned by Road Maintenance Department of MOTR, however one single man, retired employee is settled in this building. Other 87 land parcels are under ownership and/or possession of 81 AHs, since six (6) AHs keep under possession two project affected land parcels each.

11. Thus, project will impact 82 AHs in total 329 persons: among them 199 adults (103 male and 96 female) and the total of underage: 130 (68 boys and 62 girls).

12. Below is the summary of project impact along the given road section:

- (i) The total number of project affected land parcels: 89
- (ii) The total number of AHs: 82 (in total 329 persons)
- (iii) Affected residential dwellings: 4
- (iv) Total number of DPs: 0<sup>1</sup>
- (v) Affected supplementary structures: 5
- (vi) Shops to be demolished: 2<sup>2</sup>
- (vii) Permanent stoppage of business: 1
- (viii) Permanent loss of profit, salaries and/or wages: 1
- (ix) Temporary stoppage of business: 1
- (x) Temporary loss of profit, salaries and/or wages: 1
- (xi) Affected fruit bearing perennials: 28
- (xii) Affected non-productive and decorative perennials: 570
- (xiii) Affected light fences (linear meter): 3, 650
- (xiv) Affected metal fences (linear meter): 92
- (xv) Affected stone/brick walls (linear meter): 369
- (xvi) Total of severely affected AHs: 0
- (xvii) Total of Vulnerable AHs: 38
- (xviii) Total number of land parcels/AHs losing annual crops: 40 sq.m.

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<sup>1</sup> The owners of these four residential structures use these facilities in winter time. They have larger houses on the same territories. Therefore they will not face the need for physical resettlement. However, will be cash compensated to build similar houses on the remaining territory of the same land parcel.

<sup>2</sup> Out of the two (2) shops to be demolished one is not operating business, therefore only 1 case of business stoppage is expected.



## Chapter 1: Project Background and Objectives

### Project Overview

1. The proposed CAREC Corridors 1 and 3 Connector Road (the project) will improve national and regional connectivity by rehabilitating an estimated 253 kilometers (km) of road sections connecting the CAREC Corridors 1 (Bishkek-Naryn-Torugart) and 3 (Bishkek-Osh-Batken) in the center of the Kyrgyz Republic.
2. For this co-financing IFI road section, the process for social assessment and planning, safeguard documentation, consultation, and disclosure requirements was conducted to satisfy ADB's Safeguard Policy Statement. During implementation, the co-financing IFI shall be responsible for (i) ensuring that activities carried out in connection with its financed section comply with their safeguard requirements, and (ii) resolving any complaints in relation to such section.
3. CAREC is a proactive facilitator of project-based cooperation in transport, trade, energy, and other key sectors of mutual interest. It is a partnership of 10 countries and six multilateral institutions working together to promote development through regional cooperation, leading to accelerated growth and poverty reduction.
4. Rehabilitating the connector road between CAREC Corridors 1 and 3 will enhance linkage of remote sections of the country to regional and national corridors. This will improve connectivity and mobility, reduce transport cost, and increase access to market and social service needs for the local population in the project areas.
5. The ADB is the executive agency of the PPTA (ADB Project Number 48401-005/ TA-8857 KGZ) supported by MOTR. For carrying out the PPTA, ADB has contracted an international consulting firm composed of the Joint Venture of Kocks Consult GmbH (Germany), Finnish Overseas Consultants (Finland), and Central Asian Consulting Center (Kyrgyz Republic).
6. The proposed project will: (i) reduce the cost of passenger and cargo transportation between southern and northern regions by providing direct access, (ii) provide a more direct transit route between Kazakhstan and Tajikistan, and (iii) help stimulate trade. The proposed project's scope also includes strengthening of institutional capacity and soft components to tackle sector-wide issues which may include support to: (i) improve efficiency of road asset management, (ii) assist the government with institutional reforms in the transport sector, (iii) introduce performance-based maintenance contracts, and (iv) improve road safety.
7. The expected outcome of the proposed project is improved efficiency and safer movement of goods and people on the connector road and the project's expected impact is enhanced regional connectivity and trade via a CAREC Corridors 1 and 3 connector roads.
8. The PPTA will identify, formulate, and prepare an ensuing loan and/or grant for the CAREC Corridors 1 and 3 Connector Road. The PPTA will cover the preparation of the feasibility study of the five road sections to be rehabilitated as outputs of the proposed project. They are:
  - (i) from Balykchy to post 43 (km 0 - km 43)

- (ii) from Kochkor - Epkin (km 62 - km 89) approximately 87 km in Kochkor Rayon of Naryn Oblast;
- (iii) from Epkin - Bashkuugandy (km 89 - km 159) approximately 70 km Kochkor Rayon of Naryn Oblast;
- (iv) from Bashkuugandy - Kizil - Jildiz (km 159 - 183) approximately 24 km Jumgal Rayon of Naryn Oblast
- (v) from Aral - Too Ashuu (km 195 - km 286) approximately 70 km Jaiyl Rayon of Chui Oblast

9. The first three road sections from Balykchy to kilometer-post 43, Kochkor to Epkin and Epkin to Deykan are part of the so-called 'Alternative North South Corridor'. The Alternative North-South corridor will connect the northern and southern regions of the country. Currently, the existing Bishkek-Osh highway connecting the north and south of the country, cannot cope with the increasing traffic flow. Therefore, there is demand to build a new alternative North-South road from Balykchy to Jalal-Abad. The alternative road would reduce transportation distances and, consequently, the cost of passenger and cargo transportation from southern regions to Naryn and Issyk-Kul Oblasts.

### **Methodological Introduction**

10. This Draft LARP is prepared on the basis of preliminary road design. During LARP preparation, several activities were undertaken: onsite identification and enumeration of project affected land parcels, census, socioeconomic survey, title search, and inventory of project affected assets. In addition, number of key informant interviews including local population, representatives of local executive power, members of affected households equipped the Consultant with information on lifestyle, cultural and social issues, income and wage patterns, general trends and current prices at the commodity and real property markets.

11. Prior to census and socioeconomic surveys, the Consultant and LAR Commission conducted initial examinations. Using the road design drawings and corresponding Google earth maps, they walked along the road ROW, identified each project affected land parcel on the spot, recorded the full name of the landowner or user, and obtained their contact details. During site visit for determination of project affected land parcels and their owners and/or possessors, the Consultant tested the Form of Questioner to be used for census and socioeconomic data collection. Seeing the Field Team Local people expressed interest towards the Field Team activities and the entire project as well. Interest of local people should have been satisfied accordingly, and although no formal public meeting was organized Consultant took the opportunity to interact with majority of present AHs and satisfy their interest by sharing the general information on project objectives, the goals of the pending surveys and introduced the principles of compensation entitlements, cut-off date, and eligibility criteria. Additionally, AHs were informed about the pending surveys (census, socioeconomic and inventory of project affected assets), and the survey date and time was scheduled at AHs' convenience and availability. After all project affected land parcels were physically identified and their owners and users determined the Consultant commenced the remaining surveys: title search, socioeconomic survey, detailed inventory of project assets and valuation.

12. Specifically designed questionnaire was used during socioeconomic survey undertaken by experienced interviewers selected by the Consultant. Privacy policy was followed while interviewing the AHs permitting them to feel comfortable during the surveys.

13. Inventory and valuation of project affected assets was undertaken by the independent licensed valuator. The unit rates and tentative estimated LARP Budget was prepared according to the inventory results and based on the valuation principles in compliance with best international practice, country legislation, and ADB SPS 2009.

14. Prior to the LARP finalization additional works will be financed to undertake detailed surveys and produce detailed road design. Correspondingly, the LARP will be revised and updated to reflect all recent adjustments, alterations, and any changes are required to be addressed in the number of AHs, project affected land parcels and assets. If the need of such changes are confirmed the number of DPs and AHs and the scope of project impact will most likely require relevant update to address the most recent changes and qualify for the Final LARP updated based on the detailed design.

### **Measures to Prevent Encroachment**

15. Considering the time period between the public disclosures of initial Draft LARP and the Final LARP the ROW requires preservation from new encroachers and squatters, the MOTR at the earlier stage of LARP preparation initiated the process for obtaining an official document, a government Order. This provides for temporary limitation to be imposed on Municipality land, and within specific areas, suspends land sales through auctions or allocation under lease agreements, in particular allocation of land being under ownership of the Municipality, State or any other party, will be suspended during the entire road construction period. The order is effective from the date of its issuance.

16. Any ownership deed, long-term and short-term lease agreements will be considered illegal and such will be transferred to relevant State organs for further investigation of potential fraud. No cash compensation may ever be considered in case such actions take place, a lessor/or a buyer acting as a party of such deal will lose the legal benefits of Bona Fide purchaser and will not be either compensated even for any investments made to illegally acquired land or assets located within the restricted zone.

17. The Copy of the Order and visual materials specifying restricted zone where land acquisition is suspended until the completion of surveys, civil and earth works and full completion of road rehabilitation activities will be enclosed into the body text of the Final LARP. Information Pamphlets to be distributed during public consultation meetings will also be displayed on the information Boards in the concerned Municipalities and rayon offices of State Register, Department of Economy, Public, and Private Notaries operating within the project area.

### **Magnitude of Project Impact**

18. According to the proposed road design, the road construction activities will be carried out along the existing road from km 62 - km 89 traversing the villages Kirchin (of Jumgal rayon) and villages of Kizil-oi, Kozomkul and Tynuk belong to Jayil rayon. In total the project will impact eighty-nine (89) land parcels, among them one (1) land parcel belongs to the Kozomkul Museum, one (1) more land parcel is still on the balance sheets of Road Maintenance Department of the MOTR, but used for residential purposes by the retired employee. The remaining eighty-seven (87) land parcels are under private possession of 81 AHs.

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19. There is no case of permanent land acquisition of land, although four (4) land parcels attached with project affected winter shelters. These structures will most likely subject to permanent demolition for road project purposes, but since the AHs have other residential houses on the same land parcels they will not need to be physically resettled; they will be cash compensated at full replacement cost and issued the permission to build the similar structure on the remaining portion of their land parcel.

20. All identified AHs will be issued relevant cash compensation to mitigate project impact on assets, compensate income loss, and maintain their livelihoods at least at the pre-project levels.

21. During the census and socioeconomic surveys undertaken by the Consultant, significant attention was given to the needs of the disadvantaged, vulnerable groups<sup>1</sup> and AHs that may be severely affected by the proposed project.

22. The summary table below shows the scope of project impact identified based on the preliminary design drawings, census, socioeconomic survey, title search, and inventory of project affected assets, undertaken on site during the preparation of this draft LARP.

**Table 1: Summary of Project Impact Magnitude according to the Geographical Location and Types of Impact**

No	Village	TOTAL Affected land parcels	AHs	Vulnerable	Severely affected/ DPs	Design ation of affecte d land parcel			Project affected land parcels attached with						
						State	Title/mortga ged parcels	Possession/ without title	Land Acquis ition	Fence/ walls/	Resid ential House	Shops to be demoli	Suppl ement ary	Fruit trees	Non- fruit
1	Kirchin	11	9	1	0	1	0	11	0	0	0	0	0	0	33
2	Kizil -oi	33	29	13	0	0	3	30	0	5	2	0	2	26	288
3	Kozhom kul	44	43	23	0	1	2	40	0	3	2 <sup>2</sup>	2 <sup>3</sup>	4	2	153
4	Tynyk	1	1	1	0	0	0	1	0	20	0	0	0	0	96
	<b>Total</b>	<b>89</b>	<b>82</b>	<b>38</b>	<b>0</b>	<b>2</b>	<b>5</b>	<b>82</b>	<b>0</b>	<b>28</b>	<b>4</b>	<b>2</b>	<b>5</b>	<b>28</b>	<b>570</b>

23. According to the magnitude of project impact and the level of severity of project impact on affected persons and communities, considering the ADB SPS 2009<sup>4</sup>, the sub-project is

<sup>1</sup> Any person who might suffer disproportionately or face the risk of being marginalized from the effects of resettlement and includes; (i) female-headed households with dependents; (ii) disabled household heads; (iii) poor households (below poverty line); (iv) landless; (v) elderly households with no means of support; (vi) households without security of tenure; (vii) ethnic minorities.

<sup>2</sup> There are one wooden house and another house built of clay bricks. Both houses most likely will need to be demolished, however, there is no physical resettlement expected as the owner has moved to Bishkek many years ago.

<sup>3</sup> Out of the two (2) shops to be demolished one is not operating business, therefore only 1 case of business stoppage is expected.

suggested to be classified as Category B. However, the final decision will be made by the Client and co-financing IFI.

### **Key Survey Findings**

24. The summary table 1 provides the number of project affected land parcels identified within ROW obtained by the Consultant through walking the entire road section, using the road design drawings being compared to Cadastral maps saved in the State Cadastre office, to identify land parcels falling within ROW including the area of captured land, structures, fences and perennials standing long the existing road.

25. It is worth noting that in most cases project related land take will cover narrow strip of land attached with light fences, metal and stone walls. These narrow strips of land belong to the road ROW and are captured by local people who extended fences towards the ROW. Many of them do not have any legal documents verifying private ownership rights to the land parcels under their private possessions used for residential purposes or as orchards or hay fields. Only land parcels where private ownership titles are available. AHs holding the land title documents confirmed that the only reason to obtain the ownership title was driven by the intention to mortgage the property and borrow cash from the local banks.

26. The main reason why local people are reluctant to apply to State Register and obtain ownership title is complicated, because the State Register office is located in city of Karabalta of Jayil rayon. There are no public buses connecting these two locations and only option is to hire a taxi and make a four hours' drive on one direction to apply for title registration. Besides, the registration process requires on site land surveys. This relatively expensive keeps most of local people reluctant to incur such costs if there is need to sell or mortgage private property.

27. Another rather important issue requiring significant attention and correct approach is demarcation of project affected land parcels and precise location of area of land subject to acquisition. Demarcation needs to be undertaken by a licensed company practicing in the field of land surveys. More specifically the licensed survey company shall use the final road design and identify the factual location of the central line of the ROW on the spot; plus on the spot identify all project affected land parcels and double check the accuracy of the AH list collected during the preparation of draft LARP based on the preliminary design.

