

# Land Acquisition and Resettlement Framework

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## KAZ: Multitranche Financing Facility for the CAREC Transport Corridor 2 (Mangystau Oblast Section) Investment Program

Prepared by the Ministry of Investments and Development for Asian Development Bank.

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## **ACCRONYMS AND ABBREVIATIONS**

ADB	- Asian Development Bank
CAREC	- Central Asia Regional Economic Cooperation Program
CC	- Construction Contractor
CoI	- Corridor of Impact
CoR	- Committee on Roads
Corridor	- CAREC Transport Corridor 2 (Mangystau Oblast Section)
CSC	- Construction Supervision Consultants
DMS	- Detailed Measurement Survey
DP	- Displaced Person
EA	- Executing Agency
ERM	- External Resettlement Monitor
FS	- Feasibility Study
GoK	- Government of Kazakhstan
GRM	- Grievance Redress Mechanism
GRM Guideline	- Guideline on Grievance Redress Mechanism on Environment and Social Safeguards for Road Sector Projects
GRC	- Grievance Redress Committee
Mangystau NPTsZem	- Mangystau Land State Scientific and Production Center for Land Management
LAR	- Land Acquisition and Resettlement
LARF	- Land Acquisition and Resettlement Framework
LARP	- Land Acquisition and Resettlement Plan
km	- Kilometer
Kazavtozhol	- JSC “NC KazAvtoZhol”
MFF	- Multitranche Financing Facility
MID	- Ministry of Investments and Development
NGO	- Non-government Organization
NTP	- Notice-to-Proceed
PFR	- Periodic Financing Request
PMC	- Project Management Consultant
PPTA	- Project Preparatory Technical Assistance
PRC	- People’s Republic of China
Program	- CAREC Transport Corridor 2 Program
RoK	- Republic of Kazakhstan
SPS	- Safeguard Policy Statement
sq. km	- Square kilometer

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## **DEFINITION OF TERMS**

Compensation –	refers to any payment in cash or in kind of the replacement cost of the acquired assets.
Corridors of Impact –	it is the area that is impacted by the road civil works or by the need to retain sites for use in road maintenance. In the context of involuntary land acquisition and resettlement, it is the area where the displaced persons will be identified who are eligible to receive compensation based on the cut-off date established under the project.
Cut-off-date –	means the date prior to which the occupation or use of the Project area makes residents/users of the Project area eligible to be categorized as Displaced Persons (DPs). The cut-off date for the Projects will be the last date of the census.
Displaced Persons –	are individuals, households, collective owners or other legal entities who are physically displaced (relocation, loss of residential land, or loss of shelter) and/or economically displaced (loss of land, assets, access to assets, income sources, or means of livelihood) 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, regardless of their legal rights to the affected lands.
Entitlement –	is a range of measures comprising compensation in cash or in kind, income restoration, transfer assistance, income substitution, and relocation which are due to DPs, depending on the nature of their losses, to restore their economic and social base.
Grievance Procedures –	is the process established under law, local regulations, or administrative decisions to enable property owners and other DPs to redress issues related to acquisition, compensation, or other aspects of resettlement.
Household –	means all persons living together as a single social unit. They are identified in a census being an instrument of their recognition and legitimacy to receive compensation, rehabilitation and assistance under the Project.
Income Restoration –	is the reestablishment of income sources and livelihoods of DPs to their pre-project levels.
Indigenous Peoples –	a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (iv) a distinct language, often different from the official language of Kazakhstan.

Land Acquisition and Resettlement Plan –	is the planning document that describes the activities to be done in addressing the direct social and economic impacts associated with involuntary taking of land.
Relocation –	is the physical shifting of DP from his/her pre-Project place of residence and/or business.
Replacement Cost –	the value determined to be fair compensation for land based on its productive potential, the replacement cost of houses and structures (current fair market price of building materials and labor without depreciation or deductions for salvaged building material), and the market value of residential land, crops, trees, and other commodities.
Resettlement –	all measures taken to mitigate any and all adverse impacts of the Project on DP's property and/or livelihood, including compensation, relocation (where relevant), and rehabilitation.
Safeguard Zones –	are the designated areas regulated under the Law on Oil, Safeguard Regulations for Trunk Lines and Safeguard Regulations for Telecommunications Networks, which provides for the protection of the facilities of strategic industries in the Republic of Kazakhstan.
Severely Affected Persons –	are persons who will: (i) lose 10% or more of their productive assets, such as agriculture/aquaculture landholding, and/or (ii) physically displaced from housing.
Vulnerable household –	a household, which might suffer disproportionately or face the risk of being further marginalized by the effects of resettlement such as a household living below the poverty line; female headed household; large household with 4 or more children below 18 years; household with disabled members; or elderly with no family support.

## 1. INTRODUCTION

### 1.1 General information

1. The Central Asia Regional Economic Cooperation Program (CAREC) Corridor 2 is the longest corridor, with a wide-ranging network connecting East Asia with the Caucasus, Mediterranean, and southern Europe. The corridor covers seven CAREC countries – from Azerbaijan, in the west, to the People's Republic of China (PRC), in the east. For this reason, it is considered an essential pathway for regional trade (even though corridor 1 is seen as more efficient in terms of transporting goods from the PRC to Europe). Azerbaijan and Uzbekistan are the important transit countries for suppliers. A large number of shipments go through these two countries to enter southern Europe via Turkmenistan, Iran, and Turkey. There is also high demand for regional and domestic cargo movements of manufactured goods; industrial machinery and metals; and (for export) food, cotton, and yarn. Subcorridor 2a is used heavily by the Russian Federation and Europe to import commodities and materials from Central Asia. Subcorridor 2b is an important route connecting Central Asia to the Mediterranean. Subcorridor 2c is particularly significant because of its intended use by the Silk Wind trans-Caspian container block train service linking the PRC to Turkey and, with the opening of the Bosphorus Tunnel, to Europe.<sup>1</sup>

2. The investment program will reconstruct roads in Mangystau Oblast (bordering Atyrau and Aktoke Oblasts) of CAREC Corridor 2, which connect Kazakhstan to Azerbaijan, Europe and Turkey through the Caspian Sea to the west; to the Russian Federation to the north; to Uzbekistan to the southeast; and to Turkmenistan to the south. The rehabilitation/upgrading of this road corridor will bring about: (i) increased trade and competitiveness; (ii) lower transport costs; (iii) increased mobility and accessibility of local residents to economic opportunities and social services; and (iv) improved governance. The Government of Kazakhstan (GoK) has requested the Asian Development Bank (ADB) to provide financing for the Tranches 1 and 2, which focuses on upgrading the Aktau – Beineu road, as well as Zhetybai – Zhanaozen section of the Zhetybay – Zhanaozen – Fetisovo – border with the Republic of Turkmenistan road.

3. Kazakhstan's booming trade is its main engine of economic growth in 2000s. From 2000 to 2014, the country's gross domestic product grew in average by 7.5% annually. The largest sectors of the economy are extractive industry, manufacturing, trade, and transport and communication. This trend gradually changed the trade orientation towards PRC and other markets outside Russia. While Russia is still Kazakhstan's largest trading partner, other potential trading partners include Europe, East Asia, and South Asia. Located at the center of transport flows between Europe and Asia, and thus providing strategic arteries of emerging transcontinental routes, Kazakhstan has great transit potential. Few land transport routes can avoid Kazakhstan when linking north to south or east to west. Trade between Asia and Europe, amounting to \$700 billion in 2009, is expected to reach \$1 trillion by 2015, of which 20% will pass through Kazakhstan. This transit traffic is forecasted to generate \$1.1 billion in revenues for Kazakhstan<sup>2</sup>.

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<sup>1</sup> Asian Development Bank. Central Asia Regional Economic Cooperation Corridor Performance Measurement and Monitoring: A Forward-Looking Retrospective. Mandaluyong City, Philippines: Asian Development Bank, 2014. <http://www.adb.org/sites/default/files/publication/148731/carec-cpmm-forward-looking-retrospective.pdf>

<sup>2</sup> Central Asia Regional Economic Cooperation Corridor 2 (Mangystau Oblast Sections) Investment Program. Sector Assessment (Summary): Road Map <http://www.adb.org/sites/default/files/linked-documents/43439-01-kaz-ssa.pdf>

4. Kazakhstan has a land area of 2,724,900 sq. km and had in beginning of 2015 a total population of 17,417,500 people. It has 14 regions and two administratively independent cities: Astana and Almaty. Aktau City, located in the eastern shore of the Caspian Sea, is Kazakhstan's gateway to various trading partners. Likewise, Aktau port is a hub for transporting Kazakhstan's bulk cargoes of oil and oil products to the neighboring countries, or for transit traffic to reach distant markets in Europe and PRC. Aktau is the administrative center and largest city of Mangystau Oblast, which is the country's oil producing region. The Aktau-Beineu-Akzhigit section of the Corridor, totaling 514 km, serves as a major channel for transporting commodities to and from the rest of the country. It is part of the priority CAREC Transport Corridor 2a, and Astrakhan-Atyrau-Aktau-Turkmenistan border Corridor.

5. However, road infrastructure in Mangystau Oblast is in bad shape to sustain the country's trade flow and economic growth. There are about 1,950 km of roads (republican and local roads), of which 99.5% are classified Class III roads or below, and lack adequate safety and traffic control devices. Built in 1988-1990, the road mainly cuts through the vast expanse of dry lands owned by the state, which are mainly used for grazing lambs, cattle and camels, and passes through a few built up areas, as well as the holy place at Manaty-ata. The carriageway and shoulders cannot be distinguished anymore since both roadsides have expanded to their limits.

## **1.2 Program Description**

6. The CAREC Transport Corridor 2 Program (the Program) is estimated at \$1.1 billion. ADB has been requested to finance up to \$800 million through a Multi-tranche Financing Facility (MFF) to be divided into two tranches with a total of 14 civil work packages as follows:

### Tranche 1:

- Package 1 (km 372.6 – km 422)
- Package 2 (km 422 – km 472.8)
- Package 3 (km 472.8 – km 514.3)
- Package 5 (km 574 – km 632.3)

### Tranche 2:

- Package 4 (km 514.3 – km 574)
- Package 6 (km 632.3 – km 675.6)
- Package 7 (km 675.6 – km 719)
- Package 8 (km 719 – km 754)
- Package 9 (km 754 – km 802.27)
- Package 10 (84 km) Beineu – Akzhigit

Packages 11-14 (234 km) Zhetybai – Turkmenistan border, including cross-border infrastructure facilities (Zhetybai-Zhanaozen (km 0 – km 73) section of the republican road Zhetybai – Zhanaozen – Fetisovo – border of the Republic of Turkmenistan (to Turkmenbashi) was included in Tranche 2).

7. The road sections covered under Tranche 1 will be upgraded from Category III to Category II. Civil works will include the construction of two-lane asphalt pavement, reconstruction of culverts and bridges that do not conform to engineering requirements of the new road, overpass, and road signs and signal posts along accident prone spots. Most of the civil works for the road will follow the existing alignments.

8. Tranche 2 is a road upgrading activity, comprising a total of 169.97 kilometers that can be divided, for technical reasons, into 2 sections. The road will be rehabilitated and partly

constructed in accordance with the national highway categories:

- Section 1 involves the entire route between Shetpe bypass start (km 632.3), to the end of Shetpe bypass (km 644), and continuing to Zhetybai bypass (km 711-719) until joining the national highway from Zhanaozen and Turkmenistan to Aktau (km 719);
- Section 2 involves the stretch between Zhetybai junction (km 719) westwards to Aktau urban periphery, at the junction at km 802.27.

9. Tranche 2 section km 514.3 – km 573.6, financed by GoK, is considered as the associated facility to this project. It involves the upgrading an existing route starting at a small settlement known as Sai-Utes (near km 514) and then proceeding westwards until the existing road is covered with a blacktop layer.

10. The section Zhetybai-Zhanaozen (km 0 – km 73) of the republican road Zhetybai – Zhanaozen – Fetisovo – border of the Republic of Turkmenistan (to Turkmenbashi) was included in Tranche 2. The project includes reconstruction of the existing republican road of category III, Zhetybai - Zhanaozen - Fetisovo - border of the Republic of Turkmenistan section 0-73 km, to the category I-B road, which within the Zhanaozen bypass will be of Category II and the section of existing road to be rehabilitated in Zhanaozen will remain of Category III (as only pavement rehabilitation works are envisaged there).

11. Civil works for the remaining road sections are expected to generally follow the existing road alignment, but their design has yet to be prepared.

12. The location of the CAREC Corridors (including CAREC Corridor 2 within Kazakhstan) is demonstrated on the Figure 1 below.

