

# External Resettlement Monitoring Report

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Loan 2503-KAZ  
August 2011

KAZ: CAREC Transport Corridor 1 (Zhambyl Oblast  
Section) [Western Europe-Western People's  
Republic of China International Transit Corridor]  
Project 1 (km 210 – km 260; km 404 – km 483)

Prepared by Kanat Serdaliyev, Independent Monitoring Consultant for the Asian Development Bank.

ADB Loan 2503 - KAZ  
Project 1 (km 210 – km 260; km 404 – km 483)

**MFF CAREC Transport Corridor 1 (Zhambyl Oblast Section)  
[Western Europe-Western People's Republic of China International  
Transit Corridor] Investment Program**

**External Resettlement Monitoring Report  
for Tranche 1, Zhambyl Oblast**

Prepared by: Independent consultant, Kanat Serdaliyev  
For Asian Development Bank  
Date: August 30, 2011

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## GLOSSARY

**Compensation:** Cash or other means of payment for which the affected group of persons shall be entitled to replace lost assets, resources or income.

**Cut-off date:** the date, after which a group of people lost their right for compensation. These groups are not included in the AP list, as defined by the term Affected Persons. This date is the date of approval of the feasibility study by the Government for the reconstruction of the transit corridor in the direction of Western Europe - Western China, namely March 31, 2008.

**Displaced person:** An individual, group or legal entity who experience full or partial, permanent or temporary physical displacement (relocation, loss of residential plot, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihood) resulting from involuntary acquisition of land or involuntary restriction on land use.

**Entitlement:** Entitlement - a series of measures, including cash payments or other benefits; coverage of costs for relocation; allowance for recovery of lost income; assistance with relocation; income replacement and business recovering (depending on the kind and extend of the losses incurred by AP); rehabilitation of socio-economic framework.

**Household (HH):** Household – all persons, living and eating from one table as a family, regardless of kinship to each other.

**Income recovery:** Income recovery – provision of income source of an AP in order to further their livelihoods.

**Involuntary resettlement:** Any type of relocation, which is performed without voluntary wishes of persons, whose interests were affected, and relocation is executed by force, through legal instruments.

**Land acquisition:** Land acquisition is a process, whereby a person is forced by state authorities to dispose of the whole land plot or its part, thereof which the person owns or uses; or the process of transfer of ownership to state authorities for public purposes in exchange for a fair compensation.

**Rehabilitation:** The assistance provided to affected persons to make up for lost income and to improve or to completely restore living standards and quality of life that has been before the start of the Project.

**Violators of rights:** A group of people, who encroached on the project land after the cut-off date, or individuals, who illegally seized state owned land near his/her land plot or asset, and therefore, are not entitled for compensation or other means of rehabilitation provided by the Project.

## ABBREVIATIONS

ADB	- Asian Development Bank
CAREC	- Central Asia Regional Economic Cooperation
CoR	- Committee on Roads
DP	- Displaced person
ERM	- External Resettlement Monitoring
GOK	- Government of Kazakhstan
KZT	- Kazakh tenge
LARF	- Land acquisition and resettlement framework
LARP	- Land acquisition and resettlement plan
LE	- Legal entity
MOTC	- Ministry of Transportation and Communications
PMC	- Project Management Consultant
SVG	- Socially Vulnerable Groups
TSS	- Targeted Social Assistance
ZRD	- Zhambyl Oblast Roads Department

## EXECUTIVE SUMMARY

The present External Resettlement Monitoring Report is prepared based on ADB Land Acquisition and Resettlement Policy. The main objective of the present report is to determine if the established goals were achieved, and if not, what actions should be taken. The external monitoring consultant is tasked to:

- Analyze and prepare recommendations on the lists of displaced persons (DPs), who suffer losses and may be eligible for compensation;
- Analyze LARP (Land Acquisition and Resettlement Plan), payment of compensations, procedures for approving, and develop recommendations on their compliance with the ADB resettlement policy and the agreed Land Acquisition and Resettlement Framework (LARF);
- Participate (as an observer) in consultative meetings on land acquisition;
- Monitor timely allocations of funds for compensations; recommend adjustments, when required;
- Interview DPs in order to identify the level of satisfaction with types and sizes of compensations.

The monitoring confirmed that land acquisition was done in most cases based on the approved LARF, except for some pending compensation payments due to affected workers and provision of relocation/transition allowances for relocating DPs. Affected land and assets were compensated at replacement cost. Affected land was compensated based on current market value and did not refer to the State Property Act of 2010. At the request of some DPs, replacement land was also provided to three DPs. Most of the Land Acquisition issues have been resolved and compensation has been paid to DPs, except for the following issues that are still to be fully resolved at the time of the monitoring:

- Court decision on the vulcanizing service of Mr. Abishev in Akyrtope village
- Compensation of five cafés in Ornek village that were not included in the LARP of 2009.
- Cash assistance to 2 socially vulnerable households
- Provision of transport means for 13\_owners of kiosks/stalls for transportation of their structures and loss of income during restoration of business
- Provision of ownership right and free change of designation of remaining part of land which is rendered unsuitable for previous designation, from agricultural to commercial. This will allow affected persons to create roadside business on land plots with changed designation.
- Compensation to 22 workers from the affected business establishments
- Processing of compensation for 4 recently resolved cases in court (Shara and C, Mr. Bartenev, Mr. Davletbayev, and Mr. N. Kymyzbayev and G. Kymyzbayeva

Pending compensation payments should be completed between September to October 2011.