28. During on site identification project affected land parcels and the cases of land capture observed. The fact has been confirmed by the AHs as well. In many cases, walls and fences are moved to the edge of the road thus adding extra land to private land parcels. This practice is widely observed in rural areas of post-Soviet States. To the present, such facts of land capture has not been strictly monitored, neither had people moving their fences been advised to respect the road boundaries. Therefore, in some cases such captured land could have been used by local residents for lengthy periods, possibly several decades, often supplementary structures have been attached to the inner sides of these walls.

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<sup>4</sup> Category B. A proposed project is classified as category B if its potential adverse environmental impacts are less adverse than those of category A projects. These impacts are site-specific, few if any of them are irreversible, and in most cases mitigation measures can be designed more readily than for category A projects. An initial environmental examination is required.

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29. With road rehabilitation, developments where project impact requires relevant compensation for project affected privately owned land, legal status of land tenure acquired more prominence and importance.

30. To identify privately owned and captured land, the consultant decided to double check the collected information at the local State Cadastre office, where original cadastre maps are saved. It is possible to obtain data on factually occupied territory as well as the legally allocated area; thus allowing the calculation of area of captured land.

31. However, obtaining this data from the State Cadastre is a paid service and is provided to the applicant upon an official request and payment of the prescribed service fee. Considering the circumstances, that present document is only a Draft LARP based on the preliminary design and at the detailed design phase will most likely be followed by some changes in the number of AHs and the volume of project impact the Consultant decided not to take this paid service at this stage.



## Chapter 2: Socioeconomic Profile of Project Affected Persons

32. The Socioeconomic profile of the AHs is based on information obtained during census and the results of socioeconomic survey of covered all located AHs. The total number of affected households (82 AHs) comprises 329 persons (171 male and 158 female). Out of these 329, the underage persons are 130 (68 boys and 62 girls).

33. The table below shows the age composition of the APs according to the gender and age group divided into adults and underage persons. The majority of project affected persons are located in village Kizil-oi and Kozomkul making up 85 % of the total number of AHs along this road section.

**Table 2: Breakdown of APs according to Age Groups and Gender**

Project Affected persons	Male		Female		Total	
	Number	%	Number	%	Number	%
Adult	103	60	96	61	199	60
Underage (below 18 years)	68	40	62	39	130	40
Total	171	100	158	100	329	100

34. The average size of a household is 4.06 persons.

35. The majority of local population is mainly engaged in horticulture (cattle breeding) and agriculture. Main annual crops grown are wheat, barley, and hay. Hey and Lucerne are used as the main fodder for cattle; wheat is grown for family consumption, and they only sell a small share of their produce at the local market, or to wholesalers at the farm gate price.

36. Most of the project affected land parcels are of residential designation where some portion of land is allocated for orchards and fruit trees next to the residential dwellings. In addition, in their yards people have supplementary structures, such as kitchen, bathroom, toilet, cattle barn, storage, and shed.

37. In their orchards, they often grow small gardens of vegetables (cabbage, carrots, garlic and onion). Additionally, a majority of AHs have about 2 hectares of agricultural land parcels received from the Government free of charge during the land reform undertaken in the country in the late 1990s. These land parcels are located further from the village settlement and the AHs use them for agricultural activities to grow annual crops and fodder for their cattle. Most people (both men and women) are pre-occupied with cattle. Mainly men herd the cattle on rotation schedules. Some men drive cars and provide taxi services to the villagers.

38. Most of the females are housewives taking care of family and children and they also tend to the fields growing crops. A few have paid jobs as civil servants or assist their family members to run local shops selling consumer goods.

39. As composed in the table below, the major source of income of AHs is based on the information obtained during census and socioeconomic survey of 100% of located AHs.

**Table 3: Breakdown of PAPs according to their Occupation Disaggregated by Gender**

Occupation	Male		Female		Total	
	Number of Persons	%	Number of Persons	%	Number of Persons	%
Farmer	36	21	14	9	50	15
Housewife	0	0	61	39	61	19
Pensioner	19	11	22	14	41	12
Civil Servant	9	5	9	6	18	5
Between jobs	17	10	0	0	17	5
Taxi Service	3	2	0		3	1
School student	45	26	33	21	78	24
University student	4	2	3	2	7	2
Kindergarten	0	0	0	0	0	
Toddlers not attending kindergarten	20	12	9	6	29	9
Economic activity/ business	3	2	3	2	6	2
Hired labour	10	6	1	1	11	3
Working in other region of the republic	1	1	0	0	1	0
Working abroad/out of region	2	1	2	1	4	1
Other	2	1	1	1	3	1
<b>Total</b>	<b>171</b>	<b>100</b>	<b>158</b>	<b>100</b>	<b>329</b>	<b>100</b>

40. The majority of AHs are involved in farming, which is their main source of income and wellbeing. Farming in the local context is associated with horticulture and utilization agricultural land mainly for growing annual crops to feed the cattle. During key informant interviews, census and socioeconomic survey, most of the AHs confirmed that arable and pasture land is of vital importance for their livelihood.

41. In terms of the magnitude of land take, this road project will not incur significant impact, as the main effect will be encountered over the stone walls and some perennials standing mainly on Municipality land along the edge of the existing road. Often iron meshed or light fences made of wooden poles and planks fixed with barbed wire are fixed to these decorative perennials, thus creating the land parcel boundaries. On average, the depth of the strip of land to be taken for road project purposes varies between 2 to 3 meters of captured Municipality land. AHs do not use these strips of land for agriculture purposes. Therefore, Municipality land take is not a threat to income loss or the deterioration of AHs livelihoods.

42. However timely replacement of fences and stone walls along the project affected land parcels and reconstruction of new commercial structures instead of the affected ones that AHs currently use for income generation is important. AHPs should be provided personal safety,

and preventing cattle from trespassing their orchards and gardens, and keeping their own cattle well protected on private property.

43. In terms of livelihood restoration, the most important impact expected to occur is to the AHs operating roadside shops. However, project will not impact any operating roadside shops along this road section. Often are viewed closed shops that have not been operating for years. These closed shops have not been included in the LARP implementation budget, as AHs confirmed that they have suspended commercial activities several years ago.

44. According to the analyzed data, most of the women are housewives and a majority of adult men do not have salary-paid employment, therefore placing a majority of the men into the category of interested in full time employment opportunities.

45. People in project affected area live in residential dwellings built of locally produced clay bricks. The houses are mainly one-floor, 3 to 4 rooms, and attic in the roof. Supplementary structures attached to the stone walls are used as storage facilities, summer kitchens, cattle barns, and bathrooms. Usually these structures, including baths and kitchens are built separately with external access. The roof is mainly covered by metal or asbestos sheets.

46. As usual, AHs found difficult specifying their annual income gained from agricultural activities, as they use it mostly for personal consumption. In terms of cash inflow, they found it easier to report monthly salary rates, retirement pension, and/or disability aid.

**Table 4: Breakdown of Average Monthly Expenditures of the AHs**

<b>HH expenditures</b>	<b>Percentage Ratio of HH expenses</b>
Bank loan	40
Business activity	8
Farming	2
Health	2
Utilities	1
University fee	4
Food	14
kindergarten fee	0
Housing repairs	12
Car maintenance	10
Livestock	4
Schooling	3
<b>Total</b>	<b>100</b>

47. The biggest share of expenses relates to bank loans livestock and then other farming costs, however, livestock remains the main source of making a living, and also a reliable source of cash income for most of the AHs. Though some interviewed persons did not nominate livestock and farming as their main activity, but rather confirmed that they were looking for stable and regular paid employment.

**Table 5: Breakdown of the Possession of Durable Assets of PAPs**

Item	Number of Items per AHs
Automobile	38
Water heater	7
Internet	4
Personal Computer/Laptop	5
Mobile phone	162
Washing machine	58
Tractor /Combine	8
Latrine	70
WC inside the house	2
Color TV	72

48. The level of possessed durable goods varied. Most affected households possess Color TV and washing machine. Mobile phones are kept by several members in the household. 38 AHs keep automobiles while larger vehicles used for agricultural activities are owned by eight (8) AHs. Internet is available to four AHs, while AH, water heater and WC inside the house are organized only by two AHs.

### **Education and Literacy**

**Table 6: Sex-Disaggregated Education and Literacy Level of Adults Members of AHs**

Education/Literacy	Male		Female		Total	
	Number of Persons	%	Number of Persons	%	Number of Persons	%
Secondary	75	73	69	72	144	72
Technical	15	15	10	10	25	13
Higher (university)	13	13	17	18	30	15
<b>Total</b>	<b>103</b>	<b>100</b>	<b>96</b>	<b>100</b>	<b>199</b>	<b>100</b>

49. The level of literacy of AHs is reported to be 100%. The majority of adults (75 male and 69 females) attended secondary schools. Seventeen females have higher education degrees, while 13 men are University graduates.

### **Vulnerability**

50. Vulnerable AHs have been identified during the census and socioeconomic survey.

**Table 7: Vulnerable AHs along the Entire Road Section**

No	Village	Vulnerability
1	Kirchin	1
2	Kizil -oi	13
3	Kozhomkul	23
4	Tynyk	1
	<b>Total</b>	<b>38</b>

**NOTE:** The name of vulnerable persons is not included in the LARP. Full names, contact phones numbers, and detailed cash compensation package (per AH and compensation items) will be provided as a separate Annex for internal use during project implementation, monitoring, and assessment process. To protect the confidentiality of personal information of AHs, the Annex will not be subject to public disclosure.

### **Major Income Source of AHs**

51. Wheat is the major crop AHs grow for personal consumption. Only a small share of their annual crops would be sold at the local market mainly through wholesalers. Vegetables, mainly potato, cabbage, carrot, garlic, and onion is grown in the orchards organized in the backyards of the land parcels assigned for residential purposes.

52. The median source of cash flow is retirement pension and State targeted aid for disability (the amount varies according to the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> category of invalidity).

53. Almost 75 % of local population keeps cattle. This is the most important activity for the majority of PAPs and the entire village population, even those that have temporary or permanent jobs.

54. Therefore, one of the important elements for this road project is properly selecting animal crossings, as uninterrupted access to grazing and pasture lands is important precondition for successful implementation of the proposed project to meet the expectations of the village residents.

### **Indebtedness**

55. Almost all AHs reported bank loan liability and shared the amount of monthly interest rate they are liable to pay to the lending institution. Bank loans are often obtained to expand agricultural and farming activities.

### **Infrastructure**

56. Major health care and social facilities are located in the village of Suusamyr and Karabalta town, the largest rayon centre in this area of project influence. Large hospital and maternity house and Banks and ATMs are provided in the town of Karablata. A couple of small shops are located in the villages, but the commodity goods market is only in town of Karabalta.

Most AHs travel to Karabalta to for social services. When it gets to health care people travel to Suusamyr, Bishkek or Karabalta.

57. Agricultural produce is grown mainly for self-consumption. Due to poor road local people are less interested in trading agricultural produce or cattle, and only sell to wholesalers at farm gate price.

58. Post offices and secondary schools (11 grades) are in all villages.

59. Irrigation is available to arable land parcels for fixed price. Potable water taps installed along the existing road, but many of them are out of order. Majority of interviewed AHs have organized mechanical pumps installed on private artesian wells organized in their own yards.

60. Since coal mine is closely located to the project area, local people prefer to cheap coal for heating purposes, however for cooking women prefer using cooking devices operating on electricity, using firewood for heating and cooking is not popular in the area. There is no natural gas provided in the project areas.

### **Women in the Local Context**

61. The majority of affected households are headed by men. The land ownership title certificates issued during the land reform all family members, including spouses and children have been recorded as co-owners of land parcels. In the case of widows, the spouse in the first row heir according to the inheritance by law.

62. Women are mainly involved in household activities such as horticulture, animal husbandry, and general household works. Several females help their family members to run a local shop selling consumer goods. Three females are teachers at the local Public Schools. Women participate in household decision-making processes and organizing family matters. During census and socioeconomic survey, female respondents were active and willing interviewees.

### **Impact on Vulnerable People**

63. No impact on Indigenous People is expected from the Project.

64. No ethnic minorities are among the Project Affected Persons.

65. The AHs are primarily Kyrgyz. No group of local residents showed any specific or unique features that could be identified as a distinct minority group.

66. Other vulnerable groups such as female-headed households and disabled persons will be provided additional rehabilitation measures by the Project as described in the Entitlement Matrix of this LARP.

67. The Project will include appropriate measures to mitigate the potential risk of HIV/AIDS and other sexually transmitted diseases, as well as drug and human trafficking. These measures include raising public awareness on these issues.

## Chapter 3: Compensation Entitlements

### Objectives of Compensation Policy

68. The implementation of resettlement activities is linked to the implementation of the investment component of the project to ensure that displacement or restriction of access does not occur before necessary measures for resettlement are in place.

69. As stipulated in SPS 2009 and described in this LARP all project related impacts identified during the relevant studies should be addressed accordingly, meaning that all project affected persons will be provided with relevant compensation and other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, 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.

### Compensation Eligibility Criteria and Cut-Off Date

70. Compensation eligibility is limited to AHs by a cut-off date, **May 16, 2016**.

The cut-off date for this proposed road section will be determined by the Government of RoK taking into consideration the date of completion of all the surveys (census, socioeconomic survey, inventory of project affected assets and title search of project affected land parcels) mutually undertaken by the Consultant through close cooperation with the LAR Commission<sup>1</sup>. However, this may need to be updated and confirmed in accordance with co-financing IFI safeguards requirements. During implementation, co-financing IFI shall be responsible for (i) ensuring that activities carried out in connection with its financed section comply with their safeguard requirements, and (ii) resolving any complaints in relation to such section.

71. AHs who settle in the affected areas after the cut-off date will not be eligible for compensation, as they will be classified as illegal encroachers. These AHs, if any detected with project ROW, will be given at least three months advance notice to provide sufficient time to adhere to the official request of the LAR Commission to vacate premises and dismantle affected structures prior to project implementation. Their dismantled structures will not be confiscated and they will not be penalized or sanctioned. Indeed, forced eviction will only be considered following exhaustion of all other efforts.