### **1.3 The LARF Document**

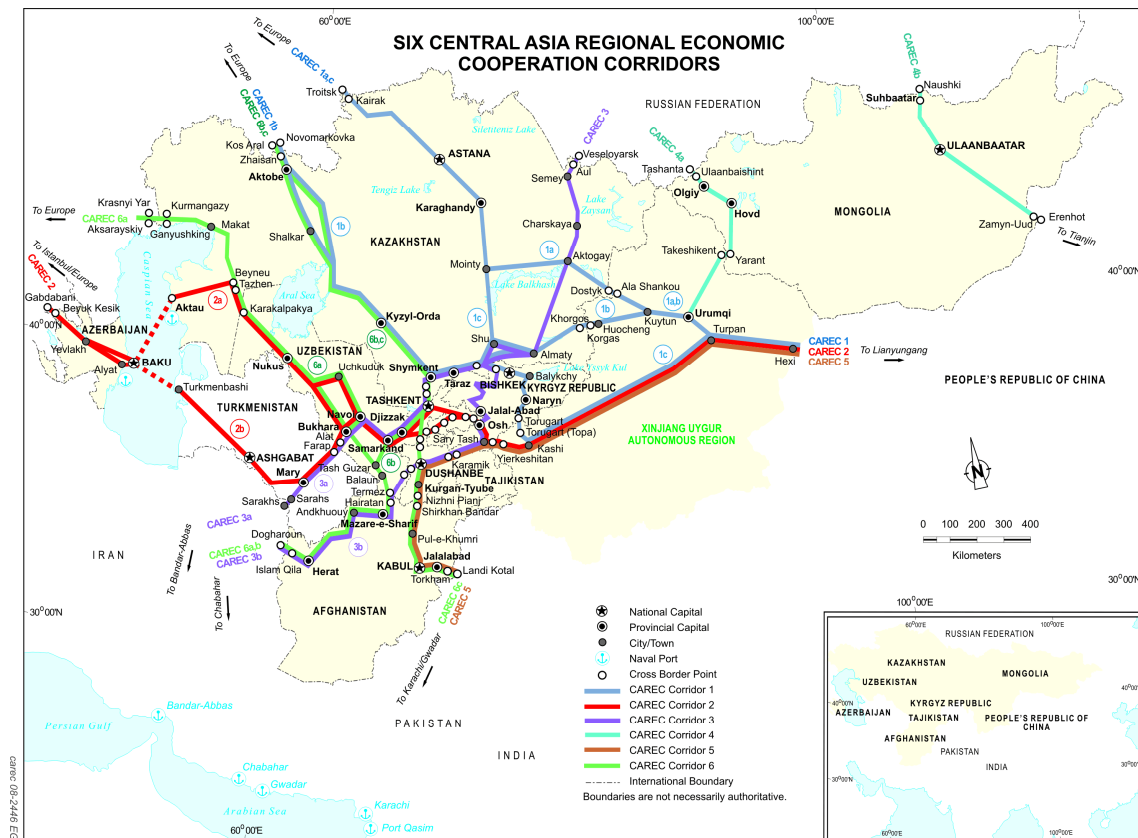
13. This Land Acquisition and Resettlement Framework (LARF) represents an updated version of the initial LARF prepared for CAREC Corridor 2a (Mangystau Oblast Section) Investment Program in August 2010 and its first update developed in November 2012. The initial LARF was prepared with assistance from consultants engaged through an ADB Project Preparatory Technical Assistance (PPTA) and the first update was developed by consultants involved by the Committee of Roads. It was reviewed and endorsed by the Ministry of Transport and Communications through the Committee on Roads (CoR). During the approval of the MFF, the CoR was under the Ministry of Transport and Communications, however following restructuring of ministries in 2014, the CoR was moved to Ministry of Investments and Development (MID).

14. In 2014 the CoR and ADB came to an understanding that some unused portion of the loan fund for Beineu – Aktau road might be reallocated to finance additional adjacent road section from Zhetybai to Zhanaozen. As a part of project preparatory activities it was decided to review and update the existing LARF to ensure that it covers all relevant land acquisition and resettlement (LAR) impacts and include updated references to national law. Following this request the current update of LARF was prepared in 2015. This updated LARF is formulated from the relevant laws on LAR in the Republic of Kazakhstan (RoK) and the provisions of the 2009 Safeguard Policy Statement (SPS) of ADB. The LARF identifies likely impacts of the investment, describes anticipated groups of DPs, clarifies land and resettlement principles, assesses the legal framework for land acquisition and resettlement in Kazakhstan, describes standard procedures and methods of redress, and outlines steps that



will be taken to plan, obtain concurrence from ADB, and to implement and monitor the impact of land acquisition and resettlement along the Corridor.

*Figure 1: CAREC Corridors*



15. This LARF applies to projects under private landowners whose land will be permanently or temporarily affected due to the CAREC Corridor 2 (Mangystau Oblast Section) (Corridor) reconstruction. It also applies to people who lease State-owned lands or those who have no registered or legal rights over the land they use, and who will be adversely affected as the result of the investment. However, the LARF does not apply to State land that is transferred from one authority to another, or is used temporarily for the reconstruction, unless third parties are adversely affected by the transfer or use.

16. This LARF expresses GoK's commitment to avoid adverse LAR impacts, where possible, and to mitigate them to ensure that DPs are able to maintain or improve their well-being at the end of the Project. Once this document is approved by ADB and GoK, it will become an element of the respective MFF financing agreements between the GoK and ADB with respect to the Project.

## 1.4 Anticipated Impacts

17. Reconstruction of much of the Corridor will be rather simple and straightforward, but some sections will require more complex inputs from soil testing and new surveying to preparing detailed designs and environmental assessments; determining needs for land acquisition and relocation; repositioning/protection of utility/gas lines; consulting local officials

and stakeholders to gain support; and planning and managing the logistics of getting labor, machinery and materials to many remote locations. Most of these complex issues will be resolved during final design.

18. In the section covered under Tranche 1 (Manashy-Shetpe: km 372.6 – km 514.3 and km 574 – km 632.3), 4 parties leasing the State lands were affected as a result of permanent land acquisition. No households were physically displaced and none of affected parties lost 10% or more of their productive assets. During construction, portions of plots leased by 2 legal entities and 2 plots that belong to state will be used temporarily. Hence, Tranche 1 is classified as Category B in terms of resettlement.<sup>3</sup> Draft Land Acquisition and Resettlement Plan (LARP) was developed and implemented for Tranche 1.

19. Construction Contractor (CC) for all Tranche 1 sections is Alsim Alarko Sanayi Tesislerive Ticaret AS (Turkey). The Contract for various lots was signed as follows: Lots 1 and 2 – 14 May 2012, Lot 3 – 18 May 2012 and Lot 4 – 31 August 2012. The overall duration of contract is 31 months (2 months for mobilization and 29 months to carry out the works). Construction Supervision Company (CSC) was not engaged at a time of last LARF update preparation. The construction works commenced in April 2013 and completed in December 2014.

20. Civil works in the Tranche 2 section (Shetpe-Aktau: km 632.3 – km 719 and km 719 – km 802.27) required acquisition of land and property. According to the information provided in the LARP, a total of 22 parties (4 households and 18 legal entities) experienced various losses/impacts from the implementation of the project. Most of displaced households have lost the ownership/access to agricultural lands, while most of the displaced legal entities have lost the ownership/access to agricultural and commercial lands. In total, 373,4 hectares of land was acquired for permanent use. Three DPs (2 households and 1 legal entity) have lost their buildings/structures. Following provision of compensations the external monitoring report was prepared. Construction works commenced in November 2014.

21. Temporary use of lands is required for batching plants (mixing plant for concrete or aggregate-asphalt mixture) of contractor where it will store the sand and gravel, asphalt materials, mixer, heavy equipment and temporary field office of engineers and workers, access roads, quarries and borrow pits. About 699.6 ha of lands are temporarily required for implementation of construction works.

22. Impact of civil works for section Zhetybai-Zhanaozen (km 0 – km 73) of the republican road Zhetybai – Zhanaozen – Fetisovo – border of the Republic of Turkmenistan (to Turkmenbashi) included in Tranche 2 of the MFF is currently under assessment, land plan is being developed and finalized by Mangystau Land State Scientific and Production Center for Land Management (Mangystau NPTsZem) to define the impacts and the need for land acquisition and resettlement. Based on the impacts identified after finalization of the land plan, an appropriate resettlement plan will be prepared, if deemed necessary. However, given the land use and landownership patterns, sparsely distributed settlements and the general plan of following the existing road alignment, it is expected that land acquisition impacts in for this road section will be limited. The civil works are expected to start in 2015.

23. The Projects under the Program will not have any impact on indigenous people. The population in the districts where the road passes is relatively homogenous in terms of ethnic composition. Based on the results of the census (2009) population of Mangystau Oblast is

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<sup>3</sup> Based on paragraph 8 and 9 of ADB OM/F1, October 2013, a project or subproject is classified as Category "A" and a full LARP is needed if 200 or more people will suffer significant impacts (displaced from housing or losing 10% or more of income generating productive assets). A project or subproject will be classified as Category "B" when less than 200 people suffer significant impacts. Category "C" projects / subprojects have no LAR impacts.

represented by approximately 90 nationalities, with the majority (88.3%) being ethnic Kazakhs, followed by Russians (8.2%). Others are Azeris (0.8%), Ukrainians (0.5%), Lezgins (0.4%), Tatars (0.3%), Uzbeks (0.3), Armenians (0.2%). The share of other over 80 nationalities comprises 1% in total. Alashas and Uyghurs, who are sometimes referred to as ethnic minorities are not found in the Project area. None of the smaller ethnic groups have collective attachment to geographically distinct habitats or ancestral territories. They all share the general Kazakh cultural, economic, social and political institutions. In the rural areas, residents of varied ethnic origins use Kazakh as their language.

24. Impact of civil works for the Beineu-Akzhigit section of the MFF (excluding Zhetybai – Zhanaozen (km 0 – km 73) section) has not been assessed yet and will be determined during the preparation of the feasibility studies / designs, while screening this section in terms of impacts on land and the need for land acquisition and resettlement. Based on the screening results, an appropriate resettlement plan will be prepared, if deemed necessary.

### **1.5 ADB Processing Requirements**

25. Based on ADB policy and practice, the appraisal of the MFF and each Tranche and approval of project implementation will entail the following LAR-related conditions:

- (i) Appraisal of the MFF and Tranche 1 (Project 1):
  - (a) Preparation / disclosure of a LARF for the whole MFF acceptable to ADB; and,
  - (b) Preparation / disclosure of a draft LARP for Tranche 1.
- (ii) Appraisal of the Periodic Financing Request (PFR) for Tranche 2 (Project 2):  
Preparation disclosure of LARP for road sections with LAR fitting the approved LARF.
- (iii) No-objection for LARP implementation and signing of civil work contract award:
  - (a) Preparation/disclosure of updated/implementation-ready LARP approved by ADB and reflecting final impacts, DP list and official compensation rates; and
  - (b) Mobilization of the External Resettlement Monitor (ERM).
- (iv) No-objection for the issuance of notice-to-proceed (NTP) to civil works:
  - (a) Full implementation of the compensation program described in the updated/final LARP including the full delivery of compensation to the DPs; and
  - (b) Preparation/submission of a compliance report by the ERM.
- (v) Approval of the Zhetybai – Zhanaozen section of the Zhetybay – Zhanaozen – Fetisovo – border with the Republic of Turkmenistan Road under Tranche 2:
  - (a) Update / disclosure of the updated LARF for the whole MFF acceptable to ADB; and,
  - (b) Preparation / disclosure of a LARP (outline provided in Annex 1) or Due-diligence Report.
- (vi) LARP implementation and signing of civil work contract award (in case the LARP is required for Zhetybai – Zhanaozen section):
  - (a) Preparation/disclosure of final LARP approved by ADB; and
  - (b) Mobilization of the ERM.

- (iv) No-objection for the issuance of NTP to civil works (in case the LARP is required for Zhetybai – Zhanaozen section):
  - (a) Full implementation of the compensation program described in the final LARP including the full delivery of compensation to the DPs, and
  - (b) Preparation/submission of a compliance report by the ERM.

## **2. OBJECTIVES, POLICY FRAMEWORK AND ENTITLEMENTS**

26. This LARF defines the eligibility for compensation and rehabilitation assistance, and details the entitlements for each impact type, as well as procedures for valuation, compensation, complaints consideration, consultations and disclosure and monitoring / evaluation. It combines existing legal framework and procedures for land acquisition in Kazakhstan and involuntary resettlement safeguards requirements as stipulated in ADB SPS 2009.

### **2.1 Kazakhstan Legal Framework and Practices**

27. In Kazakhstan, land is owned by the State but can be transferred, sold or leased to individuals or legal entities. Most leases are on a long-term basis (generally for 49 years). However, a few others prefer to lease only for the short-term (between 1 to 5 years). The State can reclaim private lands only for specific uses, including road construction, and only after compensating the owner for the asset and other losses.