DPs were informed about the project and their entitlements and the grievance redress system. However, according to interviewed DPs, there are still some who are not fully aware. There is evidence of active interaction between DPs and the Zhambyl Roads Department with regard to complaints or concerns. The NGO – Taraz Press Club also facilitated the airing of some complaints. However, a number of disputes related to compensation payments had to be referred to the court for resolution despite of the existence of a grievance mechanism for the project.

Interviewed DPs who have received their compensation confirmed that they have received compensation according to the categories of losses in the entitlements matrix and that they have given their consent without pressure and intimidation from the project. They also confirmed that their situation remained the same or has improved after receiving the compensation payments. Likewise, they confirmed that they were not charged any retention fees or transfer fees and that the amount of compensation was sufficient to replace their lost assets.

Based on the result of the monitoring, it can be concluded that the LARP was generally implemented as planned, with some adjustments due to more detailed measurements and valuation. However, ZRD needs to facilitate the completion of the remaining compensation payments in order to fully complete LARP implementation.

## **1.0 INTRODUCTION**

1. The Government of Kazakhstan (GOK) received a loan from the Asian Development Bank (ADB) for the rehabilitation and upgrading of road sections in Zhambyl Oblast from km 210 – km 260 and km 404 - km 483 covered in Tranche 1 of the Central Asia Regional Economic Cooperation (CAREC) Transport Corridor 1 Investment Program under a Multitranches Financing Facility.

2. Civil works under the project involves land acquisition and resettlement. Related to this, a Land Acquisition and Resettlement Plan (LARP) was prepared and implemented based on the Land Acquisition and Resettlement Framework (LARF) agreed between GOK and ADB.

3. Implementation of the LARP is subject to internal and external resettlement monitoring. This external resettlement monitoring (ERM) report is prepared to comply with this requirement. The report elaborates on plans and activities, defined in Land Acquisition and Resettlement Plan prepared by Ministry of Transport and Communication for Tranche 1 (km 210 – km 260; km 404 – km 483).

4. The report identifies if resettlement activities were completed as planned, and if not, what actions should be taken. The present report reflects current situation with resolved and pending/emerging issues regarding land acquisition and situation with Displaced Persons (DPs), whose interests and rights were affected by the project. The report also presents an assessment of the temporary land acquisition for civil works and payment of compensation based on valuation of current market costs. The objectives of the ERM are to :

- a. verify that resettlement implemented for the project complies with the approved framework and resettlement plan; and,
- b. verify that DPs have been able to at least restore their livelihood and living standards.

## **2.0 METHODOLOGY**

3. External monitoring was conducted in July-August 2011 by an independent consultant employed by ADB, Mr. Serdaliyev K, with assistance from the Zhambyl Oblast Road Department (ZRD), supervision consultants, and project management consultant.

4. The consultant reviewed the following documents and data:

- a. Land Acquisition and Resettlement Plan, Tranche 1, 2009, Committee of Roads (CoR)
- b. Internal Resettlement Monitoring Report, Tranche 1, August 2011, Construction Supervision Consultants (SMEC International PTY Ltd.)
- c. Valuation reports and compensation records

5. A total of 32 DPs were interviewed by the external monitor to assess the satisfaction of DPs on the appraisal of assets and compensation amounts (A list of

surveyed people is attached in annex A). The consultant also participated as an observer in consultative meetings on land acquisition.

### 3.0 GENERAL DESCRIPTION OF THE PROJECT

6. Tranche 1 involves the road rehabilitation on section km 210 – km 260 (Blagoveshenka - Korday), and reconstruction of section km 404 – km 483 (Kulan - Taraz). Civil works between km 210 and km 260 involve the rehabilitation/reconstruction of the existing motor asphalt paved road with one direction of movement. No permanent land acquisition is required in this section. On the other hand, works between km 404 to km 483 involve the construction of cement-concrete paved motor road with widening of existing 2-lane road to 4-lanes. Land and structures within the right-of-way need to be acquired for widening of the existing width and construction of new road alignment. The contracts for these sections have been signed. Civil works in sections with no pending land acquisition have started in January 2010 (winter). Expected date of completion – December 2012.

7. The following companies have been contracted:

Contract No.	Section	Contractor
001	km 210 – km 260	AKM
002	km 404 – km 443	Kazahdorstroy
003	km 443 – km 483	KCC/ Zhambyl Zhol Kurylys

### 4.0 SCOPE OF LAND ACQUISITION AND RESETTLEMENT

8. There were some changes in the calculation of affected land during the LARP implementation as a result of more detailed measurements.. In particular, the impacted area administered by the rural counties was reduced from 89.64 ha to 11.24 ha. The permanently affected households/legal entities was reduced from 69 to 62, while the number of severely affected households was reduced from 12 to 11.