72. The LARP determines the eligibility criteria of project affected persons (AHs) and provisions for compensating all types of losses and income: land, crops/trees, structures, business/employment, workdays/salaries/wages. All AHs, including non-certified land users will be compensated for lost income and assets. Loss of land will be cash compensated at full replacement cost according to current market value or if the real property market is not sufficiently active, cash compensation will be calculated at income capitalization rates as described in this LARP.

73. The criteria for eligibility to compensation are based on AHs belonging to one of three groups:

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<sup>1</sup> The LAR Commission was established under the Order No 361-pof the Government of RoK December 15, 2015. Composition of the LAR Commission is provided in Chapter: Institutional Arrangements.

- (i) those who have certified and/or formal rights of use of the occupied land;
- (ii) those who do not have formal legal rights to land at the time of the census and SES accomplishes but have a legal basis to claim for such land or assets—provided that such claims are recognized and/or become recognized in accordance with the effective legislation of the KR;
- (iii) those who have no recognizable legal right or claim to the land they are occupying (i.e. land users without registered certificate and informal settlers) eligible for compensation of income and assets lost rather than project affected land<sup>2</sup>.

74. Where land is to be acquired, land possessors (AHs) with registered Certificate and/or AHs who do not hold the Certificate but are eligible to claim for Certificate will receive full compensation at replacement cost for residential and arable land.

75. The AHs that are not eligible to register ownership title to land pursuant to the rules, laws or any regulations being in force in the Kyrgyz Republic are not eligible for compensation for land but will receive compensation for assets attached to land and other assistance as described in the Chapter below. Special care will be given to vulnerable and severely affected AHs.

76. Households headed by single women with dependents and other vulnerable households will be eligible for further assistance<sup>3</sup> to fully mitigate project impacts. Table 9 below presents the Project's entitlement matrix, based on detected potential losses.

### **Compensation Entitlements and Mitigation Measures**

77. Entitlement provisions for AHs facing loss of shelter, assets and income, incorporate cash compensation at full replacement cost at the current market values in compliance with the ADB SPS 2009 and active legislation of the KR. However, this may need to be updated and confirmed in accordance with co-financing IFI safeguards requirements. During implementation, co-financing IFI shall be responsible for (i) ensuring that activities carried out in connection with its financed section comply with their safeguard requirements, and (ii) resolving any complaints in relation to such section.

The entitlements are detailed below:

78. **Agricultural arable land** will be cash compensated at full replacement cost in the amount sufficient to purchase replacement land of equal in value and productivity in vicinity to the project affected land parcel. Method for calculation of full replacement cost will include cost of preparation of the land to levels similar to those of the affected land. The taxes and fee related to processing transaction registration will be covered by the Executing Agency.

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<sup>2</sup> According to ADB SPS 2009, AHs falling to the 3rd category will receive sufficient compensation, technical assistance and additional rehabilitation measures to be sufficient for the AHs to maintain their livelihoods at least to the pre-project levels.

<sup>3</sup> The specific description of further assistance for vulnerable people is described in the Entitlement Matrix provided below in this chapter.



79. **Agricultural residential (homestead) land** will be cash compensated at replacement cost in the amount sufficient to purchase land of equal in value, designation, and productivity in vicinity to the project affected land parcel. Method for calculation of full replacement cost will include cost of preparation of the land to levels similar to those of the affected land. The taxes and fee related to processing transaction registration will be covered by the Executing Agency.

80. **Industrial/Commercial land (privately owned)** will be cash compensated at replacement cost in the amount sufficient to purchase land of equal in value, designation, and location in vicinity to the project affected land parcel. Method for calculation of full replacement cost will include cost of preparation of the land to levels similar to those of the affected land. The taxes and fee related to processing transaction registration will be covered by the Executing Agency.

81. **Industrial/Commercial land (leased from the Municipality/State)** will be compensated in the form of land for land (in-kind) compensation with plots of equal size and designation in vicinity to the previous location to the extent possible. The replacement land will be allocated by the local rural administration free of charge to the AH. The taxes and fees related to allocation of new replacement land and issuance of relevant lease agreement and if required Construction Permit will be covered by the Executing Agency.

82. **Agricultural land leaseholders and workers:** Affected leaseholders will receive either a renewal of the lease in other plots or cash corresponding to the annual yield of land lost for the remaining years of the lease up to a maximum of 3 years. Sharecroppers will receive their share of harvest at market rates (if impact is temporary) plus one additional crop compensation (if impact is permanent). Agricultural workers, with contracts to be interrupted, will receive an indemnity in cash corresponding to their salary in cash including portion in-kind compensation for the remaining part of the agricultural year.

83. **Residential land renters/leaseholders and house renters:** who have leased land and/or a house for residential purposes will be provided with a cash grant of three (3) months' rent at the prevailing market rate in the area and will be assisted in identifying alternative accommodation.

84. **Agricultural Pasture land use rights:** will only be compensated in the form of land for land (in-kind) compensation with pasture land equal value, productivity and in vicinity to the previous location to the extent possible. Allocation of replacement pasture land will be undertaken by the LAR Commission in coordination with the local Rural Administration. All costs, fees and taxes related to provision of replacement pasture land, will be covered by the Executing Agency.

85. **"Orphan land":** remaining piece of land which as a result of land take has lost previous designation and became economically unviable. In such case, landowner is eligible to claim full cash compensation for the entire area of such land parcel.

86. **Severe Impact:** AHs (landowners, possessors, sharecroppers) losing more than 10% of an income generating land will receive an additional allowance for severe impacts equal to the market value of a year's gross yield of the land lost or one-time compensation calculated based on the minimum subsistence monthly income level multiplied to 3 months per AH. Calculation of

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the amount of compensation is based on the Minimum monthly subsistence level for a family in Naryn Region as defined the National Statistical Committee of the Republic of Kyrgyzstan (4 605 KGS X 3 months = 13 815 KGS / AH). The data are retrieved from official website of the National Statistical Committee of the Republic of Kyrgyzstan<sup>4</sup>.

87. **Affected Structures:** Houses, buildings, structures will be compensated in cash at full replacement cost, i.e. construction cost without any deductions for depreciation, salvaged materials, or transaction costs. The compensation for houses/buildings will include the cost of lost utility (water, electricity, sewerage, gas) connections. Construction cost calculation considers market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractor's fees, plus the cost of any registration and transfer and any applicable taxes. Besides the cash compensation, the government will also provide technical assistance with building the replacement structure to AHs<sup>5</sup> in need for such help.

88. **Supplementary Structures:** AHs losing supplementary structures attached to the project affected walls will be cash compensated at full replacement cost, i.e. construction cost without any deductions for depreciation, salvaged materials, or transaction costs.

89. **Walls and Fences:** AHs losing solid walls or fences attached to the project affected land parcels will be cash compensated at full replacement cost, i.e. construction cost without any deductions for depreciation, salvaged materials, or transaction costs.

90. **Perennials:** Cash compensation shall reflect income replacement. Cash compensation will be calculated at current market value and according to type, age, and productive value of project affected fruit tree. Annual yield capacity of a mature fruit bearing tree multiplied to market price of a fruit (kg/SOM) and multiplied to the number of years required to grow a new tree to same productivity age.

**Sample of Formula:**

Average annual yield capacity of one mature apple tree: 40 kg

Number of years required for 2-3 years sapling to grow to the same productive level: 6 years

Market price of Apple : 35 SOM/kg  $\approx$  0.50 USD/1 kg.

$40 \text{ kg} \times 6 \text{ yrs} \times 0.50 \text{ USD/kg} = 120 \text{ USD/Apple tree}$

91. No cash compensation will be issued for decorative trees and perennials not bearing fruits.

92. **AHs will receive additional cash for purchase of seedlings per each project affected tree including fruit bearing, decorative and timber trees.**

<sup>4</sup> <http://www.stat.kg/en/statistics>

<sup>5</sup> Elderly people without adult supporters, single women, and female-headed households who may find difficult to organize construction by themselves.

93. In case local government considers acceptable the AHs will be eligible to dispose logged trees themselves. Construction Company ensures free delivery of timber to the residence of AHs.

94. **Annual Crops:** Cash compensation at current market rates for the net annual harvest actually being lost. Crop compensation will be paid to landowners. In case of tenancy agreement, cash compensation will be paid to owner/tenant based on the specific sharecropping agreements (written/verbal) being made between these two parties.

95. **Permanent loss of Business (Businesses Owners):** compensation for permanent business losses will be in cash for one year income based on tax declaration. If tax declaration is unavailable, the amount of cash compensation will be based on the official minimum monthly salary in trade sector multiplied to 12 months . The data will be retrieved from official website of the National Statistical Committee of the Republic of Kyrgyzstan<sup>6</sup>.

96. **Temporary Stoppage of Business:** Compensation for temporary business stoppage will be cash covering the income of the interruption period, minimum up to three (3) months, based on tax declaration; or, where this data is not available one-time compensation calculation will be based on the minimum subsistence monthly income level multiplied to minimum 3 months per AH. The amount to be calculated according to the data retrieved from official website of the National Statistical Committee of the Republic of Kyrgyzstan<sup>7</sup>.

97. **Business workers and employees:** Indemnity for lost wages for the period of business interruption period, minimum up to three (3) months, based on tax declaration. In case tax declaration reports are unavailable, then one-time compensation calculated based on the minimum subsistence monthly income level (multiplied to 3 months) per AH. The amount to be calculated based on the data retrieved from official website of the National Statistical Committee of the Republic of Kyrgyzstan.

98. **Relocation subsidy for affected households subject to physical resettlement (loss of shelter):** DPs facing the need for physical resettlement due to impact to their residential house will receive additional a one-time moving allowance sufficient to cover transport costs, rental and living expenses for one (1) year. In addition, these DPs will be given priority in jobs, created as a result of the project-activities, if it fits the local labor skills that are being sought. Besides, Local Executive power and Municipality will free of charge allocate alternative land parcel and transfer ownership title and construction permit to an AH that does not have ownership title to land attached with project affected residential house, considering that such DPs are not eligible to cash compensation for affected land. This approach will ensure maintenance of livelihood of DPs without land title subject to permanent physical resettlement.

99. **Squatters (Agricultural, Residential):** One-time rehabilitation allowance equal to market value of 1 year gross harvest, in addition to crop compensation for land use loss. However, if proven that AHs are losing the land parcels which are the only source of income additional rehabilitation measures will be exercised in agreement with AH. The options are:

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<sup>6</sup> <http://www.stat.kg/en/statistics>

<sup>7</sup> <http://www.stat.kg/en/statistics>

- (i) local rural administration will free of charge allocate alternative land parcel with equal productivity and designation; preferable location and existence of utilities will be considered and if not available provided before relocation; or
- (ii) if free allocation of alternative land is not possible, the LARP budget will include the costs sufficient to purchase land directly from the state and transfer to such AHs free of charge.

100. Besides, agricultural squatters will be assisted by local government authorities to enter long-term lease agreement on State land and continue gaining income from officially leased State land of agricultural designation of similar productivity level.

101. **Community Structures and Public Utilities:** If affected, assets will be fully relocated or rehabilitated to meet their pre-project functions and utilities.

102. **Contractor's Temporary Requirements:** The civil works contract will require the contractor to be responsible for the temporary acquisition and reinstatement of all land required outside the road reserve for construction camps, offices, borrow pits, materials storage sites, materials processing sites, and haul roads. The contractor will select the land parcels they require and they will be responsible for negotiating agreements directly with land owners to occupy the land. In the event that a contractor fails to obtain the agreement of a landowner, the contractor would be required to select an alternative site and negotiate a new agreement. No involuntary occupation of land for temporary construction purposes would occur. Provision will be made in the civil works contract for the contractor to be responsible for providing adequate measures to cater for existing traffic while the road/bridge rehabilitation/construction works are in progress. The contractors shall be required to obtain the approval of the executing agency for all proposals for traffic management during the construction of the civil works contracts and also they shall be required to maintain all temporary diversion roads and existing roads used to carry diverted traffic from the main road.

### **Additional Rehabilitation Measures**

103. The LARP considers additional rehabilitation measures to be provided to the AHs that qualify as vulnerable and severely affected.

104. **Assistance for vulnerable people:** In addition to the compensation of lost land and assets, vulnerable AHs will be provided with additional rehabilitation measures; in particular, one-time allowance set to cash compensation calculated based on the minimum subsistence monthly income level multiplied to 3 months per AH. The amount of compensation will be calculated based on the data retrieved from official website of the National Statistical Committee of the Republic of Kyrgyzstan<sup>8</sup>. Calculation of the amount of compensation is based on the Minimum monthly subsistence level for a family in Naryn Region as defined the National Statistical Committee of the Republic of Kyrgyzstan (4 605 KGS X 3 months = 13 815 KGS / AH). Besides, the members of vulnerable families will be given priority in employment in project-related jobs. Besides, the members of vulnerable families will be given priority in employment in project-related jobs.

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<sup>8</sup> <http://www.stat.kg/en/statistics>

105. **AHs holders of severely affected land parcels:** AHs experiencing road project severe impact will also be provided additional assistance: one-time rehabilitation allowance for severe impact will be equal to or one-time allowance set to one year payment of the minimum subsistence monthly income level multiplied to 3 months per AH. Calculation of the amount of compensation is based on the Minimum monthly subsistence level for a family in Naryn Region as defined the National Statistical Committee of the Republic of Kyrgyzstan (4 605 KGS X 3 months = 13 815 KGS / AH). Besides, the members of vulnerable families will be given priority in employment in project-related jobs.

### **Taxation and Bank Service Fees**

106. In no case will the AHs be liable for any taxes and eventual transaction fees; these will be paid by the implementing agency unless waived by the government of RoK. Besides, the amount to cover bank service fees will be added on top of the amount of cash compensation to be received by AHs at the banks.