#### **2.1.1 Hierarchy of Legal Acts in Kazakhstan**

28. Hierarchy of legal acts in the Republic of Kazakhstan corresponds to the following levels:

- The Constitution of the Republic of Kazakhstan;
- International treaties ratified by the parliament;
- Constitutional laws of the Republic of Kazakhstan and decrees of the President of the Republic of Kazakhstan that have the force of the constitutional law;
- Codes and ordinary laws; and
- Other regulations, normative decrees, and so forth.

#### **2.1.2 Kazakhstan Constitution**

29. Kazakhstan laws and regulations regarding land and land ownership are derived from the Constitution, which states that land (surface and underground) is owned by the State, but can also be privately-owned (Article 6.3). Article 26.3 also states that no one may be deprived of property unless stipulated by a court decision. Forcible alienation of property for state needs stipulated by law may be exercised on condition of its equivalent compensation.

#### **2.1.3 The Land Code**

30. The Land Code of the Republic of Kazakhstan (RK Code No. 464-IV adopted on 20 June 2003, last amendment dated 9 December 2014) establishes the foundations, conditions and limits for modifying or terminating ownership of land and land-use rights, describes the rights and responsibilities of landowners and land users, and regulates land relations. It also establishes conditions for granting to citizens and legal entities temporary or permanent use rights to State-owned land (Article 35).

31. The Code does not permit alienation of land ownership and land use rights without the consent of the owner/land-user, except for alienation for state needs (Article 81.2.2). A

land plot can be alienated for state needs by way of purchase or by granting an equivalent plot with the consent of the owner or land user, or by decision of the court (Article 84.1). Construction of the road and railroad transport infrastructure is one of several grounds for compulsory acquisition of a land plot for state needs (Article 84.2.4). Leaseholders of State-owned lands are compensated in full for the losses and, at their request, may be granted an alternative plot subject to availability of suitable land (Article 84.4).

32. The owner of the land or land user must be notified in writing by the body that made the decision to purchase date for starting LAR shall be indicated in the LAR Decree but not earlier than 3 months from the date of official publication of the Decree. Unless, the owner or land user agrees to release the land before which is regulated by the Law “On State Property” (Article 63). If the remaining portion of the land can no longer be used for the intended purpose, then the entire plot must be purchased (Article 86.1).

33. If the owner or land user disagrees with the decision to purchase his land for state needs, or disagrees on the price of the acquired land or other terms of acquisition, the local executive authority which decided on acquisition may file expropriation case (Article 88.1) after three months from the date of receipt of notification by the owner or the land user, but not later than the deadline stated in the decision on acquisition of the land plot for state needs (Article 88.2, as well as Article 65.7 of RoK law on state property). Civil cases for claims on acquisition of land for state needs shall be considered and resolved within one month from the date of finalization of the case preparation for trial (Article 88.3).

34. Upon termination of land ownership or land use right the cost of land or land-use right is defined by the amount paid to the state (Article 96). Upon termination of land ownership or land use right the value of the land granted for individual housing construction, for individual part-time farm (except field plots) on which an individual house is located, is defined by the cost of the land, not exceeding market cost (Article 96 as well as Article 67.2 of the RoK law on state property). Upon termination of land ownership right the cost of the land, passed to the owner or user by a contract or court decision is defined by the value specified in a contract or a court decision, but not exceeding the market cost. In case the land cost is not specified in the contract or the court decision, the value of the land is assessed by its cadastre (estimated) cost (Article 96).

35. The Land Code provides for base rates of payment for the land plots and the cadastral value of land in order to determine the cost of the land. Basic rates of payment for the land plots when they are transferred to private property in the capital are established by joint decisions of the representative and executive bodies of the capital, depending on local conditions and peculiarities. The rates of payment for land use shall not be established at a level below the land tax rates. Payment for selling the right to lease is differentiated from the cadastral (estimated) cost of a particular plot of land. Base rate of payment for land plots is calculated in accordance with the Decree of the Government of the Republic of Kazakhstan from September 2, 2003 № 890 “On establishment of base rates for the land plots”. However, according to the latest amendments of the abovementioned decree (The Decree of the Government of the Republic of Kazakhstan from October 10, 2011 № 1154<sup>4</sup>), local government bodies of the capital, depending on local conditions and peculiarities must develop and approve the base rates for the land plots, except for lands used for agricultural purposes.

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<sup>4</sup> Press-release from December 3, 2011 to the Decree of the Government of the Republic of Kazakhstan from October 10, 2011 № 1154 On introduction of changes and additions to the Decree of the Government of the Republic of Kazakhstan from September 2, 2003 № 890 “On establishment of base rates for the land plots, when they are transferred to private property, leased by the state or state land-user, as well as payment for selling the right to lease the land plots”; <http://www.auzr.kz/en/news-list/784--03-2011>

36. Cadastral (estimated) cost of a land plot is determined by specialized state-owned enterprises responsible for operation of the state land cadastre, in accordance with the base rates of payment for land plots transferred to private property, with application of corrective (increasing or decreasing) coefficients to account for inflation, land conditions and location.

37. In determining the amount of compensation, following shall be included: (a) the cost of land or land-use rights; (b) the market cost of the assets located on the plot, including fruit trees and perennial plantings; (c) cost of the expenditures associated with development of the land, its operation, implementation of protective measures, improvement of soil fertility taking into consideration their inflation; (d) all losses inflicted on the owner or land user as a result of land acquisition at the time of termination of ownership or land-use right, including losses they incur due to early termination of their obligations to third parties; and (e) loss of revenue (Article 166.2).

38. The amount of compensation is established based on the agreement among the parties (Article 166.3). In case of disagreement, the land cannot be taken until the court adjudicates a settlement (Article 166.7).

39. The Land Code does not entitle encroachers to compensation for the right to use the lands they use informally (squatters) or those who have not registered their claims to lands.

#### **2.1.4 Law on State Property**

40. Law on State Property (№ 413-IV LRK adopted on 1 March 2011, last amendment dated 29 December 2014; Article 63.1) states that in case of compulsory acquisition of land or other real property for state needs, the government agency or local executive body should issue a decree that indicates:

- purpose and grounds for compulsory acquisition for state needs;
- location, size, cadastre number of land plot;
- property owner or private land user;
- date of compulsory acquisition, but not earlier than three months from the date of official publication of the decree;
- place of application for land owner or land user for conciliation procedures (Article 63.2).

41. The Decree shall be published in national or local mass media, within three working days from the date of adoption (Article 63.5).

42. In case the right of private ownership of land plot is not registered in accordance with the legislation of the Republic of Kazakhstan, the owner, after the adoption of the decree, may make the necessary arrangements to register his/her right on the affected land plot. The period of compulsory acquisition for state needs set by the decree cannot be extended by more than six months (Article 63.7).

43. The acquiring authority is required to send to the owner or land user a written notification on the compulsory acquisition for state needs not later than 3 calendar days after the publication of the decree. The notification shall also include the draft purchase agreement for the land plot or other real property in connection with the seizure of land plot for the state needs. The notification shall be sent by mail with the mandatory notice of receipt (Article 64.1).

44. The compulsory acquisition of the land plot or other real property in connection with the seizure of land plot for state needs is carried out after the expiry of the deadline set in the Decree, either with the consent of the land owner or land user, or by court decision (Article 65.1). Termination of the rights to private property and land use rights, as well as the State's right to land and other real property is subject to state registration by the authority responsible for state registration of rights to real property, the purchase agreement for land plot or other real property, or a court decision and the statement of the authority that adopted the Decree (Article 65.4).

45. A local executive authority shall submit to the relevant local representative authority the draft purchase agreement for the land or other real property within two months after receipt of notification by the landowner or land user about the acquisition of the land plot or other real property. The draft agreement is considered by the standing commission of the local representative authority not later than two weeks from the date of its submission to the mandatory invitation of the owner and people whose rights in respect of alienated property will be terminated or limited. Upon reaching an agreement with the owner or land user of acquired property and other people whose rights in respect to the acquired property will be terminated or limited, the purchase agreement for the land or other real property is approved by the executive authority in accordance with the local representative authority and is signed by the owner or land user (Article 65.5).

46. The agreement for purchase of land plot or other real property in connection with the seizure of land plot for state needs shall include:

- price for the alienated land plot and characteristics of the real property or land given to the owner or land user as a replacement for the alienated one;
- difference in cost, if the price of the alienated land plot is higher than the price (value) of the land provided as a replacement for the alienated one;
- amount of damages to be reimbursed, including the value of real property taken in connection with the alienation of land plot for state needs, in case when such damages are caused as a result of compulsory acquisition;
- term of payment of the cost for the alienated land plot or other real property in connection with the alienation of land plot for state needs or transfer of land plot (or other real property) given to the owner as a replacement for the one alienated for state needs;
- composition of the property alienated for state needs;
- list of people whose rights in respect to the alienated property will be terminated or limited;
- procedure for financing the government expenditures for the acquisition of property for state needs (Article 65.6).

47. The actual transfer of land or other real property alienated for state needs can only take place after the land owner or land user gets fair compensation. State registration of the termination of the rights of the owner or user and the beginning of the rights of the state on the property is subject to submission to the body conducting the state registration of rights to immovable property, of a document confirming the payment of compensation (Article 65.9).

48. The value of land plot alienated for state needs, granted for individual housing construction or for individual part-time farm (except field plots), on which an individual house is located, is defined by the cost of the land, not exceeding its market cost (Article 67.2 and Article 96 of the Land Code of the RK)<sup>5</sup>. The cost of the real property located in the land plot, is determined in an amount not exceeding its market cost. The market cost of the land plot or other real property is determined by an independent valuator at the time when the land

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<sup>5</sup> This gap with the ADB policy regarding compensation at replacement rate is addressed in the Kazakhstan constitutional provision regarding international treaties.



owner or land user gets a notification on the upcoming compulsory acquisition of land plot for state needs (Article 67.3). In agreement with the land owner or land user, as a replacement for the land plot alienated for state needs, another land plot can be granted, by offsetting the costs of provided land plot or rights to it in the cost of the alienated land or rights to it on the cadastral (estimated) cost (Article 67.6). Reimbursement of the cost for land plot or other real property in connection with the alienation of land plot for state needs and losses is subject to compensation in full, before the transition to the Republic of Kazakhstan or the administrative unit of the right of ownership to such property is carried out (Article 68.1). Reimbursement is made from the budget (Article 68.2). Non-cash compensation is allowed by agreement between the RoK represented by GoK or the administrative unit represented by the local executive authority and owner of the property. The mentioned agreement shall be made in writing in the form of the purchase agreement for the land plot or other real property alienated for state needs (Article 68.3). Reimbursement is made at a time no later than one month after the date of signing the purchase agreement for land plot or other real property in connection with the alienation of land plot for state needs or from the date of entering into force of the decision of the court (Article 68.4).

### **2.1.5 Law on Housing Relations**

49. The Law on Housing Relations (№ 94-I, adopted on 16 April 1997, last amendment dated 10 January 2015) regulates the issues on provision of housing to the property during the demolition of a residential building as a result of involuntary acquisition of land plots for state needs. During the demolition of a residential building as a result of the involuntary acquisition of land plots for state needs, the owner before the demolition of the house, in accordance with his/her preference, is offered a well-maintained place of residence as a property or compensation in an amount of the market cost of the house taken. If the cost of the offered house is higher than the cost of the one to be demolished, the difference in cost is not charged from the owner. If the cost of the house to be demolished is higher than the cost of a place of residence offered as a replacement, then the owner is reimbursed in the amount of the cost difference (Article 15).

### **2.1.6 Labor Code**

50. According to the Labor Code (№ 251-III, adopted on 15 May 2007, last amendment dated 9 February 2015), registered employees of enterprises / institutions who are losing their jobs as a result of termination of employment agreement by the employer in the event of termination of the employer's activities are entitled to compensation in the amount of average salary for one month (Article 157).

### **2.1.7 Standard Land Acquisition Practices and Process**

51. Land acquisition for public needs in Kazakhstan is generally implemented in accordance with the following procedures:

- Proposed alignment and estimates of the amount of land to be acquired permanently or temporarily; as well as estimated cost of acquisition, rental and restoration of affected lands are included in the feasibility study (FS);
- The FS is sent to the oblast and regional levels for review and comments. In the case of Republican Roads, the FS is sent to the Committee of Roads in Astana for review;
- Based on the tentative alignment, registered owners/leaseholders are notified initially that their land will be acquired;
- The detailed design is prepared which firms up the alignment and assessment of land acquisition requirements, including detailed maps and individual landholdings to be

affected, ownership data from the cadastre and estimated compensation for acquisition and losses;

- Once the final alignment is agreed with local officials, the agency that requires the land requests the appropriate Akimat(s) to issue a resolution on the land acquisition;
- The Akimat(s) issue(s) a resolution on the land acquisition and register(s) the resolution with the oblast Department of Justice. Owners are officially notified of the extent of land acquisition of their properties;
- The Akimat(s) establish(es) an evaluation commission that includes officials and land owners. Inputs are sought from licensed assessors in establishing official compensation amounts;
- Once the official compensation amounts have been established, negotiation between government and the displaced persons starts. Signed agreements are again registered with the oblast Department of Justice. Based on the agreements, compensation amounts are processed and delivered to the displaced person.
- If agreement cannot be reached, the government agency requiring the land has right to initiate a court appeal for expropriation after three months from the date of receipt of the notification by the owner;
- Once the court renders a decision, the compensation amount will be transferred to the account of the displaced land user. Land cannot be accessed until compensation is completed and the title is transferred;
- Financing for compensation costs is made available, and payments should be conducted within one month after the court decision or the signing the land acquisition agreement.