9. A total of 133 parties (108 farm households, 11 legal entities and 14 rural counties) are directly affected by the project. Except for the rural counties, these parties will lose their rights of ownership and access to agricultural lands, and the income from these lands. Not less than 22 workers from the affected business establishments may lose their job. Total number of people whose interests will be indirectly affected, including the 22 employees, is 700 persons, However, all of them are continuing work on their remaining land plots. There hasn't been any period of temporary stopping the work.

10. 109.9 ha of lands are to be acquired for permanent use. Around 108.2 ha will be temporarily acquired for construction period. Most of the land to be permanently acquired (88.2%) are used for agriculture. Only 1.5% of land is used for commercial purposes. Around 10.2% of land plots are used by rural counties for various purposes. Only 1.35 ha of acquired lands are classified as irrigated.

11. Most of the acquired land (168.81 ha or 77.4%) are under long-term lease (49 years). 83 households and 10 legal entities are long-term leaseholders. Around 16.57 ha of acquired land are rented by 10 households for short term and 1.761 ha of acquired land are in private property of 10 households and 1 legal entity. 30.16 ha (13.8%) of land is owned by rural counties. One affected household is the owner of one land plot and is the lease holder for another. All of the land plots are registered.

12. Most of agricultural lands to be acquired are used for raising wheat and barley. Some of them are used for safflower, onion and alfalfa. Some households grow several crops. 46 structures are to be demolished. These structures are owned and used by 18 households and 1 legal entity for different purposes. Lost structures include café, shops, toilets, fuel stations, fence, a booth and deep well, a house, private water and power supply lines and partly finished structures. Three households will lose their houses and relocate. Total area of lost structures is 3 929,86 m<sup>2</sup>.

13. Twelve households and one legal entity (Shara and Co.), which will lose their commercial structures also will lose income from their business. Eighteen households and 1 legal entity, which lose their structures, will have to dismantle them and relocate beyond the right-of-way. Two households were classified as socially vulnerable. Summary of land acquisition and resettlement impacts is presented in Table 1 below.

**Table 1.**  
**Summary of land acquisition and resettlement impacts**

No	Name	Number in the Final LARP	Updated Number During LARP Implementation
1	Total number of land plots for permanent acquisition	85*	72*
2	Total number of land plots for temporary acquisition	93*	93*
3	Total area of lands for permanent acquisition (ha)	167.7	109,90
4	Total area of lands for temporary acquisition (ha)	108.2	137.68
5	Total area of agricultural lands for permanent acquisition (ha)	77.27	96,96
6	Total area of commercial lands for permanent acquisition (ha)	0.8124	1,70
7	Total area of lands owned by rural counties for permanent acquisition (ha)	89.64	11,24
8	Total area of private lands for permanent acquisition (ha)	1.753	1.760
9	Total number of parties losing private land permanently	10	11
10	Total area of leased lands for permanent acquisition (ha)	76.33	89,64
11	Total number of households, legal entities and rural counties whose interests are affected permanently	69	62
12	Total number of households, legal entities and rural counties whose interests are affected temporarily	86	86
13	Total number of households, legal entities and rural counties whose interests are affected significantly	12	11
14	Total number of socially vulnerable households	2	2
15	Total number of structures for acquisition	63	64
16	Total number of households and legal entities losing business	13	13
17	Total number of persons, whose interests are affected, including employees of affected companies	784	700

\* One household in Ryskulov region (rayon) will lose part of its leased and private lands. Sixteen households, which will permanently lose part of their lands, also will lose part of their land plots temporarily.

14. During project implementation, five households with a total membership of 30 people operating cafes along km 439 were identified as affected. This places the total number of affected structures to 69 and businesses to 18. Total DPs is 730.

## 5.0 FINDINGS AND OBSERVATIONS

### 5.1 Land Acquisition Procedures

15. The Ministry of Transportation and Communications/Committee on Roads (MOTC/CoR) has delegated responsibility for land acquisition to the Zhambyl Oblast Roads Department (ZRD).

16. Through interviews and review of records, the consultant verified the land acquisition procedures used in the Project as follows:

- During preparation of the working design and evaluation of project costs, location and type of the land (or structure) to be acquired were identified. From the name of and by request of ZRD, notices about land acquisition were sent to land owners (users). Compensation amount was estimated and included into the project budget managed by the ZRD.
- Zhambyl State Agency on Land Management "NPCzem" prepared a list of land plots needed for the project in 7 regions (rayon) of Zhambyl Oblast - Korday, Shu, Merke, Ryslulov, Baizak, Zhambyl and Zhualy. Itemized list of land plots for temporary or permanent acquisition was prepared. Resolution on the acquisition of land plots for state needs was proposed to and adopted by the Zhambyl Oblast Akimat.
- Professional and independent companies, which deal with land acquisition, conducted estimation of costs, related to acquisition, demolition of structures or loss of agricultural products. A valuation report was prepared and certified by the evaluator for each land owner/land user. After obtaining estimated value from experts and based on determined value of compensation, ZRD conducted conference with land owners/users about acquisition of their land plots.
- In most cases, land owners/users agreed with the compensation amounts and arrangements. The signed agreements were used as basis for the processing of compensation. DPs were asked to provide their bank accounts or open an account with Kazpost. Compensation amounts were deposited into the account of the DPs. A contract was signed with Kazpost to cover transaction expenses.
- There were also a few cases where the land owners/users didn't agree with estimated value. In such cases, a re-evaluation was performed. When agreement was not reached, the case was sent to the court for decision. In cases where compensation was not paid within six months after the evaluation, a re-evaluation is conducted. Until after the issue has been resolved, no civil works was allowed on the unaquired plot.
- The cost of land plot, being acquired for state purposes, was determined via agreement with the land owner or user in compliance with Article 87.1 of the Land Code. The compensation cost included market price of the land plot or rights of ownership and real property located on it, as well as all losses,

incurred by the owner/user due to its loss, including losses due to premature termination of obligations to third parties. At the request of the landowner and subject to availability of land acceptable to the landowner, replacement plot is provided.

## 5.2 Compensation for Lost Assets and Relocation Assistance

### 5.2.1 Compensation for private land plots

17. The LARP identified 9 parties that own 12 plots (with a combined area of 1.754 ha) that will be affected. However, during implementation, an additional 0.007 ha (70 m<sup>2</sup>) of private land (owned by Mr. Bartenev) was found to be also affected, bringing the total affected private land to 13 plots. Of these, 7 plots have been paid cash compensation based on their current market price in the region where the land plot is located. Valuation for these plots did not refer to any of the provisions in the State Property Act (2009). For these 7 plots, a total amount of KZT 217,672,840 was paid (compared with KZT 212,055,000 in the LARP). The increase was due to adjustments made in the re-evaluation of some plots in court. Two other plots owned by the same DP (Mr. Muhiev I.) was compensated through the provision of an equivalent plot. Three plots owned by the legal entity-Shara and Co. have also been resolved in court. The legal entity will also be provided with an equivalent plot as per its request. The site for the replacement plot has been agreed. Civil works remain on-hold on these plots until after compensation has been paid. Table 2 below shows the status of compensation of privately-owned plots.

**Table 2**  
**Compensation Status of Privately-Owned Plots**

As Per LARP (2009)				Actual (as of August 2011)				Remarks
No. of Plots	No. of APs	Area (in ha)	Amount (KZT)	No. of Plots	No. of APs	Area (in ha)	Amount (KZT)	
7	7	1.117	212,055,000	7	7	1.117	217,672,840	Compensation paid
2	1	0.121	35,527,000	2	1	0.121	None	Provided with equivalent plot as requested by the DP.
3	1	0.516	34,383,091	3	1	0.516	None	Internal dispute among co-owners has been resolved in court. Compensation for land is through the provision of equivalent plot as requested by the LE.
-	-	-	-	1	1	0.007	5,700,000	Resolved in court. Compensation is being processed.

### 5.2.2 Compensation for land plots leased from the State

18. Of the 46 affected leaseholders of agricultural land (43 households and 3 legal entities) that were reported in the LARP of 2009, only 44 (41 households and 3 legal entities) were confirmed as actually affected based on more detailed assessments. Of these, 42 leaseholders have received their compensation for their leased land, including additional allowances for their laborers and expenses made related to plot development. A recomputation of the earlier valuation resulted in an increase in the compensation amount from an earlier estimate of KZT 641, 366 to a combined total of KZT 5,374,434. The increase of the compensation amounts was due to inflation

and increase in general market prices. Two leaseholders were provided replacement land as per their request. See table 3 below. Nine household owners confirmed that they have not been cultivating their rented part of land and therefore do not derive any income from the land. Such households will be assisted in the re-registration of the remaining portion of their leased land plots for free.

**Table 3  
Compensation Status of Lands Leased from the State**

(as per LARP 2009)			Actual (as of August 2011)			Remarks
No. of Leaseholders	Area (in ha)	Amount (KZT)	No. of Leaseholders	Area (in ha)	Amount (KZT)	
43 HH and 3 Les	70.3	641,366	41 HH and 3 Les	69.55	5,374,434	Compensation paid to 43 leaseholders .1 leaseholder (N. Kymyzbaev and G. Kymyzbaeva) opted to obtain replacement land along the new road. They also have a house on the affected land. The court has resolved the compensation payment. Processing of compensation for the structure is ongoing.

### 5.2.3 Compensation for costs of land development and obligations to third parties

19. Compensation payment for agricultural land plots also includes costs, associated with land development, in cases, where such land plot is used as real security; as well as compensation of costs related to obligations to third parties. Four household owners incurred costs related to development of the leased land plot for increasing productive. The monitoring confirmed that such costs were compensated as well. See table 4.