### **Deposit/Escrow Accounts**

107. Amount of cash compensation will be deposited to the escrow accounts if during LARP implementation process any AH is missing, absent, or deceased.

### **Entitlement Matrix**

108. The table below describes the Entitlements and additional allowances to compensate all type of income and assets loss identified in the context of this specific road project.

NOTE: The Entitlement Matrix contains Types of Impact and Compensation entitlements that are NOT expected within the framework of this road project. However, in the case that during construction process due to any unexpected reason, any of these types of project impacts are present, the project implementing unit will be authorized to follow the entitlements provided in this matrix and address each specific case accordingly, and in a timely manner.

**Table 8: Entitlement Matrix**

<b>Asset Specification</b>	<b>Specification</b>	<b>Affected People</b>	<b>Compensation Entitlements</b>
Permanent Loss of land (arable, residential, commercial, industrial)	All AHs as owners/legitimate possessors of all project affected land parcels independent from impact severity	AHs with registered /recognizable title and not holding captured land	Cash compensation will be calculated at full replacement cost at current market value to be sufficient to purchase land parcel of equal size, location, soil productivity and designation to project affected land parcel; Method for calculation of full replacement cost will include cost of preparation of the land to levels similar to those of the affected land. AHs will be free of taxes, land parcel sub-division and transaction registration costs. The taxes and fee related to processing transaction registration will be covered by the Executing Agency.
Permanent	All AHs holding	AHs who use more	No cash compensation will be paid to AHs who

Asset Specification	Specification	Affected People	Compensation Entitlements
Loss of land (arable, residential, commercial, industrial)	captured land <sup>9</sup>	territory of homestead/arable land then it is registered under their ownership When homestead /arable land parcels owned/possessed by AHs where the actual area of land exceeds the area registered in the ownership certificate (title)	captured Municipality land by putting up the wall and fences towards the edge of the existing road. Land parcel boundaries separating the edge of the project affected land parcel from the road ROW will be identified and if proved that AH has captured road ROW and/or Municipality land no cash compensation will be issued on the captured area as this territory belongs to the Road Right of Way and cannot become the subject of purchase and /or cash compensation to AHs.
Orphan land (of arable, residential, commercial, industrial designation)	Any private land that will lose previous designation and economic viability as a result of project related land acquisition	All AHs with facing the risk of keeping "Orphan land"	Landowner is eligible to claim full cash compensation for the entire area of such land parcel; Cash compensation will be calculated as usual at full replacement cost at current market value as applicable to the cases of permanent loss of land for title holders /legitimate possessors.
Permanent Loss of Leased Land	AHs leasing land from the State/Municipality	Leaseholders: AHs holding a lease agreements/permit to use residential, commercial, industrial land	Compensation will be undertaken in the form of land for land (in-kind compensation) with plots of equal size and designation in vicinity to the previous location to the extent possible. The replacement land will be allocated by the local rural administration free of charge to the AH. The taxes and fees related to allocation of new replacement land and issuance of relevant lease agreement and if required Construction Permit will be covered by the Executing Agency.
	All AHs holding lease of agricultural land	Leaseholders	Renewal of lease in other plots of equal value/productivity of affected land parcel; or Cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a minimum of 3 years)
	Agricultural workers	APs holding a valid contract Agricultural workers	Cash indemnity corresponding to their salary for the remaining part of the agricultural year.
	Agricultural Sharecroppers	Agricultural Sharecroppers/APs without valid contract	Agricultural sharecroppers will receive their share of harvest at market rates (if impact is temporary) plus one additional crop compensation (if impact is permanent).
	All non-titled land users and agricultural squatters	agricultural squatters	One-time rehabilitation allowance equal to market value of 1 year gross harvest in addition to crop compensation from the project affected. Besides, agricultural squatters will be assisted by local government authorities to enter long-term lease agreement on State land and continue gaining income from officially leased State land of agricultural designation of similar productivity level.

<sup>9</sup> Captured land refers to the cases when local people put stone walls and/or fences outside of the legally designated area and through shifting the boundaries of their homestead and/or arable land parcels towards the ROW of the existing road.

Asset Specification	Specification	Affected People	Compensation Entitlements
	All non-titled land users and agricultural squatters	Residential squatters	<p>One-time rehabilitation allowance equal to market value of 1 year gross harvest (in addition to crop compensation) for land use loss.</p> <p>However, if proven that AHs are losing the land parcels which are the only source of income additional rehabilitation measures will be exercised in agreement with AH.</p> <p>Options are: a. local rural administration will free of charge allocate alternative land parcel with equal productivity and designation; preferable location and existence of utilities will be considered and if not available provided before relocation; or</p> <p>b. if free allocation of alternative land is not possible, the LARP budget will include the costs sufficient to purchase land directly from the state and transfer to such AHs free of charge.</p>
All Tenants	Residential land/house Tenant	All AHs	AHs who have leased land and/or a house for residential purposes will be provided with a cash grant of three (3) months' rent at the prevailing market rate in the area and will be assisted in identifying alternative accommodation.
Severe Impact	Additional provisions for severe impacts (loss of more than 10% of income generating land /assets)	AHs (titleholders and/or without title but eligible to claim title registration, Leaseholder, Squatters	One-time rehabilitation allowance for severe impact equal to market value of annual gross harvest of the affected land in addition to standard crop compensation.
Loss of Commercial Land	Land loss	Titleholder	Land for land compensation through provision of a plot comparable in value/location to plot lost free of taxes, Registration fees and land use right transfer costs.
		Renter/Leaseholder	One-time allowance equal to monthly rental fee (specified in the lease agreement) multiplied to 3; if Lease agreement is not available, minimum monthly salary multiplied by 3.
		Squatters	Accommodation in a government resettlement area or a self-relocation allowance.
Houses and Structures	Residential and supplementary structures, walls and fences subject to demolition for road project purposes	All relevant AHs (including squatters)	Cash compensation at replacement rates for affected structure and other fixed assets free of salvageable materials, depreciation, and transaction costs. In case of partial impacts full cash assistance to restore remaining structure.
Crops	Crops affected	All AHs (including squatters)	Crop compensation in cash at full market rate for annual harvest to be paid to land-user or tenant will be determined based on specific sharecropping agreements made between these parties.
Trees	Trees affected:	All AHs (including	Cash compensation at market value on the

Asset Specification	Specification	Affected People	Compensation Entitlements
	Fruit bearing perennials	squatters)	basis of type, age, and productive value of fruit tree; Each fruit bearing tree in addition shall be compensated for purchase of saplings. AHs will be eligible to dispose logged trees themselves. Construction company ensures free delivery of timber to the residence of AHs.
	Trees affected: Non-fruit bearing perennials		No cash compensation will be issued for perennials not bearing fruits. PAHs will be eligible to dispose logged trees themselves. Construction company ensures free delivery of timber to the residence of PAHs. In addition, each decorative tree in addition shall be compensated for purchase of sapling.
Business Employment	Temporary or permanent loss of business or employment	All AHs (including squatters)	Business owner: (i) Cash compensation equal to one year income, if loss is permanent; (ii) cash compensation for the period of business interruption, if loss is temporary. Worker/employees: Indemnity for lost wages for the period of business interruption up to a maximum of 3 months.
Relocation	Transport and transitional livelihood allowances	All AHs affected by relocation	Provision of sufficient allowance to cover transport expenses and livelihood expenses for one month.
Community Resources			Access shall be maintained or reinstated; Rehabilitation/substitution of the affected structures/utilities (i.e. bridges, roads, schools, health-centers, water pipes, irrigation channels, etc.).
Vulnerable AHs		AHs below poverty line; disabled people; pensioners; widows; female headed households; impoverished	In addition to the compensation of lost land and assets, vulnerable AHs will be provided with additional rehabilitation measures; in particular, one-time allowance set to cash compensation calculated based on the minimum subsistence monthly income level multiplied to 3 months per AH. Calculation of the amount of compensation is based on the Minimum monthly subsistence level for a family in Naryn Region as defined the National Statistical Committee of the Republic of Kyrgyzstan (4 605 KGS X 3 months = 13 815 KGS / AH). Besides, the members of vulnerable AHs will be given priority in employment in project-related jobs.



<b>Asset Specification</b>	<b>Specification</b>	<b>Affected People</b>	<b>Compensation Entitlements</b>
Severe Impact	Additional provisions for severe impacts (loss of more than 10% of income generating land /assets)	AHs (titleholders and/or without title but eligible to claim title registration, Leaseholder, Squatters	AHs experiencing road project severe impact will be provided additional one-time allowance. The amount of one time allowance set to the cash compensation. Calculation of one time allowance is based on the Minimum monthly subsistence level for a family in Naryn Region as defined the National Statistical Committee of the Republic of Kyrgyzstan (4 605 KGS X 3 months = 13 815 KGS / AH). Besides, the members of vulnerable families will be given priority in employment in project-related jobs
Temporary impact	Loss of access to land parcel	Owners/Users	Temporary access will be set up by Construction Company.
	Income loss due to lack of temporary access road to the business activity	Business units	Temporary access will be set up by Construction Company.
	Temporary loss of income caused by occupying land parcels for the camps and quarries	Owners/users	During camps' site selection process, Construction Company should coordinate with relevant state agencies and give priority to vacant lands not used for agricultural /residential purposes. But in case the land parcels selected for camps and quarries will have private land-users, all losses, and amount of due compensation shall be determined according to the principles of compensation entitlements provided under this RPF and relevant LARP.
Any other unforeseen Impacts	As required	Any	As required, in the spirit of this LARP.

## **Chapter 4: Legal-Regulatory Framework**

### **Country Legislation**

109. The project will be implemented in accordance with the laws of the Republic of Kyrgyzstan and ADB SPS 2009.

### **Country Legislation**

110. The following laws and Normative Acts regulate land/real property ownership rights and rules and procedures for obtaining State ownership right to privately owned land parcels based on the necessary public needs caused due to constructions activities:

- (i) The Constitution of the Republic of Kyrgyzstan (June 27, 2010)
- (ii) Civil Code (May 8, 1996, # 16; last amended on July 30, 2015 )
- (iii) Land Code (2 June 1999, # 45; last amended on July 28, 2015 N 198)
- (iv) The Law "On the roads» (№72 dated June 2, 1998, as amended on August 3, 2015 N 211)
- (v) The Law of State Registration of Rights to Immovable Property and Related Transactions (December 22, 1988 N 153, last amended on July 9, 2013 N 124)
- (vi) Valuation standards for the valuers (Government Resolution, 03 April 2006, # 217)
- (vii) The Order # 361-b of the GoK dated December 15, 2015 on formation of the LAR Commission
- (viii) The Order # 183-p of the GoK dated May 26, 2014 on suspension of any land alienation along the road.

### **The Constitution of the Republic of Kyrgyzstan; Article 12**

111. Under the Constitution of the RoK, the diversity of forms of property rights shall be recognized and equal protection afforded to private, state, municipal, and other forms of property, shall be guaranteed.

112. Kyrgyz Republic recognizes diversity of ownership forms, and guarantees the equal legal protection to private, state, municipal, and other types of land ownership. Land can be in private, municipal, and other types of ownership, however, pasturelands cannot be held in private ownership.

113. Ownership is inviolable and no one can arbitrarily be dispossessed of their property. Property can be acquired by the state against the person's (party's) will only be based on a court decision.

114. Acquisition of property for public purposes, as defined in the national laws, can be carried out only through the court's ruling and with fair and prior payment of the compensation for the affected property as well as other costs (article 12, clause 2).

- (i) The Kyrgyz Republic recognizes diversity of ownership and guarantees equal legal protection of private, state, municipal, and other forms of ownership.
- (ii) Property is inviolable. No person can be deprived of his/her property arbitrarily.

- (iii) Confiscation against the will of the owner is allowed only by decision of a court.
- (iv) Private property can be involuntarily acquired only under the Court decision.
- (v) Involuntary acquisition of private property without Court decision is allowed only in the cases stipulated by law on protect national security, public order, protection of health or morality of population and protection of the rights and freedoms of other persons. The legality of such withdrawal is subject to mandatory review by the court.
- (vi) Expropriation of property for public needs, defined under the law may only be undertaken under the court decision and in lieu of prior reimbursement cost of the given property and other losses incurred as a result of property alienation.
- (vii) Transfer of private property owned by citizens and legal entities (nationalization) into the State ownership is undertaken in accordance to the law with the condition of cost reimbursement of given property and other losses.
- (viii) The Kyrgyz Republic protects ownership of its citizens and legal entities, as well as its property, located on the territory of other states.
- (ix) The land, its mineral resources, airspace, waters, and forests are the exclusive property of the Kyrgyz Republic, are used in order to maintain a unified ecological system as the basis of livelihood and activity of the people of Kyrgyzstan, and are under special state protection.
- (x) Land may also be in private, municipal, and other forms of property, except pasture, which cannot be privately owned.
- (xi) The Law protects private ownership rights and also determines the rules and limitations for exercising the rights of private owners.

**Civil Code (8 May 1996, # 16; last amendment N 206 as of July 30, 2015)**

115. The Civil code provides that: a party whose rights are violated can claim full loss reimbursement (full compensation for losses incurred), unless the national legislation or the agreements (contracts) prepared in line with the national legislation indicate the contrary.

116. Civil Code, Article 14. Loss Reimbursement

Clause 1. The Civil Code identifies the losses that subject to reimbursement (compensation):

- (i) A person, whose right is violated, may claim full indemnification for losses incurred, unless the law and/or terms and conditions of agreement entered by the parties in compliance with the law provides otherwise.
- (ii) The losses are defined as follows:
  - a. A person, whose right was violated and who incurred or will have to incur costs to restore violated rights, losses or damage to his property (**Actual Loss**), and also
  - b. Unreceived income, which a person would have received under normal conditions of civil turnover, if his right had not been violated (**Lost Profit Damages**).

117. If a person earned income through violating a law, a person whose rights were thus violated can claim loss reimbursement along with other costs, actual loss in the amount no less than income earned by a violator.