52. The final design identifies possible locations for work camps, storage and staging facilities, borrow pits and other sites for temporary use during construction. Contractors can use the information to estimate costs and logistics, but are not required to use the recommended sites. Civil works contracts will require the contractors to be responsible for the temporary acquisition and reinstatement of all land required outside of the right of way for construction camps, offices, borrow pits, materials storage sites, materials processing sites and haul roads. The contracts will select the land parcels they require and they will be responsible for negotiating agreements with land owners to use the land and extract materials. If a contractor fails to obtain an agreement with a landowner, the contractor must select an alternative site and negotiate a new agreement. No land can be occupied involuntarily for temporary construction purposes. Construction Contractors (CC) are assumed to prefer to rent State land, rather than private property, but the choice is theirs. In either case, the arrangements must be subject to a written agreement between the CCs and the owner and lands are required to be returned to their original state after work is concluded.

## **2.2 ADB SPS 2009 Safeguard Requirements 2: Involuntary Resettlement**

53. ADB SPS 2009 Safeguard Requirements 2: Involuntary Resettlement aims 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.

54. ADB Policy has the following requirements:

- a. Compensation, Assistance and Benefits for DPs
  - Compensate at full replacement cost/assist those with formal legal rights to the land lost and those who have claims to lands that are recognized or recognizable

under national laws. DPs who have neither formal legal rights nor recognized or recognizable claims to such land are entitled only to compensation for non-land assets

- Compensate for affected lands, structures and other assets and put in place a comprehensive income and livelihood rehabilitation program prior to displacement
- Give preference to land-based resettlement strategies for displaced persons whose livelihoods are land-based. Provide physically displaced persons with relocation assistance, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, and civic infrastructure and community services
- Promptly compensate economically displaced persons for the loss of income or livelihood sources at full replacement cost, and provided other assistance (i.e. access to credit, training, and employment opportunities) to help them improve, or at least restore, their income-earning capacity, production levels, and standards of living to pre-displacement levels
- Provide displaced persons with opportunities to share project benefits in addition to compensation and resettlement assistance

b. Social Impact Assessment

- Conduct socio-economic survey(s) and a census, with appropriate socio-economic baseline data to identify all persons who will be displaced by the project and to assess the project's socio-economic impacts on them
- As part of the social impact assessment, identify individuals and groups who may be differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status

c. Resettlement Planning

- Prepare a resettlement plan based on the social impact assessment and through meaningful consultation with the affected persons if the proposed project will have involuntary resettlement impacts
- Include in the resettlement plan measures to ensure that the displaced persons are (i) informed about their options and entitlements pertaining to compensation, relocation, and rehabilitation; (ii) consulted on resettlement options and choices; and (iii) provided with resettlement alternatives
- Pay adequate attention to gender concerns to ensure that both men and women receive adequate and appropriate compensation for their lost property and resettlement assistance, if required, as well as assistance to restore and improve their incomes and living standards
- Analyze and summarize national laws and regulations pertaining to land acquisition, compensation payment, and relocation of affected persons in the resettlement plan; and compare such laws and regulations with ADB's involuntary resettlement policy principles and requirements. If a gap between the two exists, propose a suitable gap-filling strategy in the resettlement plan in consultation with ADB
- Consider all costs of compensation, relocation, and livelihood rehabilitation as project costs
- Include detailed measures for income restoration and livelihood improvement of displaced persons in the resettlement plan. For vulnerable persons and households, include measures to provide extra assistance so that they can improve their incomes in comparison with pre-project levels
- Finalize the resettlement plan soon after the completion of engineering design. Ensure that the final resettlement plan (i) adequately addresses all involuntary resettlement issues pertaining to the project, (ii) describes specific mitigation

measures that will be taken to address the issues; and (iii) ensures the availability of sufficient resources to address the issues satisfactorily

- Consult with displaced persons identified after the formulation of the final resettlement plan and inform them of their entitlements and relocation options. Supplementary resettlement plan or a revised resettlement plan should be submitted to ADB for review a supplementary resettlement plan or a revised resettlement plan before any contracts are awarded
- Use qualified and experienced experts to prepare the social impact assessment and the resettlement plan

d. Information Disclosure

- Submit the following documents to ADB for disclosure on ADB's website: (i) a draft resettlement plan and/or resettlement framework endorsed by the borrower/client before project appraisal; (ii) the final resettlement plan endorsed by the borrower/client; (iii) a new resettlement plan or an updated resettlement plan, and a corrective action plan prepared during project implementation, if any; and (iv) the resettlement monitoring reports
- Provide relevant resettlement information in a timely manner, in an accessible place and in a form and language(s) understandable to affected persons and other stakeholders. For illiterate people, use other suitable communication methods
- Translate relevant materials to the Kazakh language

e. Consultation and Participation

- Conduct meaningful consultation with affected persons, their host communities, and civil society for every project and subproject identified as having involuntary resettlement impacts
- Pay particular attention to the need of disadvantaged or vulnerable groups, especially those below the poverty line, the landless, the elderly, female headed households, women and children, Indigenous Peoples, and those without legal rights to land
- Translate relevant materials to the Kazakh language

f. Grievance Redress Mechanism

- Establish a responsive, readily accessible and culturally appropriate mechanism to receive and facilitate the resolution of affected persons' concerns and grievances about physical and economic displacement and other project impacts, paying particular attention to the impacts on vulnerable groups

g. Monitoring and Reporting

- Monitor and measure the progress of implementation of the resettlement plan. For projects/subprojects with significant LAR impacts, qualified and experienced external experts or qualified Non-government Organizations (NGOs) are retained to verify internal resettlement monitoring information. If any significant involuntary resettlement issues are identified, prepare a corrective action plan to address such issues. Do not proceed with implementing the Project until such planning documents are formulated, disclosed and approved

h. Unanticipated Impacts

- If unanticipated involuntary resettlement impacts are found during project implementation, conduct a social impact assessment, update the resettlement plan or formulate a new resettlement plan

i. Special Considerations for Indigenous Peoples

- Avoid physical relocation of Indigenous Peoples that will result in adverse impacts on their identity, culture, and customary livelihoods. If adverse impacts cannot be avoided, formulate a combined Indigenous Peoples plan and resettlement to meet all relevant requirements specified under ADB Safeguard Requirements 3: Indigenous People

j. Negotiated Settlement

- Acquisition of land and other assets through a negotiated settlement whenever possible is encouraged. Negotiations are subject to third-party validation to ensure that the compensation is based on fair price (replacement cost) of land and/or other assets, and is based on meaningful consultation with DPs
- Negotiated settlements in case of failure of negotiation would result in expropriation

## 2.3 Comparison of ADB Involuntary Resettlement Safeguards and Kazakhstan's Legislation and Actions to Address the Difference

55. There are a number of differences between the requirements of Kazakhstan legislation and the ADB resettlement policy. In particular, ADB's Resettlement Policy does not consider the absence of land rights of DPs as a bar to receive compensation for non-land assets, and entitles vulnerable groups to additional support. While ADB Policy specifically focuses improve the livelihood of vulnerable DPs, such objective is not sought under national legislation. A major difference relates to the compensation of privately-owned land. Under the local legislation, compensation is based on the amount paid by the private owner to the state (cadastre price) that shall not exceed market value. On the other hand, ADB policy requires compensation at full replacement costs.

56. Key differences between ADB Resettlement Policy and RoK legislation are outlined in Table 1 below.

*Table 1. Comparison of RoK Land Acquisition / Resettlement Practice / Policy and ADB Resettlement Policy*

Kazakhstan's Land Acquisition Practice	ADB Involuntary Resettlement Policy
Compensation of privately-owned land is based on the amount paid to the state with adjustments made based on inflation and could not be more than the market cost.	Compensation of privately-owned land is based on full replacement cost <sup>6</sup> .
Compensation for land and non-land assets is only explicitly provided for titled landowners or leaseholders, who purchased the right to land and leasing from the State. Unregistered land user may have six additional months for land registration.	DPs without formal legal rights and claims are entitled to compensation for non-land assets (e.g. crop, tree and structure losses).
Objective does not explicitly include restoration of livelihood and standards of living. In addition to compensation for lost assets, physically displaced persons losing land are provided with land rental allowance for 6 months. No requirement for provision of relocation assistance and for exploring opportunities	Objective focuses on restoring livelihood and standards of living for DPs, regardless of tenure or legal status. Physically displaced persons (regardless of their legal status on the land) are provided with: <ul style="list-style-type: none"> <li>i. relocation assistance, secured tenure</li> </ul>

<sup>6</sup> Replacement cost is calculated based on the following elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued; (iv) transitional and restoration costs; and (v) other applicable payments. (ADB SPS 2009, Appendix 2, paragraph 10, page 45).

<b>Kazakhstan's Land Acquisition Practice</b>	<b>ADB Involuntary Resettlement Policy</b>
for the DPs to benefit from the project.	to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, and civic infrastructure and community services as required; ii. transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and iii. opportunities to derive appropriate development benefits from the project.
No provision required for assisting economically displaced persons other than compensation for affected assets and lost income from affected business (including future losses)	Economically displaced persons are provided with: i. assistance (i.e. credit facilities, training, and employment opportunities). ii. opportunities to derive appropriate development benefits from the project. iii. compensation for (i) the costs of reestablishing commercial activities elsewhere; (ii) the net income lost during the transition period; and (iii) the costs of transferring and reinstalling plant, machinery, or other equipment.
No requirement for conducting a census and socio-economic survey	Socio-economic survey(s) and a census, with appropriate socio-economic baseline data is required to identify all DPs and to assess the project's socio- economic impacts on them.
No specific requirements to identify and assist vulnerable groups	Requires the identification of vulnerable groups and development of targeted measures so that adverse impacts do not fall disproportionately on them and they are not disadvantaged in sharing the benefits and opportunities resulting from development.
No requirement for LARP preparation and approval. No requirement for DP consultation.	Requires the preparation, approval, disclosure and monitoring of LARP based on DP consultation and social impact assessment.
Uses negotiated settlement as an initial approach to acquiring land without the requirement for third party validation. If agreement cannot be reached, initiates expropriation procedures,	Encourages acquisition through a negotiated settlement subject to third party validation to ensure compensation at replacement costs and conduct of meaningful consultations with DPs

57. Differences in the national legislation and practice and ADB Policy will be reconciled through the adoption of this updated LARF for the MFF. The LARF ensures that: (a) compensation is provided at full replacement cost of all items; (b) DPs without legal rights to land are compensated for non-land assets; (c) DPs are assisted in restoring their livelihood; and (d) the provision of subsidies or allowances for DPs who may experience severe losses of productive assets and DPs who are vulnerable.

## **2.4 Policy Framework and Entitlements for Displaced Persons in Projects under MFF**

### 2.4.1 Displaced Persons

58. The following groups of DPs are eligible for entitlements under this LARF and will be addressed in the LARP to be prepared for each Project under the MFF:

- individuals, households and collective owners of land or facilities who lose their assets for state needs;
- private individuals, households or enterprises whose livelihood comes from rented/leased land acquired for state needs or whose livelihood is primarily dependent on road users;
- private and collective owners who cede the use of their assets temporarily during construction, or allow material to be removed from their land for construction, but whose livelihood sources are not sacrificed;
- persons who neither own nor rent affected land, but who are using it for economic purposes and would suffer some economic impacts if they are prevented from doing so in the future; and
- workers who stand to lose their jobs/income temporarily or permanently as a result of the disruption of businesses or operations of affected farms or establishments

59. In case unregistered land users are affected, the GoK / Project Executing Agency (EA), through the Mangystau NPTsZem, assist the affected land users to register or update the registration of their lands in order to enable the GoK/EA to compensate them under existing RoK legislation. The non-land assets/structures on the affected plots of land users without titles will be evaluated by exactly the same criteria as those with titles.

### 2.4.2 Entitlements to Compensation and Assistance

60. Compensation and entitlements must ensure that the DPs maintain or improve their livelihood and standard of living after the project. For purposes of eligibility, the cut-off date for the each Project will be determined by the EA and usually is the last date the census. Table 2 below provides the entitlements for various categories of DPs and degrees of impacts related to the Project.