**Table 4  
Compensation Status for Costs Related to Land Development**

(as per LARP 2009)		Actual (as of August 2011)		Remarks
No. of Landusers	Expenses Incurred on Plot Development (KZT)	No. of Landusers	Amount Received for Expenses on Plot Development (KZT)	
4 HH	50,879	4 HH	50,879	Compensation included in the amount paid for loss of leased land.

### 5.2.4 Additional compensation to severely affected households

20. Five households, which lease agricultural lands, will be affected significantly by project, due to loss of more than 10% of land plot. Additional compensation equivalent to additional net annual income was calculated based on average income

rate for last three years. The monitoring confirmed that all significantly affected land owners received compensation for severe impacts as described in the signed agreements. See table 5 below.

**Table 5  
Compensation Status of Severely Affected Landusers**

(as per LARP 2009)			Actual (as of August 2011)			Remarks
No. of Severely Affected Landusers	Area (in ha)	Amount (KZT)	No. of Severely Affected Landusers	Area (in ha)	Amount (KZT)	
5 HH	33.66	580,104	41 HH and 3 Les	33.54	580,104	Cash compensation paid.

### 5.2.5 Compensation for structures

21. The LARP identified 63 structures owned by 13 households and 1 legal entity<sup>1</sup> that will be completely affected. Total cost of these structures was calculated at KZT 298,666,091. Two structures (1 video surveillance and 1 gas station) were later determined as not affected. Hence, estimated cost of the structures was reduced to KZT 292,543,940. Agreements were reached on 50 structures and compensation were paid based on the agreed amount. There were disputes involving 13 structures that were referred to the court for resolution. Resolution was reached on 13 structures and payments are currently being processed. One pending case in court (vulcanizing shop owned by Abishev) is expected to be resolved in 1-2 months. See table 6.

**Table 6  
Compensation Status of Affected Structures**

(as per LARP 2009)			Actual (as of August 2011)			Remarks
No. of Affected Owners	Number of Structures	Amount (KZT)	No. of Affected Owners	Number of Structures	Amount (KZT)	
13 HH and 1 LE	63	298,666,091	2 HH	2	-	Found to be not affected
			1 HH	1	2,700,000	Resolution is pending in court. DP is Abishev who owns a vulcanizing shop.
			2 HH and 1 LE	13	12,411,000	Resolved in court. Payment is under processing. (includes the house of Kymyzbayev valued at KZT 3,500,000)
			9 HH	47	280,932,940	Agreement reached and compensation paid.

22. Appraisers used different methods of valuation for structures depending on its use. Valuation of commercial structures is higher than residential structures. Commercial structures are valued using a combination of the comparative and revenue method. For residential structures, only the expenditure method was used. The appraisers added 25% to the valuation as income-opportunity coefficient to

<sup>1</sup> The legal entity involved (Shara and Co) with several commercial structures is owned by several individuals with different ownership arrangements with the legal entity.

counteract the amount deducted from depreciation. In all the valuation report reviewed, the consultant verified that the 25% income-opportunity coefficient is equal or more than the amount deducted for depreciation. Hence, the amount received for the structure may still be considered as following the principle of replacement cost.

23. Currently, all house owners are building new houses and planning to demolish the old ones. Total of 12 households and 1 legal entity are relocating and are eligible for transition allowance. While the compensation amount is sufficient enough to buy equal house, owners didn't buy new houses to save money and spend for other activities. Interviews with 5 of the 6 households whose residential houses were affected showed that the house owners are building a new house of the same size or a bigger homeplot. See table 7.

**Table 7  
Status of the New Houses Built After Receiving Compensation**

No	Type of structure	Compensation amount (in KZT)	Compensation status	Housing Status
1	Residential	4,988,000	Completed	Built a new house with the same standard, bought an additional building and a 25 ha. Land.
2	Residential	6,698,750	Completed	Changed residence (not interviewed)
3	Residential	4,489,487	Completed	Built a new house with the same standard.
4	Residential	1,219,000	Completed	Building a new house with the same standard.
5	Residential	2,870,000	Completed	Built a new house but without some of the outbuildings.
6	Residential	7,800,000	Completed	Bought a bigger plot in a different location. Building a smaller house.

### 5.2.6 Compensation for lost business

24. The LARP identified 8 households and 1 legal entity that will be affected by the project in terms of business losses. 7 businesses will be permanently affected, while 2 businesses are only temporarily affected and are expected to resume their activities on their remaining plots. Compensation payments for the 7 permanently affected businesses were based on their net revenue for 12 months. Compensation amounts have been agreed and paid to these businesses. However, the 2 temporarily affected businesses (Abishev M. and Bartenev N.) are still awaiting resolution in court. See table 8.

**Table 8  
Compensation Status of Affected Businesses**

(as per LARP 2009)			Actual (as of August 2011)			Remarks
No. of Affected Owners	Type of Impact	Amount (KZT)	No. of Affected Owners	Type of Impact	Amount (KZT)	
6 HH and 1 LE	permanent	12,977,088	6 HH and 1 LE	permanent	75,142,995	Amount paid. Estimates in the LARP do not include the income of the legal entity (Shara and K

						amounting to KZT 34,383,091). Compensation amount includes 3-month wages of their workers.
2 HH	Temporary/partial	99,000	2 HH	Temporary/partial	30,000	Calculation for one business is still pending in court. Resolution of both cases are awaiting resolution in court.