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## **Article 15. Indemnification for Losses Caused By the State Agencies and Local Self-Government**

118. Losses incurred by a citizen or legal entity as a consequence of illegal actions (or inactivity) of state agencies, bodies of local self-government or officials of these bodies, including issuance by a state body of an act that does not comply with legislation, are subject to indemnification by the state, as well as local self-government authorities in the cases foreseen under the law.

### **Land Code (June 2, 1999 N 45, as amended on July 28, 2015 N 198.)**

119. The Land Code of the Kyrgyz Republic defines:

## **Article 68. Withdrawal (Redemption) of the Land Plot for State and Public Needs**

120. Paragraph 1. Acquisition (purchase) of a land plot for state and public needs may be exercised on the grounds of an agreement between the authorized agency and landowner or land-user. If no agreement is achieved with the landowner/land-user of acquisition (purchase) of a land plot or offered conditions, the authorized agency has the right to apply to the court. within two months period from the date of official denial of landowner/land-user. The authorized agency has the right to claim for compensable acquisition of the given land parcel.

121. Paragraph 3. During price calculation, the purchase (redemption) price of a given land plot, shall include market value of ownership right land and buildings and structures attached to the given land plot, as well as losses incurred by landowner/land-user as a result of termination of rights to a land plot, including the damages /losses related to the earlier termination of liabilities with third parties.

122. Paragraph 4. In the event of withdrawal of the land plot for the state or public needs another land plot may be allocated to a land owner/user, subject to his consent and the value of the right to it shall be credited to the redemption price.

123. The land code also defines exceptional cases of withdrawal of the land plot when the rights for the land plot and auxiliary constructions can be withdrawn, including the following grounds:

## **Article 66. Grounds for Withdrawal of the Land Plot**

124. Withdrawal of the land plot shall be allowed in the event of:

- (i) utilization of a land plot in violation of its targeted use;
- (ii) withdrawal (redemption) of the land plot for state and public needs in accordance with provisions of this Chapter;
- (iii) failure to use a land plot or part of the land plot allocated for agricultural production within three years;
- (iv) failure to use a land plot allocated for non-agricultural production in accordance with the legislation;
- (v) failure to pay land tax within the period established by tax legislation;
- (vi) failure to pay insurance fees within the period established by the Law of the Kyrgyz Republic "On Tariffs of Insurance Fees for State Social Insurance".

- (vii) termination (cancellation) of the right to use resources by the state body on resource use in cases indicated in the Law of the Kyrgyz Republic "On Resources".
- (viii) withdrawal of the land plot in cases provided in subparagraphs 1, 3, 4 of paragraph 1 of this Article shall be produced with payment of the value of the right to land plot to the owner or user of the land plot less expenses connected with withdrawal of the land plot and arrangement of sale.
- (ix) land plots withdrawn on the grounds provided by subparagraphs 1, 3, 4, 5, 6 of paragraph 1 of this Article may be traded at sale.
- (x) in case if sale of the right to the land plot is acknowledged unaffected, the right to land plot shall be transferred to the authorized body with payment of appraisal value (normative price) of the land at the moment of sale to the owner or user of the land plot.
- (xi) the land plot may be withdrawn for satisfaction of state and/or public needs subject to payment of the value of the right to land plot and indemnification of losses.
- (xii) withdrawal of the land plot in case of failure to pay land tax within the established period shall be produced in the procedure established by the Tax Code of the Kyrgyz Republic.
- (xiii) withdrawal of the land plot in case of failure to pay insurance fees within the established period shall be produced in the procedure established by the Law of the Kyrgyz Republic "On Tariffs of Insurance Fees for State Social Insurance".

(As amended by the Law of the Kyrgyz Republic on February 17, 2003 N 36 February 26, 2007 N 22, May 7, 2012 N 46, July 20th, 2015 N 181, July 28, 2015 N 198).

#### **Article 67. Withdrawal of the Land Plot in the Event of Utilization thereof in Violation of Targeted Use**

125. The land plot may be withdrawn in the event of utilization of a land plot in violation of targeted use only on the basis of a court decision.

126. The authorized agency may file a claim to the court on withdrawal of the land plot after administrative penalties are applied and written notice is delivered to the land plot owner or user on elimination of violation within the period not less than three months.

127. According to paragraph 1 of Article 49 («Rights of Land Plot Owner/user») of Land Code, A land plot owner/user, unless otherwise established by law, the documents certifying the rights to land, or by an agreement, shall have the right to:

- (i) carry on independent management on the land using it in accordance with
  - (ii) the targeted purpose (paragraph 1.1 of article 49,);
  - (iii) erect, in compliance with the established procedure, buildings and
  - (iv) structures consistent with the targeted use of the land subject to
  - (v) architectural planning, construction, ecological, health and hygiene, antfire,
  - (vi) and other special requirements (norms, rules, standards),
  - (vii) (para 1.6 of article 49);
  - (viii) receive full compensation of losses in cases set forth in legislation of
  - (ix) the Kyrgyz Republic; (para 1.5 of article 49);
  - (x) perform civil law transactions with the right to land subject to
  - (xi) limitations established by this Code and Law of the Kyrgyz Republic "About management of the land designated for agricultural needs" (article 49, para 8).
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- (i) In the Land Code (article 78 "Land in common Use of Settlements") the procedure for the use of the lands of public use is also defined. In particular, it is determined that:
- (ii) Paragraph 1. Land in common use of settlements shall consist of land used as communication lines, or for satisfaction of cultural and household needs of the population (roads streets, squares, sidewalks, passages, parks, avenues, public gardens, water reservoirs and etc.).
- (iii) Paragraph 2. Land in common use of settlements shall not be allocated into ownership. In exceptional cases, they may be allocated by the authorized body for fixed term (temporary) use to natural and legal persons for lease for the period of up to five years, except for the cases, provided by paragraph 4 of this article.
- (iv) Paragraph 3. Construction of buildings and construction of lightened type on the land in common use allocated for fixed-term (temporary) use by the authorized body may be allowed, except for the cases, provided by paragraph 4 of this article.
- (v) Paragraph 4. In order to ensure and meet cultural and social needs of the population in the lands of public allowed the organization, design and construction of underground capital facilities (parking lots, parking of motor transport, tunnels, passages) with social and public services, as well as the elevated pedestrian crossings, sports, concert and children's playgrounds. Limits reducing space parks, boulevards, and squares permitted in the construction of the above-mentioned objects are established by decisions of local councils. (Law of the Kyrgyz Republic on February 7, 2005 N 15, July 20, 2015 N 181)

#### **The Law "On the roads» (№72 dated June 2, 1998, as amended on August 3, 2015 N 211)**

128. According to the Law "On Roads" (Article 4 "Public highways"), public roads owned by the state, not to be sold, cannot be transferred to private ownership. This law (article 27, "Prohibitions on the Use of Roads") also stipulates that without the consent of the authorized state body in the field of road safety and the permission of the authorized state body in the field of Transport and Communications, or its authorized agencies on the use of public roads and right-of-ways, the following activities, among others, are prohibited:

- (i) roadside trading;
- (ii) placement of kiosks, pavilions, and similar structures.

129. Unauthorized use of roadway lands will be terminated without compensation for production costs incurred during the illegal use of the land (Article 23). (As amended by the Law of August 3, 2012 N 146).

#### **The Law On state registration of rights to immovable property and related transactions**

130. The state registration of rights to immovable property and transactions with it (hereinafter - state registration of rights) is a legal act of recognition and confirmation of rights to immovable property and their encumbrances (restrictions), as well as real estate transactions, providing protection for the rights and encumbrances (restrictions), except as provided in this Law (Article 1, paragraph 1).

131. Any other document or entitlement rights and their limitations, are subject to mandatory registration in accordance with Article 4 of this Law, submitted to the registration authority not later than thirty days from the date of the (drafting) of the above document. (Article 7, paragraph 1).

132. In accordance with Article 4, the following rights and restrictions are subject to registration:

- (i) the right of ownership;
- (ii) the right of economic management;
- (iii) the right of operational management;
- (iv) (repealed in accordance with the Law of the Kyrgyz Republic dated December 19, 2003 N 237)
- (v) the right of perpetual (no fixed term) use of land;
- (vi) the rights arising out of mortgage, including a mortgage by operation of law, or collateral;
- (vii) the right to temporary use, lease or sublease for a period of three years or more;
- (viii) easements (other than those specified in Article 6 of this Act);
- (ix) restriction of the rights for the design, construction and use of a single unit of real estate, except for restrictions that apply to the real estate in accordance with the laws and other normative acts of the Kyrgyz Republic;
- (x) the rights arising from the court;
- (xi) the rights of nature, the list of which is established by legislation of the Kyrgyz Republic;
- (xii) other rights subject to registration now or in the future in accordance with the Civil Code and other legal acts of the Kyrgyz Republic;
- (xiii) the rights arising from the legalization of property.

(Law of the Kyrgyz Republic dated December 19, 2003 N 237, August 9, 2007 N 141, March 30, 2009 N 98, December 8, 2011 N 230).

133. The following rights and restrictions shall be valid regardless of whether they are registered or not, but state protection provided by this Law (Article 6) is not ensured:

- (i) the right of access to power lines, telephone and telegraph lines and poles, pipelines, and geodetic points existing at the time of opening of the registration authority, and other rights arising from social needs;
- (ii) the rights of spouses, children and other dependents, established by the legislation of the Kyrgyz Republic, even if those rights were not registered on their own;
- (iii) the right to temporary use, lease or sublease for less than specified in paragraph 7 of Article 4 of this Law;
- (iv) the right of the actual users in the pre-emptive use of real estate, established by Article 265 of the Civil Code of the Kyrgyz Republic;
- (v) the rights of the tax authorities established by the legislation of the Kyrgyz Republic;
- (vi) restrictions, acting as general rules and prohibitions (on health care, public safety, environmental protection and others.), defined by the legislation of the Kyrgyz Republic.

### **Provision on Asset Valuation**

134. The valuation of assets is based on the Interim Rules of activities of appraisers and appraisal organizations in the Kyrgyz Republic (Government Resolution №537 of August 21, 2003, as amended on December 3, 2012 N 807) as well as property valuation standards, mandatory for all the subjects of valuation activity in the Kyrgyz Republic (Government Resolution № 217 of 03 April 2006, as amended on 28 October 2014 № 619) and other provisions of national legislation.

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**The Order # 361-b of the GoK dated December 15, 2015 on formation of the LAR Commission**

135. Pursuant to the Order # 361-b of the GoK the LAR Commission has been established to actively participate in LARP preparation and Implementation activities along the proposed road section.

**The Order # 183-p of the GoK dated May 26, 2014 on suspension of any land alienation along the road.**

136. The Order # 183-p of the GoK considers suspension of all land related activities such as alienation of land parcels within 32 meters from the central line on both sides of the existing road. The objective of the Order is to efficiently procure the funds allocated for construction of North-South Road project and considers specific limitation on allocation of land parcels and issuance on construction permits, including light construction and banners for advertisements. The limitation applies to both sides of the road and includes the territory within 32 meters from the central line of the new road design being under processing (designing).

The document puts the MOTR in charge to monitor the enactment of this Order.

**ADB SAFEGUARD POLICY STATEMENT**

137. The Safeguard Policy Statement on Involuntary Resettlement describes common objectives of ADB's safeguards, lays out policy principles, and outlines the delivery process for ADB's safeguard policy.

138. The objectives of the IR policy are as follows:

- (i) To avoid involuntary resettlement, wherever possible;
- (ii) To minimize involuntary resettlement by exploring Sub-Project and design alternatives;
- (iii) To enhance, or at least restore, the livelihoods of all displaced persons in real terms, relative to pre-Sub-Project levels; and
- (iv) To improve the standards of living of the displaced poor and other vulnerable groups.

139. **Objectives:** To avoid involuntary resettlement wherever possible; to minimize involuntary resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups.

140. **Scope and Triggers:** The involuntary resettlement safeguards covers physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas. It covers them whether such losses and involuntary restrictions are full or partial, permanent or temporary.

141. **Policy Principles:**

- (i) Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.



- (ii) Carry out meaningful consultations with affected persons, host communities, and concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.
  - (iii) Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.
  - (iv) Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.
  - (v) Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.
  - (vi) Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.
  - (vii) Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
  - (viii) Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
  - (ix) Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.
  - (x) Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.
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- (xi) Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
- (xii) Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

### **LARP Principles Adopted For The Project**

142. The MOTR has prepared draft LARP in compliance with the laws and regulations of the RoK and ADB SPS to serve as the tool to ensure that project implementation process meets the core principles of involuntary resettlement as listed below:

- (i) Land acquisition, and other involuntary resettlement impacts will be avoided or minimized exploring all viable alternative project designs;
- (ii) Where unavoidable, a time-bound RP will be prepared and AHs will be assisted in improving or at least regaining their pre-project standard of living;
- (iii) Meaningful Consultation with AHs on compensation, disclosure of resettlement information to AHs, and participation of AHs in planning and implementing sub-projects will be ensured;
- (iv) Vulnerable and severely affected AHs will be provided special assistance;
- (v) Non-titled AHs (informal dwellers or squatters) will receive a livelihood allowance in lieu of land compensation and will be fully compensated for losses other than land;
- (vi) Legalizable AHs will be legalized and fully compensated for land losses;
- (vii) Provision of income restoration and rehabilitation to all AHs;
- (viii) The RP will be disclosed to the AHs in the local language;
- (ix) Payment of compensation, and rehabilitation measures will be completed prior to the contractor taking physical acquisition of the land and prior to the commencement of any construction activities on a particular package; and
- (x) Establishment of appropriate grievance redress mechanism to solve AHs grievance if it occurs.
- (xi) Internal monitoring and disclosure of reports<sup>10</sup>.

143. Notice to contractors cannot be given until the MOTR officially has confirmed in writing, stating that:

- (i) Payment has been fully disbursed to the displaced persons and rehabilitation measures are in place;
- (ii) Already-compensated/assisted displaced persons have cleared the area in a timely manner; and
- (iii) The area is free from any encumbrances.

144. Cut-off date is the date of completing DMS for which land and/or assets affected by the Project are inventoried following Detailed Design.

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<sup>10</sup> Please see for details the Chapter: Monitoring and Reporting Requirements o.