*Table 2. Entitlement and Compensation Matrix*

Asset	Specifications	Affected Persons	Compensation Entitlements
<b>Permanent Loss</b>			
Agricultural land	Cropped / cultivated land or pastureland	Owners	<ul style="list-style-type: none"> <li>• Land for land compensation with plots of equal value to the plots lost; or</li> <li>• Cash compensation for affected land plot at full replacement value without deduction for taxes, transaction, registration or transfer costs and other applicable payments.</li> </ul>
		Renters long-term/ short term	<ul style="list-style-type: none"> <li>• Land for land compensation with plots of equal productivity to the plots lost.</li> <li>• If the land is not available, consider providing compensation at replacement cost reflecting terms of lease and impact;</li> </ul>
		Squatters (if any)	<ul style="list-style-type: none"> <li>• Leased plot on State land;</li> </ul>

*Updated Land Acquisition and Resettlement Framework  
KAZ: Multitranche Financing Facility for CAREC Corridor 2  
(Mangystau Oblast Section) Investment Program*

Asset	Specifications	Affected Persons	Compensation Entitlements
	Severe impact: 10% or more of their productive assets (income generating)	Owners, leaseholders of cropped/ cultivated land	<ul style="list-style-type: none"> <li>Additional cash compensation equivalent to one-year gross harvest;</li> <li>Additional cash compensation to cover livelihood expended for one month due to relocation.</li> </ul>
Residential and commercial land		Owners	<ul style="list-style-type: none"> <li>Land for land compensation with plots of equal value to the plots lost; or</li> <li>Cash compensation for affected land plot at full replacement value without deduction for taxes, transaction, registration or transfer costs and other applicable payments.</li> </ul>
		Renters long-term/ short-term	<ul style="list-style-type: none"> <li>Land for land compensation with a plot comparable in value to the lost plot.</li> <li>If the land is not available, consider providing compensation at replacement cost reflecting terms of lease and impact;</li> </ul>
		Squatters	<ul style="list-style-type: none"> <li>A land plot to be provided from the State Land Fund for lease (with no charge for taxes, transaction, registration and land legalization)</li> </ul>
Structures	Residential houses and commercial buildings	Owners of permanent structures, including squatters	<ul style="list-style-type: none"> <li>House for house swap (at the owner option): if replacement is of lower value, cash compensation for the difference; or</li> <li>Cash compensation at the current market value for affected structures and other real assets at existing prices at the moment of acquisition with no deduction for depreciation or transaction costs. Compensation will include the value of affected connections to water supply or other public utilities.</li> <li>If immediate accommodation/storage is unavailable, housing/storage rental allowance covering rent for at least 1 month or more if rental requirement period is longer.</li> </ul>
	Temporary structures (kiosks, stalls)	Owners of temporary/ movable structures	<ul style="list-style-type: none"> <li>Approved site to relocate structure with the relevant permissions and access to the road, if required.</li> </ul>
Crops	Crops affected	All DPs including squatters	<ul style="list-style-type: none"> <li>Crop compensation in cash at full market rate for 1 year gross harvest.</li> </ul>
Trees	Trees affected	All DPs including squatters	<ul style="list-style-type: none"> <li>Cash compensation reflecting income replacement. Fruit trees value is based on age category and calculated as gross market value of one-year income times the number of years to grow a tree to similar productivity, plus purchase cost of seedlings and starting materials. For wood/timber trees, compensation will be based on the cost of dry wood volume.</li> </ul>
Business and employment	Temporary or permanent business/ employment loss	Business owners (including those with no formal rights on the land) and their affected workers	<ul style="list-style-type: none"> <li>If permanent business loss, cash compensation equal to one year net income (lost profit).</li> <li>If temporary business loss, cash compensation for the period of income loss.</li> <li>If permanent employment loss, 3 months average registered wages (if not registered, based on the official minimum wage in RoK).</li> <li>If temporary employment loss, average</li> </ul>



*Updated Land Acquisition and Resettlement Framework  
KAZ: Multitranchise Financing Facility for CAREC Corridor 2  
(Mangystau Oblast Section) Investment Program*

Asset	Specifications	Affected Persons	Compensation Entitlements
			<p>registered wage during disruption (if not registered, based on the official minimum wage in RoK).</p> <p>Note: Affected workers will be paid through their employers as per the Labor Code)</p>
Relocation	Transport and transitional livelihood costs	All persons affected by relocation	<ul style="list-style-type: none"> <li>Transportation allowance sufficient to cover transport expenses; and</li> <li>Relocation allowance equivalent to monthly rental cost for similar land plots/structure multiplied by the number of months needed to rebuild and relocate to a new site.</li> <li>Transition allowance to cover their households needs during transition period</li> </ul>
Structure renters		Renters with valid rental contract	<ul style="list-style-type: none"> <li>Rental allowance in accordance with the conditions of the rent agreement but not less than cost of rent for 3 months. Refund of the unused portion of the rent or lease fees paid in advance.</li> </ul>
Community assets			<ul style="list-style-type: none"> <li>Rehabilitation or replacement of affected structures to pre-project function.</li> </ul>
Imposition of servitudes		Owners of land plots	<ul style="list-style-type: none"> <li>Cash compensation at replacement cost for affected land plot and property without deduction for taxes, transaction, registration or transfer costs and other applicable payments.</li> </ul>
Vulnerable population groups		HH below the poverty line; female headed household; large families having 4 or more children below 18 years; HH with disabled members; and elderly with no family support	<ul style="list-style-type: none"> <li>Assistance equivalent to minimum living wage for 3 months;</li> <li>Enrollment in government social assistance program if not yet enrolled;</li> <li>Priority in local employment for able members of vulnerable household.</li> </ul>
<b>Temporary Loss</b>			
Land for civil works or borrow pits	Negotiated between owner and contractor	Owners	<ul style="list-style-type: none"> <li>Contractor pays cash compensation at existing local rental rates for duration of temporary use plus income/crop/structure loss due to temporary land use, if any as provided for in the entitlements for crops, business and structure losses.</li> <li>Land restored to original status at the end of rental.</li> <li>Contractor pays for making land management and legal documents.</li> <li>Environmental safeguard measures.</li> </ul>
		Leaseholders (long-term and short-term land lease)	<ul style="list-style-type: none"> <li>Contractor pays cash compensation at local state rental rates for duration of temporary use plus income/crop/structure loss due to temporary land use, if any as provided for in the entitlements for crops, business and structure losses.</li> <li>Land restored to original status at the end of rental.</li> <li>Contractor pays for making land management and legal documents.</li> </ul>

Asset	Specifications	Affected Persons	Compensation Entitlements
			<ul style="list-style-type: none"> <li>Environmental safeguard measures.</li> </ul>
		State lands (permanent land users)	<ul style="list-style-type: none"> <li>Land restored to original status at the end of rental.</li> <li>Environmental safeguard measures.</li> <li>Contractor pays for making land management and legal documents.</li> </ul>
Land of public wildlife areas		State lands	<ul style="list-style-type: none"> <li>Environmental safeguard measures.</li> <li>Safeguard measures for archeological and cultural monuments.</li> </ul>

61. The entitlements provided in the matrix are further elaborated below:

- a. Agricultural land impacts.** The household with legal title to agricultural lands will be compensated at full replacement value either through (i) cash compensation at current market rates of the land (inclusive of fair market value, transaction costs, interest accrued, transitional and restoration costs and other applicable payments), or (ii) granting of replacement land equal in value/productivity to the plot lost as preferred by the owner. Actual transaction taxes/fees will be paid by the GoK or waived by the concerned agency. Compensation will also include costs incurred by the owner related to land plot development, maintenance, protective measures and soil fertility improvement, taking into account the inflation, as well as losses that the owner incurred related to early termination of obligations to third parties.

Almost all of the agricultural lands in the oblast are used as natural pastureland by households and farm enterprises that lease these from the State. Leaseholders (whether long-term or short-term) will be provided with an alternative pastureland as they may require for maintaining their livestock. LARP(s) must cover details of modifications, including review of baseline legal documents.

- b. Residual agricultural land impacts.** Residual portions of the acquired lands which are rendered unusable will be included in the affected land and compensated as indicated above subject to the preference of the DP.

The main criterion to determine whether the residual part (plough land or pasture) is or is not suitable for its earlier purpose is its economic impracticability based on the following: a) small area of the remaining (cut) part; b) difficult access to it (driving of agricultural machinery or cattle/animals via highway); c) high cost for plot development and insignificant profits that can be obtained from its further use. This will be determined by the independent valuator in consultation with the owner or long-term leaseholder.

Alternatively, the DP has the option of seeking an alternative plot or of changing the intended use of the remaining plot i.e. from agricultural to commercial. Moreover, DPs may explore the reorganization and swapping of plots with adjacent owners to improve the economic viability of the remaining agricultural lands. EA (CoR) / responsible regional level representative of the EA will coordinate with the Mangystau NPTsZem in assisting DPs who opt to change the use of portions of their remaining plot or in swapping with adjacent plot owners/leaseholders.

- c. Severe impact losses.** When 10% or more of a DP's productive assets (income generating) is affected, DP (owners, leaseholders, sharecroppers, and squatters) will get an additional allowance for severe impacts equal to the market value of

the yield for 1 crop year from the acquired land. The amount of the crop is determined based on the average yield in the past three years. This amount is on top of the compensation the DP will receive for crop losses described in item (f) below.

- d. Residential/commercial land.** Households and legal entities which own commercial lands that will be affected by the Project will be compensated at full replacement rate either: (i) in form of land for land with equal characteristics and agreed with the owner; or (ii) cash at current market rates free of transaction costs and depreciation (inclusive of fair market value, transaction costs, interest accrued, transitional and restoration costs and other applicable payments).
- e. Buildings, and structures** will be compensated in cash at replacement cost free of deductions for depreciation, salvaged materials, and transaction costs irrespective of the registration status of the affected item. The cost of lost connections to water supply and other public utilities will be included in the compensation.

Partial or complete damage to irrigation, drainage and erosion-preventive structures (systems) will be determined based on the cost of constructing new facilities or rehabilitating existing structures (systems), including the cost of design and survey works.

- f. Crops.** Standing crops on the acquired lands will be compensated at market rates for their gross value of 1 year's harvest losses. Crop compensation will be paid both to landowners and tenants based on their agreed sharing scheme.
- g. Trees.** Trees planted by private land users will be paid cash compensation reflecting replacement of income derived from the trees. The economic value of fruit trees will be based on the age category and valued equivalent to one year income times the number of years to grow a tree to similar productivity. The cash compensation will also include the price of seedlings and starting materials. For wood/timber trees, cash compensation will be based on the price of dry wood volume.
- h. Businesses.** If business is lost permanently, it will be compensated in amount equal to 1-year net income (loss of profit). If disruption is temporary, the DP will be paid cash compensation for the period of business interruption period based on tax declaration or, if unavailable, official monthly minimum salary, taking into account compensation for employed workers based on the Labor Code and the specific labor agreement/contract between the employer and employee. Losses that the owner incurred related to early termination of obligations to third parties, and expenses related to business development will also be considered.
- i. Employees.** Workers whose employment will be disrupted, will be provided with indemnity for lost wages for the period of business interruption up to a maximum of 3 months, based on their registered monthly wages/salaries, or, if unavailable, official monthly minimum salary.
- j. Relocation assistance and transitional allowance.** DP households/owners of structures who need to relocate will be provided with (i) transportation allowance or transport to help them transport their structures, goods and personal items to a new site; (ii) relocation allowance equivalent to monthly rental cost for similar land plots/structure multiplied by the number of months needed to rebuild and relocate to a new site; (iii) transition allowance to cover their household expenses during the transition period. The transition allowance will be computed based on the

official minimum wage multiplied by the number of months needed for them to rebuild and relocate to a new site.

- k. Community structures and public utilities** will be fully replaced or rehabilitated to maintain their pre-project functions.
- l. Imposition of servitudes** might be required since there are underground pipelines laid nearby some road sections. While digging of pipelines is not expected and the road reconstruction works will not limit the operation of pipelines, if necessary the affected land will be taken by the project in form of a servitude agreement. DPs will be compensated for land, structures, standing crops, trees and other economic assets that are affected.
- m. Vulnerable people.** Displaced households below the poverty line, female headed households, large families having 4 or more children below 18 years, households with disabled members, and elderly with no family support will be provided cash assistance equivalent to 3 months minimum wage, and will be enlisted in existing special programs and other initiatives for socially vulnerable people (i.e. Targeted Social Assistance and State social benefits) if not yet enrolled. Able-bodied (and qualified, after training if necessary) members of vulnerable households will be given priority in project-related jobs.
- n. Temporary impacts.** In case of temporary land acquisition, compensation will be based at local commercial rental rates for the duration of use, plus income/crop/structure loss due to temporary land use, if any as provided for in the entitlements for crops, business and structure losses. The Project will ensure that the land is restored to its original status at the end of the rental period.