25. The LARP reported 22 workers from these business establishments whose jobs may be affected. Permanently affected workers are entitled to a compensation equivalent to their three months wage from these businesses. The census reported their income ranges between KZT 14,000 to KZT 40,000 per month. Workers were also reported to be employed by some farm households. However, none of these agricultural workers were found to have lost their jobs as a result of the reduced farmlands. What remains pending is the compensation to the 22 workers from the affected businesses in amount, equivalent to their wages for three months, as well as granting priority in employment in the project.

### 5.2.7 Relocation and transition support

26. Total of 12 households and 1 legal entity are relocating and are eligible for transition allowance. These are the only DPs eligible for relocation and transition assistance.

### 5.2.8 Vulnerable households

27. The following vulnerable households were identified in LARP. Ms. Tokbaeva A. passed away in mid-2010. She was living in Aksholak village. Currently, her family lives in their house Ms. Karmysheva has changed residence and cannot be located even with support from the akimat. Formal request has been sent to the akimat to confirm the vulnerable status of these two households. Based on the confirmation, these households should be provided with the assistance for vulnerable households as provided for in the LARP.

**Table 9**  
**Vulnerable households identified in the LARP**

No	Name of household head	Age	Sex	Marital status	Number of family members	Note	Targeted social assistance amount (tenge)	Paid TSA (tenge)	Was workplace in project provided for household members?
1	Tokbaeva A.	71	F	Widow	7	Disabled/handicapped	37,716	-	No
2	Karmysheva Aisha	58	F	Widow	3	Single mother, supporter of 2 adolescents (13 and 14 years old)	16,164	-	No

28. There is a special program of lump sum payment of compensation to socially vulnerable groups in Republic of Kazakhstan. This special program is implemented based on provisions of Law of RK «On state targeted social assistance» No 246-II issued on July 17, 2001. All vulnerable groups with all specifications are registered in rayon akimats. According to provisions of the Law, vulnerable persons receive fixed rates of lump sum social assistance every month. Socially vulnerable people are people, whose incomes are less than minimal living wage. As of January 1, 2011 minimal living wage in Zhambyl Oblast of Republic of Kazakhstan according to Department of Statistics of Zhambyl Oblast is 13 156 tenge. Vulnerable people are categorized into different groups, depending on level of vulnerability. Along with State targeted social assistance, all vulnerable AP, which physically are able to work, will be first in consideration for employment in respective field. At the same time, according to Land Acquisition and Resettlement Framework, every socially vulnerable person will receive compensation equal to (minimal living wage \* 12 (twelve) months) = 13 156 \* 12 = 157 872 tenge. This should be provided after receiving of lists persons from rayon akimats of Zhambyl oblast, which is expected in September 2011.

### 5.2.9 Displaced persons not included in LARP 2009

29. Five households operating café's at km 439+200 (Ornek) were identified during the project implementation as affected. One of the household heads, Ms. Seisekul Sarshesheva, sought help from a local NGO (Taraz Press Club) in raising their concern with ADB in getting compensation for their affected structures and businesses.

30. In consultation with CoR, ADB engaged a licensed valuator (Mr. Abdualiev) to conduct an independent evaluation of their affected structures and businesses following the LARF for the program. The evaluator came up with the following calculation of compensation for structures, business losses, and relocation assistance. See table 10.

**Table-10: Summary Computation of Compensation for the 5 Households at Km 439+200**

	Particulars/Items	Number of Displaced HHs	Unit Rate	Quantity	Estimated Budget (KZT)
1	Compensation for structures	5 HH,	varied	530.7 Sqm	38,941,000
2	Compensation for business income losses	5 HHs	varied	12 months	3,395,321
3	Relocation assistance & one month livelihood expenses	5 HHs	50,999	1 month	254,995

31. Based on these calculations, a supplemental LARP was prepared and submitted to ADB and CoR for review and approval. The Zhambyl Oblast RD and the five households agreed on the compensation amount and presented to the court for decision. Processing of payment is expected to be completed by September 30, 2011. The monitoring consultant confirmed that no civil works have been done on the location of these shops.

32. As a preventive measure, in case new DPs will be identified in the future, a supplemental LARP will be prepared and implemented following the LARF and ADB Safeguard Policy Statement (2009). This issue has been discussed by the monitoring consultant with local akims, and all stakeholders, including ZRD employees.

### 5.2.10 Temporary land acquisition.

33. The LARP initially estimated that around 108.2 ha of land will be temporarily affected. However, during implementation the actual size of land that is temporarily leased/used reached 137.68 hectares from a total of 22 plots. All land plots that are being used temporarily up to date are used only by main contractors. Main contractors pay rental fees for land use based on agreement signed with land owners. Total amount of rent for the temporary use of these plots is KZT 43,892,451. Compensation is covered by formal agreements between the landuser and the contractor and verified/reported in the internal resettlement monitoring report prepared by the Supervision Consultant (SMEC).