## **Chapter 5: Institutional Arrangements**

145. The Chapter describes the role, authority, and responsibility of state agencies involved in the process of LARP preparation and implementation. These agencies are: MOTR/PIU, LAR Commission, State Register, Ministry of Finance, IFI, NGOs, and consultants.

146. Several agencies and parties have been involved in the LARP preparation process. The PIU of MOTR initiated official procedures required for LAR Commission establishment. On December 15, the LAR Commission of Naryn oblast was officially formed in accordance to the Order No 62-b dated March 15, 2016 of the Acting Representative of the Government of the Republic of Kyrgyzstan in Naryn Oblast.

147. The LAR Commission was composed of these seven members listed below:

- (i) Chairman: Leading Specialist of Regional Development Department of legitimate representative of the Government of Kyrgyz Republic in Naryn Oblast
- (ii) Secretary of the LAR Commission: First Deputy Head of Kochkor Regional Administration
- (iii) Members of the LAR Commission:
- (iv) Regional Coordinator of the group for implementing investment projects at the Ministry of Transport and Communication (MOTR)
- (v) Specialist of land arrangement and architecture of group for implementing investment projects at the Ministry of Transport and Communication (MOTR)
- (vi) Sociologist of the group for implementing investment projects at the Ministry of Transport and Communication (MOTR)
- (vii) Head of the Road Management Service Office # 955 for Bishkek-Naryn-Torugart Automobile Road.
- (viii) Head of Kochkor Department for Architecture and Urban Planning.

148. Besides, PIU assigned Focal Person with past experience in similar projects planning and implementation to be act as the FR for the entire project to deal with any questions, claims, and /or complaints prior to official formation of GRC.

149. Resettlement team of the Consultant (Kocks Consulting) composed by International and National Resettlement Consultants together with LAR Commission are involved in preliminary LARP preparation.

150. EA at the MOTR carries overall responsibility for the preparation and implementation of the LARP. PIU is in charge to manage and monitor LARP preparation, implementation, and monitoring.

151. The Independent Valuator was hired by the Consultant survey and hiring of the independent valuator was done by Consultant. The valuator assessed lost income, loss or stoppage of business, loss of employment, shift/removal of fences and trees (wood and productive) to be felled. The estimated LARP budget prepared by the Valuator per each AH is enclosed in the Appendixes.

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152. Department of State Expertise of the State Agency for Construction and Regional Development of the Government of the Kyrgyz Republic is in charge to undertake legal expertise of the report prepared by the valuator and issue legal expertise conclusion to be attached to the final LARP.

153. The EA is responsible to ensure the LARP implementation completion including issuance of cash compensations, any physical relocation, and/or removal of structures to clear the ROW for civil works commencement.

154. After the official approval of the LARP and compensation package the Ministry of Finance will allocate the LARP implementation budget based on the estimates included in the Final LARP.

155. Following LARP approval by IFI, PIU will start the process of implementation including drafting the Governmental Decree endorsing the LARP and the compensation disbursement and implementing it.

156. The EA will be responsible for close monitoring of physical relocation/dismantling of impacted facilities. The EA will supervise the relocation and reinstallation with support from the supervision consultant. The EA warrants that before the construction works commencement the road will be clean of any facilities subject to removal or relocation and the Contractor will not have any obstacles to his activities.

157. In the meantime, as of (fixed date to be specified as soon as known) the GRG will function and any claims, requests, or recommendations during LARP implementation and construction period will be registered and addressed by the GRC members.

## **Chapter 6: Public Consultations Nx LARP Disclosure**

### **Public Consultation Meetings**

158. The public consultation meetings have been conducted at the earlier phase of Social Impact Assessment. The public meetings were open to any interested persons including population from project affected villages and residents of villages located further from the ROW, representatives of local government, NGOs and CBOs were invited to attend the meetings too.

159. All participants were provided with information<sup>1</sup> on pending project and introduced to the safeguards principles of ADB SPS 2009.

### **Public Disclosure**

160. The final version of the draft LARP in English will be uploaded on ADB website. The Kyrgyz and Russian versions will be available on MOTR /PIU web-site and disclosed to the public in hard copy at the offices of relevant rural administrations.

161. The Notification on the location, time and dates of Public Disclosure will be announced through the National and local media sources early enough to widely inform the public and enhance attendance of any interested person, AHs, CBOs and NGOs.

162. An information pamphlet in Kyrgyz summarizing essence of cut-off date, compensation eligibility criteria, valuation methodology and compensation entitlements, project schedules and implementation features will be prepared prior to the Final LARP approval and included as Annex to the LARP in accordance with co-financing IFI safeguards and Kyrgyz legislation requirements

163. The Information Pamphlets in Kyrgyz language will be distributed to all AHs.

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<sup>1</sup> The Details of Public Consultation Meetings including the location, dates and number of participants is provided in Annex 1 and Annex 1.1 attached in the Appendixes.

## Chapter 7: Grievance Redress Mechanism

### Objectives

164. The Grievance Redress Mechanism (GRM) is a process through which the affected people need a trusted way to voice and resolve concerns about the project and the project also finds an effective way to address affected people's concerns. In this project, the grievance mechanism will be in place by which the affected people will be fully informed of their rights and procedures for addressing complaints whether verbally or in writing during consultation, DMS, and at the time of receiving compensation and resettlement assistance.

165. The MOTR will support the process of official formation of GRM to ensure that the system is in place by the approval of the final LARP. Notable that the Consultant has already provided some introduction of GRM to local population during public consultations<sup>2</sup> held at the PPTA stage while working on Social, Poverty and Gender Analyses. Besides, PIU has already assigned the Focal Person with past experience in similar projects planning and implementation to act as the FR for the entire project to deal with any questions, claims, and /or complaints prior to official formation of GRC. This FP is based in Bishkek most likely will be involved in GRC activities mainly when the claim reaches the Stage 2, Central level. The PIU will suggest LAR Commission to assign Local Focal Point (LFP) permanently based in project area. According to proven practice, LCPs are locally hired people selected based on their professional back ground or similar past experience if available in the region. However, each LCP will need to be provided training and have full access to FP based in Bishkek to reach out for guidance, advice or any technical assistance that may be required at least during first couple of months being at this job.

166. During PPTA, EA and PIU, with the assistance of the consultant (if required) and presence of the FP will ensure conduct at least one meaningful consultation with the affected communities, to inform them that GRM will be established and to provide contact details of FP's to the communities. The PIU will ensure that the FPs are provided with mobile phone and dedicated phone number for receiving only the phone calls of the affected communities. The daily hours for receiving the phone calls will be published in the project information pamphlets, and will be displayed on Public Information Boards available in the offices of rural administration.

167. Besides, PIU will provide the special "Question & Feedback Boxes" to be visibly placed in the entrance next to the Public Information Boards. This practice is not new of in the region and local people will easily take advantage to channel their questions, requests, claims, complaints or suggestions and recommendations to the Project Management through local FPs who will collect intake of the boxes every Monday, sort out, organize for further processing.

168. If applicable in accordance with co-financing IFI safeguards requirements, **Grievance Redress Group (GRG)** will be established and provided with required administrative support by MOTR the latest by this **final LARP Public Disclosure Date**.

169. The role and responsibility of the GRG is accept claim and complaints, assess its validity, determine the scope of eventual impacts, and timely resolve the issue, including the

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<sup>2</sup> Details of Public Consultations are provided in Annex 1 and Annex 1.1.

claims regarding the compensation and maintain grievance redress mechanism as flexible and efficient mechanism to address and resolve the claims as raised during project planning and implementation period.

### Functioning of the GRG within the Grievance Redress Mechanism

170. The suggested structure of the grievance redress mechanism (GRM) involves the following two (2) stages of appeals:

- (i) **Stage 1, Local (Village) Level** The grievances will first be lodged at the level of the complainant's village community. The complainant will report his case to the Local Point of Contact (LFP) The LFP will trigger the action of the Grievance Redress Group (GRG) which will assess the situation and seek a solution through consultation with complainants, local Roads Maintenance Unit (RMU) the oblast Ombudsman, and the selected AH representative.
- (ii) **Stage 2, Central Level** In case within additional 15 days the grievance is still not resolved at local level the complainant will further raise the issue to MOTR's headquarters in Bishkek again with the support of the LFP, AH representatives, and the oblast Ombudsman. The GRG will decide on the eligibility and on the complaint case and prepare the resolution, subject to PIU/MOTR consent.

171. GRM proceedings will entail one or more meetings for each complain and may require field investigations by specific technical or valuation experts. Grievance cases shared by more than one complainant may be held together as a single case.

172. For deliberations at the local level, the meetings will be held in the village of the complainant. For appeals at central level, the meetings will be carried out at in MOTR office in Bishkek with field trips of GRG members to the village of the complainant.

### Composition of GRG

173. GRG will be established by the order of MOTR. The GRG is composed at different levels of appeal by the following individuals/officers.

#### Local Level GRG

174. Local level GRG will be established at each Ayil-Okmotu along the project roads with the provision of members of following composition.

GRG Member	Position held
Head of Ayil-Okmotu	Chairman
Representative of RMU	Member
Female and Male AHs	Members (2)
Local Focal Point	Member
Ombudsman of the Oblast	Observer
Consultant	Invited Expert

## Central Level GRG

175. The central level GRG will be represented by 5-7 members of the following composition.

GRG Member	Position held
Head of PIU of MOTR	Chairman
Project Coordinator at PIU	Member
PIU safeguards unit representative	Member
Representative of the RMU	Member
Local Focal Point	Liaison between Local & Central GRG
Ombudsman of the Oblast	Observer
Representatives of AHs (Male & Female)	Additional Observers

176. At each level of appeal, the GRG will be assisted as needed by the professional capacity needed to solve each specific case. This will include among others:

- (i) Representatives of State Rayon Administration
- (ii) Representatives of the Rayon Branch of the State Agency for Architecture and Construction
- (iii) State Registration Services of the Rayon
- (iv) Ministry of Agricultural
- (v) State Agency for Environment and Forestry
- (vi) Ministry of State Property
- (vii) Ministry of Emergency
- (viii) Technical expertise from professional engineers, and Consultants with relevant experience in social safeguards and resettlement.

## Duties of GRG Members

### Local Focal Point

177. Once AP files a complaint, the LFP is to undertake and complete the following tasks:

- (i) screen the complaint for eligibility and, if found eligible register it the Complaints Log;
- (ii) draft a complaint memo to be signed by the complainant, indicating the name of complainant, date and place the case of complaint occurred, apply the date and place of complaint submission, and attach supporting documents, as necessary;
- (iii) send the complaint memo to all members of GRG , agree the date of GRG meeting;
- (iv) request the rural administration authorities to organize the meeting;
- (v) facilitate the GRG meeting by providing a storyline for the complaint and provide factual details and relevant documents obtained;
- (vi) communicate request and queries of the complaints to the members of GRG (on central level to GRG/PIU/EDB);



- (vii) maintain the records of the meetings and communications between GRG and complainants
- (viii) ensure administrative and organizational support to GRG members;
- (ix) raise awareness of project stakeholders, including CBOs, NGOs AHs and local authorities on the GRM, its functions and objectives.
- (x) Liaise between local and central GRGs to convey the information of the case of complaint that was not resolved on local level and became the case to be reviewed on a Central Level.

### **Chairman of GRG / Head of Ayil-Okmotu**

178. Once the GRG Chairman is informed about the meeting date and schedule he/she is responsible to:

- (i) review the complaint(s) and supporting materials if any ahead of the GRG meeting;
- (ii) manage to obtain any additional information prior to GRG meeting date;
- (iii) involve relevant task expert if such need is obvious after review of the complaint(s);
- (iv) ensure members attendance and chair GRG meeting;
- (v) ensure simple complaints (like notification of when construction starts or a copy of the entitlement brochure etc.) are handled /resolved at the local level during the meeting;
- (vi) ensure that records (of each meeting, communication between GRG and complainant(s)) is accurately recorder by assigned member (Meeting Secretary) and saved in the GRG files;
- (vii) convey requests and enquiries of the complainants to GRG members on Central Level if not resolved on Local Level.

### **RMU Representative**

179. Once notified of a complaint and summoned by the LFP to a grievance meeting the RMU representative will:

- (i) Review all relevant recording of complaints and submitted documents of proof;
  - (ii) participate to all grievance meetings, provide opinions and analysis, take minutes of the discussions (Secretary of the Meeting);
  - (iii) accompany eventual assessment/valuation specialists in the field;
  - (iv) ensure that claims from damages due to construction works are reviewed by the RMU and technical experts and assess the damages /losses incurred;
  - (v) based on the position reports of GRG members and on his/her understanding of the case prepare the final grievance report and recommendations to be sent to complainant, other members of the GRG and if needed to PIU as well. The summary report should determine, whether the case is:
    - (i) solved without further action; or
    - (ii) solvable but requires compensation or other action; or
    - (iii) not resolved and requires pending actions, such as forwarding the complaint for review on the higher-Central Level, to the Court, or to investigation to prosecutor's office.
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- (vi) if the complaint is considered valid and the needed compensation/action is to be approved by PIU the case is forwarded to GRG on Central Level with the request to proceed the review and ensure execution of the redress action; and
- (vii) when the complaint remains unresolved by Local Level GRG, and a complainant offered to lodge claim on the Central Level agree to act so, RMU representative coordinates with LFP and GRG Chairman to assist the complainant in lodging the complaint at a higher appeal level;
- (viii) in parallel inform PIU/MOTR and proceed with the organization of the central level appeal meeting.

### **Representatives of the AHs**

180. Two representatives of the AHs, male and female persons from the affected community will participate in all GRG meetings to:

- (i) act as the full right member of GRG;
- (ii) provide relevant information related to the submitted complaints; and
- (iii) provide other GRG members as relevant with a position note to be reflected in the final meeting report.