62. For unexpected adverse effects during the project implementation, the community / rayon / oblast Akimats and the responsible regional representative of the EA will undertake measures in accordance with the objectives of the LARF of restoring the socio-economic and living conditions of the affected persons. The regional level representative of the EA, with support from the Project Management Consultant (PMC), will conduct census / socio-economic survey of DPs and update the LARP or formulate a new LARP covering all applicable requirements consistent with the approved LARF.

63. In the case of cash compensation, payments will be delivered through the banks based on the preference of the DPs free from fees or processing charges. Expenses related to transfer of funds, and documentation requirements will be covered by the Project.

### **3. SOCIO-ECONOMIC INFORMATION**

#### **3.1 Procedures for Impact Assessment**

64. Initial assessment of impacts for each Project is done based on the preliminary design at the FS stage. Information on the affected plots will be derived by superimposing the proposed road alignment on the land cadastral map to be provided by the Mangystau NPTsZem. The land cadastre will be used to identify the names of the registered landowners / leaseholders with permanent land use rights, land use, size of the affected plots and the proportion of affected land against the total area of the plot. Potentially affected roadside users (i.e. roadside businesses, and services) will be identified through field visits by design consultant, JSC “NC KazAvtoZhol” (Kazavtozhol) or other entity representing CoR on regional level and PMC. Basic background information on the DPs will be obtained using a structured census / socio-economic questionnaire. Secondary information on the social, demographic and livelihood conditions in the Project area will be collected from state agencies and community / rayon / oblast Akimats. On the basis of this initial assessment and consultation with DPs, a draft LARP will be prepared. However, the impacts of land acquisition will be fully assessed during the preparation of the detailed design once the Corridor of Impact (Col) boundaries has been marked on the ground, based on which a final LARP will be prepared. The impact assessment during detailed design will involve the following procedures:

- (i) Marking of road Col boundaries by the design consultant, under the supervision of the Kazavtozhol and/or regional level representative of the EA;
- (ii) Inventory and valuation of affected assets (land, structures, crops, trees, other improvements) by valuers commissioned by the design consultant and/or Akimat(s). A map that will indicate the location of affected structures will be prepared for each road section, as means of controlling which owners should be eligible for assistance during LARP implementation;
- (iii) Census of all DPs, taking into account their socio-economic characteristics, gender, ethnicity and demography;
- (iv) In parallel with the inventory of assets, a replacement cost survey will be undertaken by independent valuers to serve as a basis for establishing compensation rates at pre-project level replacement cost.

65. The inventory of affected assets will summarize the: (i) number of structures that will be demolished and information on their ownership disaggregated by gender; (ii) the types of construction materials used in the affected structures; and (iii) other immovable assets like electricity connections and source of drinking water, etc.

66. The census / socio-economic surveys of DPs will cover, but not limited to: (a) profiles of household heads by age, gender and education; (b) household members, labor force and employment, disaggregated by gender; (c) family incomes and its sources as compared with poverty thresholds in the oblast; (d) asset ownership such as land, crops and trees; (e) access to social services like schools, clinics, public markets and places of worship; (f) access to electricity connections and roads; and (g) access to common resources in the area. The census will identify the: (a) loss of potential incomes from small business operating alongside of the road; and (b) potential displacement of workers employed by affected business shops. Likewise, the census will identify the impacts and associated risks arising from losses to DPs particularly on reduced household incomes, and displacement from employment in affected small business shops. It will also identify vulnerable and non-

vulnerable households. These impacts will be the basis for compensation and income restoration of the DPs. The result of the survey will be complemented with available rayon-level secondary socio-economic information for the Project area.

67. The questionnaire for the census / socio-economic survey of DPs is presented in Annex 2. The design consultant preparing the detailed design will hire a team of surveyors to carry out the census / socio-economic survey of DPs.

### **3.2 Inventory and Valuation of Losses**

68. The licensed independent valuator engaged to assess the current market value of lands and structures to be affected by the Project will conduct a detailed measurement survey of the affected assets. To establish a basis for compensation rates for affected lands and structures to ensure that DPs are compensated at replacement cost, a replacement cost survey will be conducted. On the basis of this and further information on required rehabilitation measures the compensation, relocation and rehabilitation budget for the Project(s) will be prepared. The final amount of compensation will be agreed between the DPs and the respective community / rayon / oblast Akimat. All compensation payments, land transfers will be free of taxes and administrative costs. Costs related to land acquisition will be the responsibility of GoK through CoR and/or Akimat. CoR is responsible for ensuring the payments are made on time.

69. The cost, timeline and other conditions of acquisition of land plot for state needs will be agreed with land plot owner or the non-governmental land user. In determining the cost of land plot, the current market value or the cost of rights to use the land will be considered including the assets found thereon at the time when the right to ownership or land use is terminated. It will also reflect the losses borne by land owner or non-governmental land user at the time of termination of the contract, and losses due to early termination of their obligations to third parties.

70. The market value of the land plot will be determined according to ADB's SPS which requires replacement cost assessed at current market price and is therefore a higher principle than envisaged under RoK laws. Data sources on farm productivity and agricultural crops will be the (a) the Mangystau Department of Agriculture, (b) Mangystau Statistics Department and (c) DPs' statements and other documents/data (pledge agreements, statistics data and tax information regarding farms, etc.). Compensation for crop losses is calculated by taking the average of the gross harvest for the previous three years prior to the acquisition. The unit rate for each crop will be derived by adding the average gross harvest per hectare for the previous three years divided by three. Representatives from construction companies will be consulted on the average cost estimate for constructing a square meter of different structure categories in recent months. Respective community / rayon / oblast Akimats will also be consulted on the current building standards and prices.

## **4. CONSULTATION, PARTICIPATION AND DISCLOSURE**

### **4.1 Consultations**

71. The Project will promote the active public and stakeholders' participation that involve information exchange and decision-making during the LARP preparation and implementation process. The objectives of consultations are to: (a) identify and help address DPs' concerns related to the preparation and implementation of the LARP; (b) determine DPs' preferences on the type and delivery of compensation; (c) minimize DPs' concerns and ensure transparency of LARP activities; and, (d) help avoiding unnecessary and costly project development delay.

72. Initial public consultations were conducted in Aktau on 20 April and in Shetpe on 21 April 2010. The scope of these consultations was general in nature and aimed at initially introducing the Project to the community. Both consultations were well attended. Participants expressed support to the Project and their appreciation to ADB for considering provision of funding for the Project. Questions revolved around project implementation and scheduling, clarification of project benefit to local communities, mitigation of impacts related to noise and dust, as well as project administration and monitoring. Follow-up public consultations were held in Zhetybai and Shetpe on 21-22 June to obtain feedback from stakeholders on potential environmental and social impacts from the proposed Tranche 1 and inform them of their entitlements to compensation.

73. On 23 October 2012 the public consultations were conducted in Shetpe and Zhetybai, and on 24 October 2012 in Mangystau, to provide recent information on proposed Tranche 2 with a special focus on social and resettlement issues. The announcement on the public consultation was published in the local newspaper "Mangystau" (in Kazakh language) on 20 October 2012. Overall, more than 80 participants attended three public consultations, including representatives from different state entities, owners of affected lands/properties/businesses, and civil society. During LARP development and finalization consultations were held on 8 April 2014 in Kosbulak, on 20 June 2014 in Mangystau rayon, on 22 July 2014 in Karakia rayon, and on 23-24 July 2014 in Munaily Rayon, Aktau. Representatives of state entities, PMC, DPs took part in consultations. Information brochure that summarizes DPs' entitlements, procedures, grievance redress and related information was prepared in Russian language and distributed to DPs and provided to community / rayon Akimats. The aim of the consultations was to inform DPs about eligibilities and entitlements, to identify possible complaints, explain grievance redress mechanism and schedule of project implementation. The questions revolved around the details of the compensation payments, relocation, and grievance redress options.

74. On 3 March 2015 the public consultations were conducted in Zhetybai and Zhanaozen to provide recent information on proposed Tranche 2 with a special focus on environmental and resettlement issues. The announcements on the public consultations were published in the local newspaper "Ogni Mangystau" (in Russian) on 10 February 2015, local newspaper "Mangystau" (in Kazakh language) on 12 February 2015, as well as posted to the website of CoR. Overall, more than 125 participants attended two public consultations, including representatives from state entities, owners of lands/property and businesses located nearby the project road, and civil society. The information brochure summarizing the LAR approaches was developed and distributed during the public consultations. The CoR, Mangystau Zhol Laboratory, Design Consultant and PMC specialists and consultants also took part in consultations. Attendees actively participated in the discussion. Questions and comments revolved around details of the project activities, including schedule of construction

activities, opportunities for jobs, information on the process of land acquisition, etc. Representatives of Mangystau Zhol Laboratory, Design Consultant and PMC responded to the questions and provided clarifications.

75. According to ADB policy, the DPs must be fully consulted and provided with opportunities to participate in the planning and implementation of LAR processes. They also must be informed in an appropriate and timely manner on the outcomes of the planning process, as well as the schedules and procedures for implementation of the LARP. Public information and consultation campaign must be carried out by the CoR (or other entity as delegated by CoR) during all stages of the LAR process. In addition, the CoR (or other entity as delegated by CoR) must also organize public information meetings to ensure disclosure of LARP and inform DPs about the procedures for payments for compensation and relocation.

76. For each Project under the MFF, consultation with affected groups will be conducted at the detailed design stage. At least one consultation with DPs will be conducted once the Col is determined. The consultation will present the scope of the Project, description of temporary and permanent impacts, entitlements of DPs to compensation and assistance, grievance procedures, schedule of land acquisition activities, role of various agencies and other related information. To ensure that DPs and other key stakeholders are informed of these consultations, schedule and venues of consultations will be announced in local newspapers at least two weeks before the activity. Individual notifications of potential DPs will also be made as required under the Land Code. Representatives from NGOs will also be invited as observers to ensure that discussions are free of intimidation and DPs are allowed to speak. Staff from the CoR (or other entity as delegated by CoR) will record the discussion and prepare minutes of the meeting.

77. Community / rayon / oblast Akimats shall be informed about the Projects. In case LAR impacts are identified, their assistance shall be solicited for conducting the inventory of affected assets, the census / socio-economic survey of DPs and the detailed measurement surveys (DMS). Also, prior to the finalization of the LARP and its submission to the ADB and MID / CoR for endorsement, the DPs shall be thoroughly informed on the results of the census and DMS, and their preferences on compensation or other resettlement assistance shall be given due consideration. The processes and mechanisms ensuring the active involvement of DPs and other stakeholders will be detailed in the final LARP including the date, list of participants, and minutes of consultation meetings.

## **4.2 Disclosure of information**

78. Public information brochure that summarizes DPs' entitlements, procedures, grievance redress and related information will be distributed during consultations. The brochure will also include guidance on temporary use of land for borrow pits, staging areas, labor camps, etc. The brochure will be prepared in two languages – Kazakh and Russian and distributed in community / rayon / oblast Akimats.

79. The LARF (in Russian and Kazakh languages) shall be made available at the Project area. The LARF (in English language) will be uploaded on the ADB website. Similarly, the LARF will be posted on the MID / CoR website. During the different stages of the Project (planning, implementation, and monitoring), once any LAR impacts occur, the following actions shall be carried out: (i) distribution of public information brochure, (ii) availability of copies of the LARP in the offices of Kazavtozhol and regional level representative of the EA, and in respective community / rayon / oblast Akimats, and (iii) uploading of the LARPs to the ADB and MID / CoR and Akimat(s) websites.



80. A summary of the LARP (translated in Kazakh and Russian) shall be distributed among the DPs to provide additional information on the implementation arrangement, payment schedule, assistance to specific groups and complaints resolution options.

#### **4.3 Participation / Involvement of Women and Vulnerable Groups**

81. Measures will be undertaken to ensure that vulnerable people are able to participate in public consultations and other LAR-related activities.

82. During the LARP preparation / finalization vulnerable groups will be identified during census / socio-economic survey and EA/CoR (or other entity as delegated by CoR) will ensure that they are informed of the consultation dates and venues. Meeting with vulnerable people will be conducted to ensure that they are aware and properly informed of their rights, compensation, entitlements and types of assistance, as well as, seek inputs on their concerns, preferences, and recommendations.

83. During LARP implementation, the EA/CoR (or other entity as delegated by CoR) will assign a staff to: (i) inform in advance the DPs (including women-headed households and vulnerable groups) at least 3 months prior to demolition of their structures; (ii) follow up with transfer of funds to the appropriate bank accounts; (iii) encourage any women members of the households to participate in the monitoring and evaluation that will be conducted by the ERM (once prior to civil works monitoring and subsequently, every six months by the PMC submitting internal monitoring reports); (iv) involve women of affected households and vulnerable groups from the project area in addressing the unexpected social and environmental impacts that arise during Project implementation. Moreover, with the consent of the DPs, the names of both spouses will be reflected in the re-registration of the remaining land.