34. The external monitor checked these agreements and confirmed that these plots were compensated as per LARP requirements. What remains to be done is the restoration and cleaning of these plots after completion of the works on site. The construction supervision consultant confirmed that it will monitor and report on the contractors' compliance to this requirement in its regular progress reporting and internal resettlement monitoring.

### 5.2.11 Land acquisition summary

35. Compensation for land plots for Tranche 1 is in process of completion. As of date, total amount of compensations is - 507,000,995 tenge. Most of the issues have been resolved. Table 11 below shows the status of the compensation payments and the items that remain pending.

**Table 11**  
**Comparison of planned and actual compensation payments**

0	Planned in LARP			Status as of August 2011		
	Losses	Affected	Sum	Affected	Sum	Note
1	Private land					
	a. arable	1 HH	3,462,000	1 HH	3,462,000	1 HH and 1 LE requested for replacement plot. Rayon akimat provided the replacement plot
	b. commercial	8 HH and 1 LE	244,120,000 34,383,091	8 HH and 1 LE	244,120,000 -	
2	Loss of leased agricultural lands	31 HH and 3 LE	641,366	31 HH and 3 LE	641,366	Compensation paid.
3	Severely affected households	5 HH	580,104	5 HH	580,104	Compensation paid.
4	Loss of structure	13 HH and 1 LE	298,666,091	13 HH and 1 LE	28,9843,940	1 case (Mr. Abishev) awaiting resolution in court. Processing of payment for 13 cases is ongoing. 47 structures have been paid.
5	Job loss of agricultural workers	101 agricultural workers	61,229	101 workers	61,229	Agricultural workers did not lose their jobs. They continued work on the residual plots. Amount was paid

0	Planned in LARP			Status as of August 2011		
	Losses	Affected	Sum	Affected	Sum	Note
						to the farm-owner.
6	Loss of income	8 HH and 1 LE	11,933,688 34,383,091	8 HH and 1 LE	11,933,688 34,383,091	Compensation for three cases is ongoing after resolution in court. Compensation for others have been completed.
7	Job loss of affected business workers	22 workers	889,020	22 workers	889,020	Pending
8	Transitional Assistance	12 HH and 1 LE	175,110	12 HH and 1 LE?	_____	Pending
9	Vulnerable HH	2 HH	26,940	2 HH	_____	Waiting for akimat confirmation of vulnerability status
10	Re-registration	41 HH & 4 LE	2,925,000	41 HH & 4 LE	2,925,000	in process
11	Temporary impact	69 HH, and 13 LE	5,410,000	69 HH, and 13 LE	43,892,451	Contractors are mandated to restore/clean land after completion of rental period.
12	Additional shops at km 439			5 HH -structures -loss of income -relocation	38,941,000 3,395,321 254,995	Agreements signed. Processing expected to be completed in September 2011

36. The following issues are still to be fully resolved at the time of the monitoring:

- Court decision on the vulcanizing service of Mr. Abishev in Akyrtope village  
The owner has issued appellation for retrial.
- Compensation of five café in Ornek village that were not included in the LARP of 2009. These assets have been included and re-evaluation has been conducted. Signing of contracts and payment of compensation is expected in September.
- Cash assistance to 2 socially vulnerable households. This will take place after receiving validated list of vulnerable persons from rayon akimat of Zhambyl oblast, which is expected in September 2011.
- Provision of transport means for 13 owners of kiosks/stalls for transportation of these structures to their chosen place (13 470 tenge), plus compensation for loss of income during restoration of business, equivalent to official minimal wage amount for 12 months (161 640 tenge). Payment for transition allowance have not been processed for residential and commercial structures.
- Provision of ownership right and free change of designation of remaining part of land which is rendered unsuitable for previous designation, from agricultural to commercial. This will allow affected persons to create roadside business on land plots with changed designation.
- Provision of compensation to 22 workers from the affected business establishments in amount, equivalent to their wages for three months, as well as granting priority in employment in the project.

- Processing of compensation of “Shara and Co” based on agreement reached among other co-owners and provision of equivalent plot by the regional akimat.
- Processing of compensation for «Larissa» café of Mr. Bartenev in Akyrtobe village based on agreement reached.
- Processing of compensation for “Venera” café of Mr. Davletbayev in Akyrtobe village based on result of re-evaluation and contract for compensation signed in August.
- Processing of compensation for the house of Mr. N. Kymyzbayev and G. Kymyzbayeva in Algas village based on result of the re-evaluation and contract for compensation

### **5.3 Public Consultation and Grievance Procedure**

37. DPs were informed about the project and their entitlements through the conduct of public consultations and distribution of brochures by ZRD staff. A team from ZRD conducted house-to-house visits to inform them of the valuation results and facilitate the signing of compensation agreements. However, not all DPs are fully aware. Interviewed DPs claim that between 70%-90% are aware of the compensation procedures, while between 60%-70% are aware of the grievance mechanism and between 75%-90% are aware of their compensation rights.