### **Invited Consultant /Field expert**

181. Once notified of Meeting time and location the Consultant will:

- (i) Review all relevant recording of complaints and submitted documents of proof;
- (ii) If feasible visit the place of complaint to visually observe the spot and be fully aware of important details to share with GRG members during the meeting;
- (iii) assist the GRG members to get into the insight of the complaint and assist them in finding feasible, reasonable, mutually agreeable and doable solutions.

### **PIU Project Coordinator**

182. Once notified that a complainant has lodged an appeal case at the Central level PIU project coordinator will:

- (i) contact the complainant(s) and draft a note with his/her understanding of the complaint;
- (ii) participate to the appeal meeting, provide opinions and analysis, take minutes of the discussions;
- (iii) if needed summon again assessment/valuation specialists and accompany them in the field;
- (iv) request the chairperson to organize meetings, as necessary;
- (v) maintain communication between GRG and the complainants; and
- (vi) Complaint Register is kept with IPIG and a copy shared with the Consultant.

### **Representatives of PIU Safeguards Unit**

183. Once notified that a complainant has lodged at central:

- (i) participate to all grievance meetings, provide opinions and analysis;
- (ii) accompany eventual assessment/valuation specialists in the field, and
- (iii) provide other GRG members as relevant with a position note to be reflected in the final meeting report.

### **Ombudsman**

184. Once notified of a complaint and a summoned by the LFP to a grievance meeting is submitted the Ombudsman will:

- (i) monitor complaint handling process and ensure that decisions made by the GRP are equitable and objective;
- (ii) provide independent opinions and recommendations related to the decision made on the case by the GRP team;
- (iii) advise the complainant(s) on their rights and entitlements, as necessary;
- (iv) participate to all GRG meetings and site visits;
- (v) participate in eventual assessment/valuation in the field; and
- (vi) prepare a position memo at the end of the meeting(s) and forward it to LFP/chairperson of the GRG.

### **GRG Chairperson/Head of IPIG of MOTR**

185. Once notified that a complainant has lodged an appeal case at central level, the GRG chairperson will:

- (i) contact the complainant(s) and draft a note with his/her understanding of the complaint;
- (ii) trigger the GRG members through a letter of invitation;
- (iii) chair the GRG meetings and ensure that minutes of the meeting are shared with all relevant parties;
- (iv) review the content of each response prepared after deliberations to ensure accuracy as well as consistency of answers provided to the complainants;
- (v) ensure the administrative and organizational support for GRG members to work; and
- (vi) support the decision made by the GRG and ensure that the follow-up actions are taken.

### **PIU Project Coordinator**

186. Once notified that a complainant has lodged an appeal case at central level project coordinator will:

- (i) contact the complainant(s) and draft a note with his/her understanding of the complaint;
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- (ii) participate to the appeal meeting, provide opinions and analysis, take minutes of the discussions;
- (iii) if needed summon again assessment/valuation specialists and accompany them in the field;
- (iv) request the chairperson to organize meetings, as necessary;
- (v) maintain communication between GRG and the complainants; and
- (vi) Complaint Register is kept with PIU and a copy shared with the Consultant.

### **Representatives of PIU Safeguards Unit**

187. Once notified that a complainant has lodged at central level, the representatives of PIU safeguard and technical unit will:

- (i) prepare the chronology of events to understand sequence of developments prompting the complaint;
- (ii) provide environmental and resettlement opinion on impacts claimed by the claimant;
- (iii) examine large claims over USD\$10,000 with financial expert at Ministry and involve a qualified valuer;
- (iv) request the chairperson to organize meetings, as necessary; and
- (v) maintain communication between GRG and the complainants.

### **Technical Experts**

188. Once summoned to provide expert advice for the assessment or valuation of an impact claimed by a complainant the relevant technical expert will carry out the needed investigations and prepare a report to be handed to the complainant and the other members of the GRG. The tasks will include:

- (i) provision of relevant technical opinion for the case reviewed;
- (ii) carry out the needed investigations relevant to their expertise; and
- (iii) provide recommendation when the legal opinion from the relevant state agencies is necessary.

### **Grievance Resolution Process**

189. The LFP of GRGs will be regularly available and accessible for AHs to address concerns and grievances. He will assist the aggrieved AHs in formally lodging their claims to the GRG. The complaints and grievances from the AHs will be addressed through the process described below.

<b>Steps</b>	<b>Action level</b>	<b>Process</b>	<b>Timeline</b>
Step 1	Resolution	At initial stage, the LFP will give hearing to the aggrieved person and try to give acceptable solutions. If any aggrieved AH is not satisfied with the solutions, then the aggrieved AH will lodge grievances in written to the concerned local GRG within 3 days.	3 days
Step 2	GRG Resolution	After receiving written complaints of AH, the LFP will review and prepare a Case File for GRG hearing and resolution. A formal hearing will be held with the GRG at a date fixed by the LFP in consultation and the aggrieved AHs. On the date of hearing, the aggrieved AH will appear before the GRG at the office of concerned Ayil-Okmotu and produce proof in support of his/her claim. The LFP will note down the statements of the complainant and document all proof. The decisions from majority of the members will be considered final from the GRG and will be issued by the LFP and signed by other members of the GRG. The case record will be updated and the decision will be communicated to the complainant AH by the LFP within 14 days of submission. If any aggrieved AH is not satisfied with the solutions, then the LFP will lodge grievances in written to the central GRG at MOTR with conclusion and supporting documents prepared at local level.	14 days
Step 3	Resolution of GRG Central	After receiving written complaints of AH, the GRG Chairperson of the central GRG will review and prepare a Case File for GRG hearing and resolution. A formal hearing will be held with the GRG at a date fixed by the GRG Chairperson and the aggrieved AHs. GRG members will contact the complainant and visit his village. The PIU Project Coordinator will note down the statements of the complainant and document all proof. The decisions from majority of the members will be considered final from the GRG and will be issued by the GRG Chairperson and signed by other members of the GRG. The case record will be updated and the decision will be communicated to the complainant AH by the PIU Project Coordinator within 15 days of submission.	15 days
Step 4	Court of law	The court of law will be the last resort before the AP. Project Affected Persons can appeal to court should s/he disagrees with the decision of the Control Authority.	N/A

**Additional Mechanisms available for Grievance Redress**

190. Any physical and legal person, any appellant can communicate his/her concern to the Court at any stage of grievance redress. The GRC will not restrict or influence the AP from applying to court for legal remedies.

## Chapter 8: Monitoring and Reporting Requirements

191. If applicable in accordance with co-financing IFIs safeguards requirements, the Project will establish systems for internal and external monitoring and evaluation. The main purpose of the monitoring and evaluation programme is to ensure that resettlement and acquisition of land and properties have been implemented in accordance with the policies and procedures of the RPs. External monitoring and evaluation, in particular, will focus on the social impacts on the AHs, and whether or not the AHs have been restored a standard of living equal to, if not better than, that which they had before the Project.

192. The objectives of the monitoring and evaluation programme are:

- (i) To ensure that the standard of living of AHs is restored or improved;
- (ii) To monitor whether or not the time lines are being met;
- (iii) To assess if compensation, rehabilitation measures and social development support programmes are sufficient;
- (iv) To identify problems or potential problems;
- (v) To identify immediate/rapid response methods mitigate problems or potential problems; and
- (vi) To ensure that the GRM is functioning and grievances, if any, are being addressed timely and effectively.

### Internal Monitoring

193. PIU will be in charge of internal monitoring. It has to monitor compensation payments, relocation, and the livelihood programme.

194. In the internal monitoring, specific benchmarks will be (i) information campaign and consultation with affected persons; (ii) status of land acquisition and payments of compensation; (iii) compensation for affected structures and other assets; (iv) relocation of affected persons; (v) payments for loss of income; (vi) selection and distribution of replacement land areas to AHs subject to physical resettlement; (vi) payment of resettlement assistance, (vii) close monitoring of complaints and grievance management, through assessment the claimants' satisfaction level on transparency and efficiency of grievance redress procedure; and (viii) income and livelihoods restoration activities. The above information will be collected by PIU, which is responsible for monitoring the day-to-day resettlement activities under the project through the following instruments: (i) review of census information for affected persons (ii) consultation and informal interviews with affected persons (iii) in-depth case studies (iv) sample survey of affected persons (v) key informant interviews, and (vi) community consultation meetings.

### Reporting Requirements

195. If applicable in accordance with co-financing IFI safeguards requirements, the results will be communicated to the MOTR and co-financing IFI through **the quarterly project implementation reports**. Indicators for internal monitoring will be those related to process and immediate outputs and results. This information will be collected directly from the field by the supervision consultant and will be reported on a monthly basis; twice per year, MOTR and IFI will assess the progress and results of implementation of LARP and adjust the work program, if

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necessary. The monthly reports will be quarterly consolidated by the PIU and submitted to MOTR and IFI.

### **External Monitoring**

196. External monitoring is mainly used for Category A projects. However, practical experience showed that if timely deployed the involvement of External Monitor may serve as the handy tool to identify problems at earlier phase to timely suggest reasonable solutions, thus enhancing implementation process and simultaneously support capacity building of implementing agency.

197. An external monitor will be recruited and provide a first monitoring report by end of AH compensation payments and thereafter on a quarterly basis. The specific tasks expected to be undertaken by the External Monitor are:

- (i) Prepare a monitoring plan to assess the level of compliance with LARP in terms of compensation payments and provision of additional allowances and technical assistance as stipulated in this LARP;
- (ii) Review public consultations with AHs;
- (iii) Scrutinize the Complaint Register that will be held with PIU;
- (iv) Review all (100 % of AHs) compensation payments for acceptance and eligibility;
- (v) Monitor the Income Restoration Strategy including its effectiveness on women, severely affected and vulnerable groups, including those subject to physical resettlement;
- (vi) Examine the capacity of the GRG in resolving complaints at all levels;
- (vii) Assess the LAR Commission's capacity to carry out DMS and updating technical issues of RP; and
- (viii) Prepare monitoring reports in a format agreed to with PIU and IFI.

### **Reporting Requirements**

198. The Compliance Report prepared by the EM shall be submitted to IFI within 2 months period after commencement of assignment by the IMA and upon completion of LARP implementation procedures.

199. The outline of compliance report will be prepared during the first mission. The outline should cover: Introduction; Methodology and Approach; Assessment and Analysis of 100 % AHs Compensation Payments (who, when, where); Grievance Reviews and Complaint Registrar; Public Consultations and Focus Group Meetings; Informal Consultations; Changes in Vulnerability of Affected Population; Summary of Grievances at each level; Solutions and Recommendations for Government and for IFI.



## Chapter 9: LARP Implementation Schedule

200. The LARP preparation and implementation schedule is described in Table 9 below together with the main sub-project implementation milestones in accordance with ADB SPS 2009, which may need to be updated in accordance with co-financing IFI requirements.

201. The LARP preparation and implementation schedule is described below together with the project implementation milestones.

**Table 9: Implementation Schedule**

Tasks	Months																							
	1		2		3		4		5		6		7		8		9		10		11			
LARP Preparation	_____		_____		_____																			
Census, socioeconomic surveys and inventory of project affected assets			_____																					
Deploying independent valuator and appraisal of affected structures				_____																				
Data analyses			_____	_____																				
Development of Initial Draft LARP					●																			
MOTR/PIU and ADB Review and provide comments to the LARP					_____																			
Incorporating Comments and Enouncement of LARP Public Disclosure /Public Consultations					_____				●															
Bid Announcement for selection Construction Contractor						_____		_____		_____														
FINAL Detailed Design LARP being prepared						_____		_____		_____		_____												
Submission of Final LARP draft to MOTR/PIU and IFI for comments												_____												
Issuance of IFI No Objection to the FINAL LARP													●											
FINAL LARP is reviewed by relevant State Institutions and approved by GOK													_____											
Public Disclosure of the Final LARP														●										
LARP Implementation																								
Negotiation & Cash Compensation of AHs														_____										
Assisting AHs in opening personal bank accounts															_____		_____		_____		_____			
Assisting AHs with construction															_____	_____								



## Chapter 10: LARP Estimated Budget

202. Below is given the estimated LARP budget for of cash compensation for AHs calculated in accordance with ADB SPS 2009 and Kyrgyz legislation requirements, which may need to be updated in accordance with co-financing IFI safeguards requirements.

**Table 10. Estimated tentative budget for Cash Compensation for AHs**

NO	Compensation Item	Quantity	Total amount per Item (KGS)
1	Purchase of a portion of a land parcel (homestead)	200 sq.m.	40,000.00
2	Replacement cost for Residential Houses (built of clay brick)	206 sq.m.	2,884,000.00
3	Replacement cost for timber residential house	36 sq.m.	324,000.00
4	Replacement cost for clay brick shops	105	1,260,000.00
5	Replacement cost for supplementary structures	576 sq.m.	2,447,900.00
6	Replacement cost for clay ovens	8 pcs	80,000.00
7	Replacement cost for project affected artesian well	12 meters depth	30,000.00
8	Replacement cost for project affected Walls	414	1,863,000.00
9	Light Fences	3650 ln. m.	3,321,500.00
10	Replacement cost for metal sheet fences	128 ln .m.	309,200.00
11	Unfinished structure (concrete foundation)	45 sq.m.	99,000.00
12	Replacement cost for non-fruit bearing perennials including purchase price for saplings	723 trees	85,600.00
13	Replacement cost for fruit-bearing trees including purchase price for saplings	28 tree	134,900.00

14	Replacement cost for cranberry bushes (purchase price for sapling and 3 years annual crops loss)	2 bushes	6,900.00
15	Annual Crops (potato)	40 sq.m.	480.00
16	Vulnerability	15	41,445.00
17	Severe Impact	0	
18	<b>Sub-total</b>		<b>12,927,925.00</b>
19	Contingency (20%)		2,585,585.00
20	<b>TOTAL SUM (KGS)</b>		<b><u>15,513,510.00</u></b>
21	<b>TOTAL SUM (USD)</b> at exchange rate 1 USD -68 KGS		<b><u>228,139.85</u></b>

## Appendixes

### Annex 1. Public Consultations

1. Below is given the brief overview of Public Consultations conducted by the Consultant at the earlier phase of Social Impact assessment. The Consultant's social development team conducted three stakeholder consultations in the Project Area including participation of local officials, beneficiaries, and other stakeholders in influence area of project road sections.