### **5. COMPENSATION, INCOME RESTORATION AND RELOCATION**

84. For majority of the DPs, the impact of land acquisition to income losses is expected to be marginal and temporary. Most of the DPs will likely lose less than 10% of their lands and can continue with their livelihood activities in the remaining portions of the lands. In most cases the cash compensation provided for losses would be sufficient to help DPs re-establish and restore their livelihood. Moreover, giving priority to members of vulnerable households to project-related jobs will help these households gain additional income sources and improve their skills.

85. The various types of compensation and assistance provided in the Entitlement and Compensation Matrix (Table 2) has been designed to assure that the DPs could maintain or improve their living standards from pre-project level. At the same time, the improved road condition in the CAREC Corridor 2 is expected to (a) reduce transport cost of the DPs livestock and supplies; and (b) increase the volume of road users, which will likely improve income of roadside businesses.

## 6. GRIEVANCE REDRESS MECHANISM

86. Complaints consideration procedures for the project aim to provide an effective and systematic mechanism for the Projects in responding to queries, feedbacks and complaints from affected persons, other key stakeholders and the general public.

### 6.1 Levels and Procedure for Grievance Redress

87. The Grievance Redress Mechanism (GRM) is available to people living or working in the areas impacted by the project activities. Any person impacted by or concerned about the project activities has the right to participate in the GRM, should have the easy access to it, and be encouraged to use it. The proposed GRM does not replace the public mechanisms of complaint and conflict resolution envisaged by the legal system of the Republic of Kazakhstan, but attempts to minimize use of it to the extent possible.

88. Overall responsibility for timely implementation of GRM lies with the CoR and Kazavtozhol supported by teams of consultants, such as PMC, Construction Supervision Consultants (CSC) involved in managing and supervising the civil works and other activities under the investment program, while Construction Contractors (CC) undertake the actual civil works. Relevant oblast, rayon and community Akimats, who are mandated by law to perform grievance redress related tasks, and mediators / non-governmental organizations (NGO), who are involved in facilitating amicable resolution of grievances are also included in GRM.

89. This GRM envisages two levels of grievance resolution for the road sector projects implemented under the supervision of the CoR: Grievance Redress Committees (GRC) at regional (oblast) and central (Astana) levels in accordance with the Guideline on Grievance Redress Mechanism on Environment and Social Safeguards for Road Sector Projects approved by the CoR in August 2014 (GRM Guideline). GRCs are composed of members nominated from CoR, Akimats, Kazavtozhol, PMCs, CSCs, CCs. GRCs at regional and central levels are chaired by the Heads responsible for the overall operation of GRM and its efficient and timely implementation, while the Coordinators are responsible for involving the relevant parties and coordinating the works of GRCs at regional/central levels.

#### 6.1.1 GRM: Regional (Mangystau Oblast) Level

90. At the first stage, the resolution of grievance will be attempted through GRC at regional level through the following steps.

91. *Grievance registration:* complainants or concerned individuals can visit, call or send a letter or e-mail or fax to community Akimat, grievance focal point at CCs and PMC, GRC Coordinator at Kazavtozhol regional branch. Receipt of grievances lodged in person, via phone, through a letter or e-mail or fax will be acknowledged. GRC at the regional level also considers the anonymous complaints, in case the complainant refuses to provide contact details or no contact information is available in the grievance received by e-mail / mail / fax. Grievances will be recorded in a standard format, provided in the Annex 3.

92. *Grievance processing:* Queries and complaints that are clarified and resolved at the intake point are closed immediately. Cases requiring further assessment and action are considered by the GRC at regional level. The GRC at regional level: (i) holds meetings on bi-monthly basis, however, special ad hoc meetings can be arranged, as needed; and (ii) discusses the grievance case within ten working days and recommend its settlement to

parties. GRC Coordinator at regional level circulates relevant information among the members of GRC, prepares Minutes of GRC meeting and progress reports, and ensures that actions and decisions are properly documented.

93. *Feedback provision:* Receipt of grievances lodged in person or via phone will be acknowledged immediately. Receipt of grievances received through a letter or e-mail or acknowledged through a letter / e-mail / fax within 3 working days upon receipt by GRC coordinator at regional level. In case the grievance is not related to project activities or impacts generated due to the project implementation and cannot be considered under this GRM Guideline, the feedback will be provided to the complaining party specifying to which entity (community / rayon / oblast level Akimat, as relevant) it has been forwarded.

94. If grievance was resolved at regional level, the complaining party will be informed of the outcome. If grievance was not resolved at the regional level and was passed to the GRC at the central level for consideration and resolution, appropriate information will be provided to the complaining party, including the date when the case was passed to GRC at the central level and the date by which the outcome at the central level is expected.

95. In case of anonymous complaints, the printed response will be posted at the information board of the Kazavtozhol's respective regional branch, as well as at the information board of the relevant Akimat, so as the complaining party can approach and review the feedback.

#### **6.1.2 GRM: Central Level**

96. Following unsuccessful consideration of grievance by GRC at the regional level, complaint resolution will be attempted at a central level through following steps.

97. *Grievance processing:* If grievance cannot be resolved by the GRC at the regional level, it will be forwarded for consideration by the GRC at the central level, including all relevant documents. The GRC at central level: (i) holds meetings on monthly basis, however, special ad hoc meetings can be arranged, as needed; and (ii) discusses the grievance case within twenty working days and recommend its settlement to parties. GRC Coordinator at central level circulates relevant information among the members of GRC, prepares Minutes of GRC meeting and progress reports, and ensures that actions and decisions are properly documented.

98. *Feedback provision:* If the grievance was resolved, the complaining party will be informed on the outcome of grievance resolution. If grievance was not resolved by the GRC at central level, appropriate information will be provided to the complaining party, including details why the case was not resolved, as well as recommendation to seek for resolution through the RoK legal system.

99. For anonymous grievances or in cases when the complainant refused to provide contact details, the information on status of grievance redress and outcomes of resolution process will be posted on the information boards of relevant regional branch of Kazavtozhol and relevant community / rayon / oblast Akimats.

#### **6.1.3 GRM: Legal System**

100. If after the intervention and assistance from the GRCs at both regional and central levels, no solution has been reached, and if the grievance redress system fails to satisfy the complaining parties, the case will be referred to the court for resolution in accordance with the RoK legislation.

101. In the meantime, it should also be emphasized that the GRM Guideline does not limit the right of the complaining party to submit the case to the court of law in the first stage of grievance process.

## **6.2 Grievance Focal Points**

102. DPs or other concerned individuals may visit, call or send a letter or fax to GRC at the regional level for Mangystau Oblast.

### **GRC Contact Details (Regional Level):**

Address: SE «Kazakhavtodor» building, 22 microdistrict, Aktau,  
Mangystau Oblast, Kazakhstan  
Tel: +8 (7262) 60-58-51, 60-58-52;  
Fax: +8 (7262) 60-58-51  
E-mail: mouad@mail.ru

### **PMC Contact Details:**

Address: SE «Kazakhavtodor» building, 22 microdistrict, Aktau,  
Mangystau Oblast, Kazakhstan  
Tel. / Fax: +8 (7262) 60-55-70  
E-mail: zhol\_sapa.aktai@mail.ru

103. The regional GRC for Mangystau Oblast includes the following members:

- Head of GRC: Krykbaev N., Deputy Director of the Branch of JSC "NC KazAvtoZhol";
- Coordinator of GRC: Janysheva E. - Chief Specialist of the Regional Branch;
- Members:
  - Ossin K., Local Expert on Public Relations, PMC, Zhol Sapa;
  - Novossadova N., Local Expert on Environmental Protection;
  - Spanov T., Deputy Head of the Department of Passenger Transport and Automobile Roads of Mangystau oblast;
  - Kaliev A., Acting Head of the Department of Passenger Transport and Automobile Roads of SE "Mangystau Rayon Department of Housing and Communal Services";
  - Santay R., Chief Specialist of Department on Department of Passenger Transport and Automobile Roads of SE "Karakia Rayon Department of Housing and Communal Services";
  - Abdikhalyk B., Chief Specialist of Department on Department of Passenger Transport and Automobile Roads of SE "Munaily Rayon Department of Housing and Communal Services";
  - Zeynabilov M., Director of Branch of the JSC "Cengiz Insaat Sanayi ve Ticaret Anonim Shirketi".

104. At the Central GRC the key persons are:

- Head of GRC: Kalymov E. - Head of Department of Investment Projects Implementation;
- Coordinator of GRC: Akhmetov B. - Leading Specialist of Department of Investment Projects Implementation;
- Coordinator of GRC: Ibrayeva D. - Leading Specialist of Department of Projects Preparation.

### **GRC Contact Details (Central Level):**

Address: 32/1 Kabanbay Batyr ave., Astana, 010000, Kazakhstan  
Committee of Roads,

Ministry of Investments and Development of the Republic of Kazakhstan  
Tel: +8 (7172) 75-46-41  
E-mail: a.karymbaeva@mid.gov.kz

### **6.3 Disclosure of the Grievance Process**

105. The complaints resolution process for this LARF was and will continue to be disseminated through information brochures and posted to the community / rayon / oblast Akimats and the EA (or regional level representative of the EA). Grievance redress mechanism will also be presented during the public consultations and informal meetings at Project area by PMC representatives, Kazavtozhol and/or regional level representative of the EA. The information of grievance resolution will be summarized in EA/CoR progress reports to be submitted to ADB.

## **7. INSTITUTIONAL ARRANGEMENTS AND IMPLEMENTATION**

106. The preparation, implementation, monitoring and evaluation of LARP require adequate organizational and institutional support. This section describes the tasks of various units in LAR-related activities.

### **7.1 Committee of Roads**

107. EA/CoR through the Project Director/Kazavtozhhol has the overall responsibility for LARP preparation, implementation, financing, reporting and evaluation, with the assistance of the PMC. The CoR will: (a) appraise and approve the LARF and LARPs prior to submitting to ADB; (b) make decisions related to the land acquisition and compensation of affected people; (c) steer government units and Akimats involved in land acquisition, plot allocation and complaint handling/grievance resolution; (d) provide sufficient budget for compensation, support and resettlement activities; (e) ensure compliance of land acquisition and resettlement activities with the LARF and approved LARPs; and (f) engage experts/consultants to assist in the preparation/updating of LARPs, and conduct of LARP monitoring/evaluation activities.

108. The CoR is also responsible for ensuring cross-agency coordination and liaison with relevant state agencies involved in implementation of all LAR tasks, making high-level decisions, including resolving DP grievances and facilitating court processes. With regard to grievance redress, the CoR will be responsible for establishing the grievance redress committee. The CoR is responsible for safeguards implementation and compliance with the loan agreement and all relevant safeguard documents.

### **7.2 Kazavtozhhol**

109. Day-to-day implementation of LAR activities will be the responsibility of the Kazavtozhhol. A focal point on LAR issues within the Kazavtozhhol will be responsible to coordinate the preparation and implementation of the final LARP for the Project. This focal point shall report to the Director of the Kazavtozhhol. It will be tasked to:

- Finalize the list of DPs and develop/update a database of DPs based on the results of the census and new information;
- Maintain regular coordination and communication with relevant state agencies at the Mangystau Oblast (e.g. Mangystau NPTsZem, Justice Department), and respective Akimats;
- Follow up and provide support to respective Akimats during drafting and adoption of the decree on land/property acquisition for project purposes;
- Follow up and provide support to respective Akimats during notification of DPs on upcoming land/property acquisition;
- Provide support during census, socio-economic survey of the DPs and valuation of the land / property to be taken;
- Prepare documents for negotiation of compensation with the DPs;
- Prepare documents for formalizing agreements with DPs and processing of compensation payments;
- Disclose the LARP and the information brochures;
- Plan and manage LARP implementation and the distribution of compensation;
- Facilitate the work of project consultants;

- Follow up with expropriation cases;
- Facilitate conduct of field surveys, and re-registration of the remaining portions of the DPs land plots;
- Coordinate with the appropriate state agencies to provide all needed documentation and ensure prompt allocation of LAR budgets to the DPs;
- Assist in receiving, recording, resolving and reporting of grievances related to land acquisition process and other aspects of the project and coordinate with the CSC, Akimats and CoR;
- Assist in facilitating discussions and agreements among DPs and other adjacent land users for land swapping and land reconsolidation;
- Assist DPs who may wish to reclassify the remaining portions of their plots that are no longer viable for continued agricultural activities;
- Facilitate the conduct of field surveys, and re-registration of the remaining portions of the DPs lands;
- Ensure proper internal monitoring;
- Monitor/supervise the temporary land acquisitions done by contractors engaged for the Project;
- Prepare regular reports on the progress of LARP-related activities; and,
- Provide necessary data to the ERM.

110. Kazavtozhol will also be supported by PMC and CSC, which will have the necessary specialists to handle LAR and environmental issues related to the project.