38. DPs relay their concerns about the project either directly to the ZRD staff or through NGOs, akimats or project consultants. A community liaison group (CLG) composed of representatives from CoR/ZRD, akimats, NGOs and the consultants has been formed to facilitate complaint resolution. The Project Management Consultant has been assigned as coordinator of this CLG. However, a few complaints related to compensation valuation were not resolved at the level of ZRD. These were referred to the court for resolution. Most of these complaints have been resolved. The author has participated in some of these cases. In most cases, people apply to local (rayon) akimats and directly to Zhambyl oblast department of CoR MTC RK.

### **5.4 DP Feedback and Level of Satisfaction**

39. Thirty-two DPs were interviewed about their assessment of the compensation payments provided by the project. Among these interviewed DPs, 28 have received their compensation, while 4 are still awaiting for the processing of their compensation payments.

40. Of the 28 interviewed DPs who have received their compensation, all confirmed that they have received compensation according to the categories of losses in the entitlements matrix and that they have given their consent without pressure and intimidation from the project.

41. When asked what changes occurred in their income and expenses compared to pre-project conditions, 15 households reported that their condition is the same as before the land acquisition. While 13 claimed that their condition improved. The four interviewed DPs who have not received their compensation still continue to live/stay in their plots and are still not impacted by the project. None of the interviewed DPs

reported that their condition became worse than before land acquisition. All interviewed DPs who have received their compensation confirmed that: (a) they were not charged any retention fees or transfer fees; (b) compensation amounts or land were sufficient to replace their lost assets; (c) compensation received is the same as was described in the valuation report; and (d) compensation was received on time..

**Table 12**  
**DP's Assessment of Compensation Payments Received (n=28)**

Question	Response	No. of DPs
Did you receive compensation according to numbers and categories of losses in the entitlement matrix?	Yes	28
	No	0
What changes happened in your income and expenses now compared to your pre-project condition?	The same as before	15
	Improved	13
Was the amount of compensation sufficient to replace your lost assets or was the replacement land equivalent and of sufficient quantity?	Yes	28
	No	0
Was compensation amount the same as was described in the valuation report?	Yes	28
	No	0
Did you receive your compensation on time?	Yes	28
	No	0

## 6.0 Recommendations on further actions

42. It is recommended that ZRD do the following:

- Follow-up in court the retrial request by Mr. Abishev regarding the compensation for his vulcanizing service in Akyrtoobe village
- Expedite the processing of compensation payments of five cafés in Ornek based on the signed compensation contracts
- Expedite the processing of vulnerability allowance to 2 households upon receipt of certification from the Zhambyl oblast on the vulnerability status of these 2 households
- Expedite the processing of relocation support and transitional allowance to all confirmed relocating businesses and households
- Coordinate with the Zhambyl Oblast State Land Administration Agency and akimats for providing ownership right and free change of designation of remaining part of land which is rendered unsuitable for previous designation, from agricultural to commercial.
- Provide compensation to 22 workers from the affected business establishments in amount, equivalent to their wages for three months, as well as granting priority in employment in the project.

- Process the compensation payment of “Shara and Co” based on agreement reached among other co-owners and coordinate with the regional akimat for the provision of equivalent plot.
- Process the compensation for «Larissa» café of Mr. Bartenev in Akyrtope village based on agreement reached.
- Process compensation for “Venera” café of Mr. Davletbayev in Akyrtope village based on result of re-evaluation and contract for compensation signed in August.
- Process compensation for the house of Mr. N. Kymyzbayev and G. Kymyzbayeva in Algabas village based on result of the re-evaluation and contract for compensation

43.

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#### Annex 1. List of Interviewed DPs During the External Monitoring

<b>№</b>	<b>Name of Interviewed DP</b>
1	«Jaksilik-K» LLP
2	Farm «Bazilbayev B.»
3	Abdibahov
4	Farm «Kaliakparov A.»
5	Suyunbayev S.
6	Kimizbayeva G.
7	Kimizbayev N.
8	Moldabayev N. («Shara and Co.»)
9	Tustikbayev M.
10	Abitayev E.
11	Ryskulov Sh.
12	Davletbayev
13	Muhyev E.
14	Bartenev N.
15	Abishev M.
16	Baikuliyev T.
17	Omarov O.
18	Shubakbayev N.
19	Muraliyev A.
20	Sultanov B.
21	Bubnov U.
22	Varshakidze H.
23	Fazulov M.
24	Maulenkulov S.
25	Azimhanova T.
26	Nurpeisov T.
27	Usenov T.
28	Tuhyev T.
29	Sirlibayev B.
30	Abdeshova B.

31	Kunbasov M.
32	Tattikulova K.

## **Annex 2: PICTURES**



*Affected house, Merke rayon, Kulan village (July 28, 2011)*



*Five affected café, omitted in LARP 2009,  
Merke rayon, Ornek village, (July 28, 2011)*



*Meeting with head of socially vulnerable household  
Merke rayon, Oital village (August 4, 2011)*



*Meeting with affected land owner  
Merke rayon, Oital village (August 4, 2011)*