Date: November 24, 2015

Location: village Kochkor, administrative center of Kochkor rayon

Number of participants: 10 persons

- (i) Kok-Zhar village residents
- (ii) Chekildek village residents
- (iii) Semiz-Bel village residents
- (iv) Kara-Too village residents
- (v) Tuz village residents
- (vi) Cholpon village residents
- (vii) Arsy village residents

Date: November 26, 2015

Location: village Chaek, administrative center of Jumgal rayon

Number of participants: 52 persons

- (i) Chaek village residents
- (ii) Kyzyl-Jyldyz residents
- (iii) Tugyol-Sai residents
- (iv) Jany-Aryk residents
- (v) Bashkugandy residents
- (vi) Kuiruchuk residents

Date: November 30, 2015

Location: village Suusamyr, Suusamyr ayil okmotu of Jayil rayon

Number of participants: 26 persons

- (i) Suusamyr village residents
- (ii) Tunuk village residents
- (iii) Pervoe Maya village residents
- (iv) Kaiser village residents
- (v) Kyzyl-Oi village residents

2. In all the consultations, the participants gave a range of suggestions on the project design - rehabilitation of more inclusive road corridor (sidewalks, bus stops, roadside service areas, livestock underpasses, street-lighting, crossings, etc.) beyond just pavements. Design related suggestions were communicated to the technical team in order to address the same appropriately. Chaek and Kyzyl-Jyldyz officials and residents shared their concerns for bypass avoiding village centers, and minimization of resettlement impacts. The basic information delivered during Consultations was on project components, road sections, social safeguards that will be addressed during the project design and also resettlement impacts of the project. Additional key informant interviews, informal roadside consultations with road-users, and visits

to several Project Area enterprises and tourism services operations, including coal mining area, were also carried out.

3. The Project Information Brochure, Road Maps, Presentation on Technical Design (handout) has been distributed to participants of the Consultations.

### **Annex 1.1 Project Information Brochure**

#### **Project Name: Central Asia Regional Economic Cooperation Corridors 1 and 3 Connector Road Project**

4. The Ministry of Transport and Roads (MOTR) of the Kyrgyz Republic has requested the Asian Development Bank (ADB) for a project preparatory technical assistance (PPTA) to identify, formulate, and prepare a project associated with a proposed Central Asia Regional Economic Cooperation (CAREC) Corridors 1 and 3 Connector Road. CAREC is a proactive facilitator of project-based cooperation in transport, trade, energy, and other key sectors of mutual interest. It is a partnership of 10 countries and six multilateral institutions working together to promote development through regional cooperation, leading to accelerated growth and poverty reduction.

5. The ADB is the executive agency of the PPTA (ADB Project Number 48401-005/ TA-8857 KGZ) supported by MOTR. For carrying out the PPTA, ADB has contracted an international consulting firm composed of the Joint Venture of Kocks Consult GmbH (Germany), Finnish Overseas Consultants (Finland), and Central Asian Consulting Center (Kyrgyz Republic). The consulting services will be implemented over twelve calendar months. The contract between ADB and the consultant was signed on 23 June 2015 and should be completed by 21 June 2016. For carrying out the services in Kyrgyz Republic a project office has been established in Bishkek.

### **Project Description**

6. The proposed CAREC Corridors 1 and 3 Connector Road (the project) will improve national and regional connectivity by rehabilitating an estimated 253 kilometers (km) of road sections connecting the CAREC Corridors 1 (Bishkek-Naryn-Torugart) and 3 (Bishkek-Osh-Batken) in the center of the Kyrgyz Republic. The proposed project is consistent with the government's priority of providing alternate access in national and regional connectivity, and aligned with the ADBs Country Partnership Strategy (2013-2017), Midterm Review of Strategy 2020 and Country Operations Business Plan (2015 -2017).

7. Rehabilitating the connector road between CAREC Corridors 1 and 3 will enhance linkage of remote sections of the country to regional and national corridors. This will improve connectivity and mobility, reduce transport cost, and increase access to market and social service needs for the local population in the project areas.

8. The proposed project will: (i) reduce the cost of passenger and cargo transportation between southern and northern regions by providing direct access, (ii) provide a more direct transit route between Kazakhstan and Tajikistan, and (iii) help stimulate trade. The proposed project's scope also includes strengthening of Institutional capacity and soft components to

tackle sector-wide issues which may include support to: (i) improve efficiency of road asset management, (ii) assist the government with institutional reforms in the transport sector, (iii) introduce performance-based maintenance contracts, and (iv) improve road safety.

9. The expected outcome of the proposed project is improved efficiency and safer movement of goods and people on the connector road and the project's expected impact is enhanced regional connectivity and trade via a CAREC Corridors 1 and 3 connector road.

### **Major Outputs and PPTA Activities**

10. The PPTA will identify, formulate, and prepare an ensuing loan and/or grant for the CAREC Corridors 1 and 3 Connector Road. Its main objective is to carry out a feasibility study suitable for ADB financing. The PPTA will cover the preparation of the feasibility study of the three road sections to be rehabilitated as outputs of the proposed project. They are:

- (i) from Balykchy village to kilometer marker 43, approximately 43 km in Tong Rayon, Issyk Kul oblast and Kochkor Rayon, Naryn oblast;
- (ii) from Kochkor village to Kyzyl Jyldyz village, approximately 119 km in Kochkor and Jumgal Rayons, Naryn oblast; and
- (iii) from Aral village (via Suusamyr valley) to Too Ashuu Pass and CAREC 3 road corridor (Bishkek-Osh road), approximately 91 km in Jumgal Rayon, Naryn oblast and Jayil Rayon, Chui oblast.

11. The first two road sections from Balykchy to kilometer-post 43 and Kochkor to Bashkugandy are part of the so-called 'Alternative North South Corridor'. The Alternative North-South corridor will connect the northern and southern regions of the country. Currently, the existing Bishkek-Osh highway connecting the north and south of the country, cannot cope with the increasing traffic flow. Therefore, there is demand to build a new alternative North-South road from Balykchy to Jalal-Abad. The alternative road would reduce transportation distances and, consequently, the cost of passenger and cargo transportation from southern regions to Naryn and Issyk-Kul oblasts.

12. Key tasks of the PPTA to be carried out over the 12 month study period include:

- (i) Feasibility study and preliminary engineering design;
- (ii) Road sector analysis;
- (iii) Environment and social safeguards survey and analysis;
- (iv) Social, poverty, and gender analysis;
- (v) Draft Land Acquisition and Resettlement Plan (LARP)
- (vi) Financial analysis and management assessment;
- (vii) Economic assessment;
- (viii) Road asset management assessment;
- (ix) Transport sector capacity strengthening; and
- (x) Climate change assessment.

13. Environmental and social aspects of the proposed project are significant considerations and stakeholder communication, participation, and consultation are important dimensions of the PPTA. Stakeholders, including local administrations, participation in workshops, meetings, and trainings will be carried out during the PPTA and project design stage, and public consultations with local residents and relevant NGOs and civil society organizations (CSOs) will be held.

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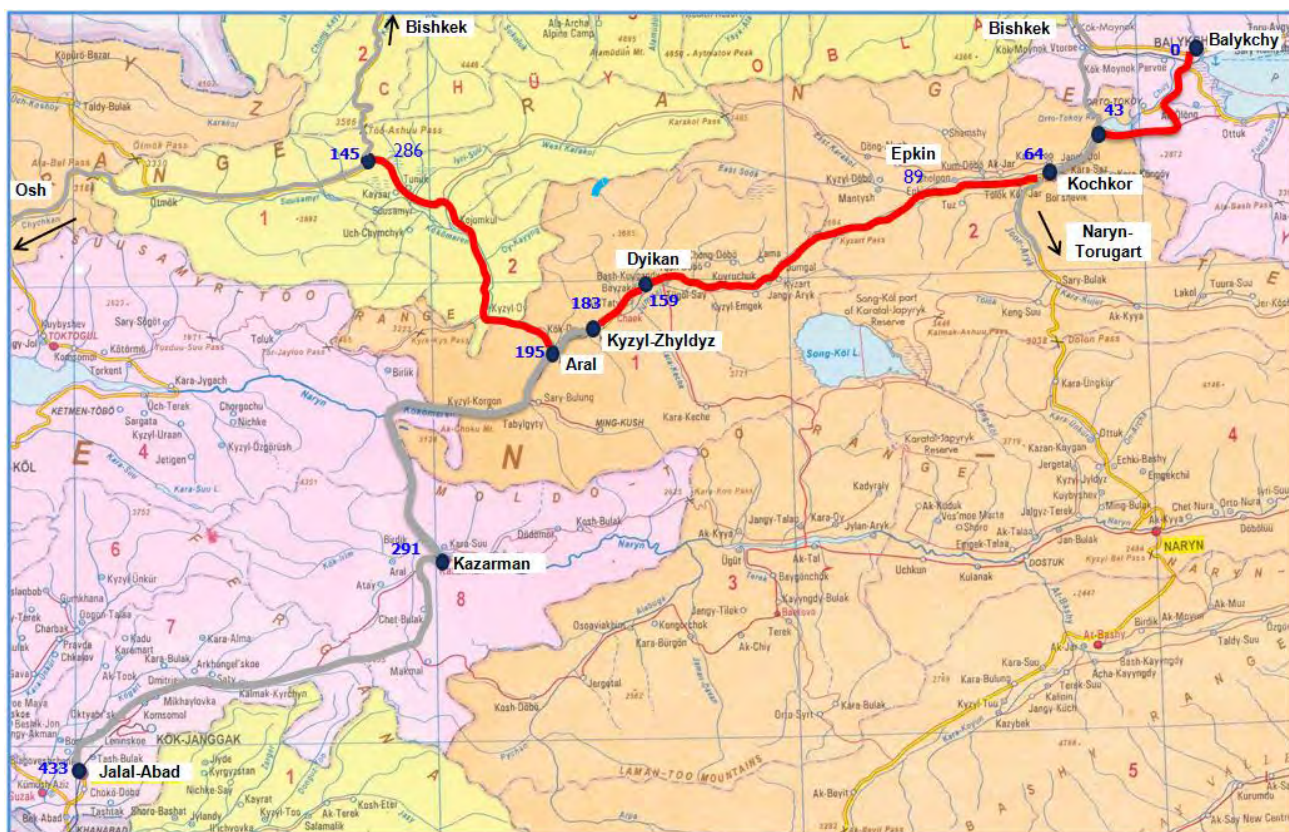
14. It is worth noting that as a consequence of the preliminary road design, the project impact may extend over privately owned/used land parcels. To mitigate project impacts, the Consultant will undertake all required surveys within the ROW defined for the proposed road project. The objective of these surveys is to determine each and every project affected land parcel and assets, identify their legitimate owners and/or users, and assess the types and volume of project impact and prepare draft Land Acquisition and Resettlement Plan (LARP) separately for each road section in compliance with the legislation of the Republic of Kyrgyzstan, and in compliance with the objectives<sup>1</sup> of the ADB Safeguards Policy Statement (SPS 2009). Potential impacts on businesses occurring as a result of changes in traffic flows will also be identified. LARPs will be prepared based on the results and findings of the surveys: including census and socioeconomic survey, and inventory to be undertaken with the direct participation of potential project affected households, LAR Commission, representatives of local government, NGOs, and any party interested in participating in the LARP preparation process. The LARPs will determine relevant compensation entitlements and any required additional mitigation measures, project implementation schedule, describe legal framework and SPS policy requirements regulating LARP implementation procedures, rights and responsibilities of project affected persons, and the role of State Agencies and Institutions responsible for project implementation. Additionally, the document will describe Grievance Redress Mechanism to receive and facilitate resolution of project affected persons' concerns. Prior to project implementation, the draft LARPs will be publicly disclosed so that stakeholders and any interested parties have an opportunity to review and provide their own suggestions or comments that will be considered, and if relevant, incorporated into the Final LARPs.

15. To summarize, the overall objective of LARPs is to ensure that replacement cost of acquired assets is provided, and that livelihoods of project affected communities, if not improved, are at least maintained to the pre-project levels.

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<sup>1</sup> To avoid involuntary resettlement wherever possible; to minimize involuntary resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups. (source: ADB Policy Paper, Safeguard Policy Statement, dated June 2009  
Link: <http://www.adb.org/sites/default/files/institutional-document/32056/safeguard-policy-statement-june2009.pdf>





16. For additional information on the PPTA and the proposed project and/or to offer a comment or your opinion upon it, please contact:

Mr. Ruslan Satybaldiev, Project  
Manager  
Investment Project Implementation  
Group (IPIG)  
Ministry of Transport and Roads  
(MOTR)  
42, N. Isanov St.  
Bishkek City 720017  
Kyrgyz Republic  
Tel.: +996 (312) 900-970

Ms. Zhibek Kadyrbekova, Office  
Manager  
KOCKS Consult GmbH  
Bishkek Project Building, Room no. 104  
Prospect Chui 164A  
Tel.: +996 (312) 31-17-75  
e-mail: [zhibek.kadyrbekova@gmail.com](mailto:zhibek.kadyrbekova@gmail.com)

## Annex 2. Grievance Form

<b>Section of Complainant:</b>	
Full Name: _____ _____ _____	Mailing/Permanent Residence Address: Village: ----- Municipality: ----- ---
Preferred option of communication: Mark with X Response mailed to: _____ Face-to-face meeting in GR Focal Point _____	Contacts Mobile: ----- Landline: ----- - E-mail: -----
Language for Communication (mark with X)	Kyrgyz Russian Other _____ (please specify)
Complain submission date:	Date of hearing:
Please, describe the reason of your discontent or claim in details. Use extra pages if needed. Present copies of the relevant documents, if available           	
Results/decisions of complain after hearing:	
If complaints/grievance are not resolved, please write down the reasons:	
Signature: _____ Date: _____	

**Annex 3. Information Pamphlet**

**Annex 4. Detailed table of AHs and project affected assets**

**Annex 5. Project photo gallery**