#### **7.4 Akimats**

111. Although Kazavtozhol / CoR will take the central role in coordinating implementation of the LARP, the community / rayon / oblast Akimats will continue to play important roles in DPs consultation, issuance of decrees, grievance resolution and in the provision of alternative land leases for long-term leaseholders. Akimats issue the decree on land acquisition as well as in charge of initiation of the LAR process and informing of the DPs. Akimats also coordinate the works on valuation in case of property and business loss. Along with it respective rayon Akimats will cover expenses related to re-registration of land plots from local/rayon budgets.

#### **7.5 Project Management Consultant**

112. The PMC (taking into account its experience in implementation of assignments including LAR activities) will assist the Kazavtozhol in carrying out the duties related to finalization, implementation, supervision, monitoring and evaluation of LAR activities. PMC staff will include a full time national specialist to be responsible for LAR tasks and monitoring activities. In particular, the PMC will assist CoR to:

- Update LARF and other LAR related documents, as needed;
- Develop and finalize LARP(s), as needed;
- Follow up with data collection, review, analysis, public consultation, information disclosure, as required for LAR documents;
- Coordinate involvement of consultants and organizations as required for development of LAR documents, monitoring of their implementation;
- Ensure complete relocation or reconstruction of affected structures/ businesses before civil works start, and paying appropriate compensation before displacing DP;
- Ensure that contractors take full responsibility for implementing the LARP;
- Implement immediate remediation for any non-compliance with the LARP;

- Engage an ERM to document the negotiation and settlement processes related to land acquisition and prepare compliance report;
- Prepare internal monitoring reports;
- Provide advice to Kazavtozhhol, regional level representative of the EA/CoR and CoR on LAR issues and grievance redress;
- Communicate to Kazavtozhhol and implement immediate remediation in case of any non-compliance with the LARP.
- 

## **7.6 Construction Supervision Consultant**

113. The CSC will support EA/CoR, Kazavtozhhol, regional level representative of the EA/CoR and will coordinate with the PMC to ensure that all the LAR activities are fully completed prior to the commencement of civil works. The CSC will also ensure that Contractors properly undertook all necessary measures in case of any temporary land acquisition and provide details in the monthly progress reports. The CSC will recruit a grievance monitor to monitor grievance redress during project implementation. One of the main responsibilities of the CSC will include provision of guidance and monitoring of Contractors' compliance with stipulated measures to mitigate, enhance for social and environmental impacts related to implementation of the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program, Tranche 2.

## **7.7 Other Agencies and Institutions**

114. Several other institutions will take part in the preparation and implementation of LAR activities. These are:

- GoK will participate in financing the compensation for land / property acquisition and resettlement. On behalf of the GoK the Ministry of Finance will also sign the loan agreement with ADB for this project;
- Local Courts. The court system will be involved in LAR process in case the agreement is not reached between Kazavtozhhol / respective Akimat and the owner/user of the affected land plot / property. The RoK court system has a pyramidal hierarchy and includes (i) district (rayon) courts; (ii) regional courts; and (iii) Supreme court of the RK. Meantime, the trial process has the following steps: (i) Court of First Instance; (ii) Appeal Court; (iii) Cassation Court; and (iv) Supreme Court. In case of expropriation issues Akimat / Kazavtozhhol shall rely on the court system, which based on due legal process will review the expropriation cases, carry out a hearing and decide whether the land / property can be expropriated and at what price;
- Independent Valuers. These will be accredited / licensed private firms hired by Akimats / Kazavtozhhol to evaluate the affected assets subject to acquisition / expropriation.

## **7.8 Compensation – Negotiation – Third Party Monitor**

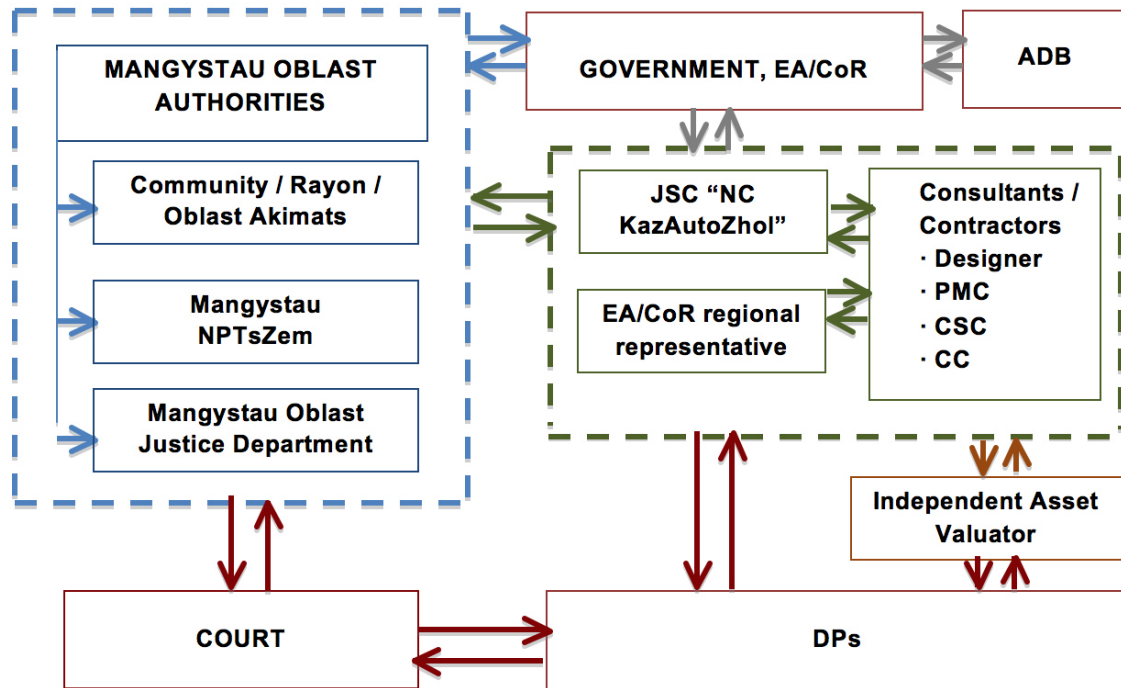
115. As required under ADB SPS 2009, an External Resettlement Monitor (ERM) will be engaged to review the negotiation and settlement processes carried out and confirm the compliance with provisions of LARP and ADB SPS, as well as GoK requirements. The ERM will verify/confirm if: (i) the negotiations with the DPs are done without coercion and transparently; and (ii) the compensation provided is based on replacement cost.



## 7.9 ADB

116. Besides carrying out the periodic supervision of the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program, Tranche 2, ADB will review LARP and clear contract awards signing and initiation of civil works, and reviews LAR monitoring progress and results. Figure 2 below, shows the LAR implementation arrangements and relations among various stakeholder agencies involved in the LAR activities for this project.

Figure 2. LARP Implementation Arrangement



## 7.10 LARP and LARP Preparation and Implementation Process

117. LARP preparation will start at the feasibility study phase using preliminary information. If approval of the project is based on feasibility design, a draft LARP will be a condition for PFR approval. During detailed design when the impacts are confirmed, a final implementation LARP will need to be prepared. The LARP will clearly identify which cases are negotiated and which are acquired through expropriation. LARP preparation, finalization and approval is expected to take around 8 months. Depending on the scale and significance of impacts, LARP implementation is estimated to take between 4-5 months. After which, civil works can be started in sections that involve LAR. Restoration of temporarily acquired lands will be done at the end of the rental period. Table 3 below summarizes the roles of various units in the preparation, review, implementation, evaluation and reporting of LARP, while Table 4 provides a tentative time frame for LARP preparation, implementation, and evaluation.

*Table 3. LARP preparation, finalization and implementation process*

No.	Work Description	Responsible Agency/Unit
<b>A. Draft LARP Preparation</b>		
A1	Initial surveys/consultations	Consultants with support from Kazavtozhol and CoR
A2	LARP drafting	Consultants with support from Kazavtozhol and CoR
A3	LARP Review	CoR, ADB
A4	Approval and Disclosure	CoR / MID, ADB
<b>B. Final LARP Preparation</b>		
B1	Collection/verification of documents on affected assets and businesses	Kazavtozhol, community / rayon Akimats, supported by independent licensed valuers, PMC
B2	Finalization of compensation rates	
B3	Finalization of sites to be made available as replacements plots for lease and agreements with leaseholders	
B4	Preparation of updated LARP	
B5	Review/approval of final LARP	ADB, PMC, CoR
B6	Approval and Disclosure	CoR / MID, ADB
<b>C. LARP Implementation</b>		
C1	Processing of LAR funds, including those needed for supplemental assistance and provision of renewed leases	CoR, Akimats
C2	ERM mobilization/Action plan preparation	CoR and Kazavtozhol
C3	Identification of different types of DPs	Kazavtozhol, supported by independent licensed valuers and Resettlement Consultant
C4	Official notification on land acquisition	Akimat
C5	Issuance of new leases in alternative plots for leaseholders.	Akimat
C6	Registration of new plots, including new leases	Mangystau Oblast Department of Justice / Mangystau NPTsZem
C7	Finalization of rental agreements for temporarily acquisition plots and payment of rent	CC with supervision from CSC and ERM
C8	Quarterly Internal Monitoring (including temporary acquisition during construction)	Kazavtozhol, CSC, PMC
C9	Preparation of compliance report	ERM with support from Kazavtozhol, CSC, PMC, Akimat
C10	Review of compliance report and issuance of No-objection for civil works	ADB
C11	Post LARP evaluation	ERM

*Table 4. Indicative LARP preparation and implementation schedule*

<b>Milestones/Activities</b>	<b>Start</b>	<b>Complete</b>
<b>A. Draft LARP preparation</b>		
A1. Initial surveys/consultation	Month 1	Month 2
A2. LARP drafting	Month 2	Month 2
A3. LARP Review by ADB	Month 3	Month 3
A4. LARP approval by GoK/ Disclosure	Month 3	Month 3
<b>Milestone 1: PFR request approval</b>		
<b>B. Final LARP Preparation</b>		
B1. Collection and verification of supporting data on DPs and affected assets/businesses and workers (DP census, DMS, asset valuation)	Month 3	Month 5
B2. Finalization of compensation rates	Month 5	Month 5
B3. Finalization of sites to be made available as replacements plots for lease and agreements with long-term leaseholders	Month 5	Month 6
B4. Preparation of final LARP	Month 7	Month 7
B5. Review/approval of final LARP	Month 8	Month 8
<b>Milestone 2: Contract awards signing</b>		
<b>C. LARP implementation</b>		
C1. Allocation of LAR funds, including those needed for supplemental assistance and provision of renewed leases	Month 8	Month 8
C2. Mobilization of ERM	Month 9	Month 13
C3. Identification of different types of DPs	Month 9	Month 9
C4. Official notification	Month 9	Month 9
C5. Issuance of new leases	Month 11	Month 11
C6. Re-registration of plots including new leases	Month 11	Month 12
C7. Finalization of rental agreements for temporarily acquired lands.	Month 12	Month 13
C8. Monitoring	Month 9	Month 13
C9. Preparation of compliance report	Month 13	Month 13
C10. Review of compliance report and issuance of No-objection for civil works	Month 14	Month 14
<b>Milestone 3: No objection to start of civil works from ADB</b>		
<b>Start of civil works</b>		Month 15
C11. Post LARP evaluation	Upon completion of civil works when temporarily acquired lands have already been restored and returned to the land user	

## **8. MONITORING AND REPORTING ARRANGEMENTS**

118. The primary objective of monitoring is to identify as early as possible progress on LARP implementation achieved and the cause(s) of constraints so that arrangements in LARP implementation can be adjusted. Monitoring is important because LARP implementation is often the critical path for any project where civil works are involved, due to issues on land acquisition, compensation and resettlement that may cause delay in civil works. The early identification of the causes of delay will enable the CoR (with support from individual consultants), Kazavtozhol, PMC and CSC to prepare the mitigating measures during LARP implementation. In cases where the PMC was involved in project preparation, the following two mechanisms will be used: (i) internal monitoring in collaboration with CoR; and (ii) external monitoring by ERM.

### **8.1 Internal Monitoring**

119. All activities in LAR are time bounded. Kazavtozhol, PMC and CSC will routinely perform internal monitoring of LAR activities with results to be reported to CoR and ADB every six months but may be quarterly depending on scale and significance of impacts. Related information will be collected from the field to assess the monthly progress and results of implementation, and to adjust the work program, when necessary. The monthly report on LAR will be consolidated every quarter. Indicators subject for integrated internal monitoring will be those related to process and immediate outputs and results, such as the following: (i) disclosure, information campaign and consultations with DPs and stakeholders; (ii) payments of compensation on lands and affected structures; (iii) status of relocation of affected structures and other assets of DPs; (iv) payments of loss incomes to affected small businesses; (v) provision of alternative land leases; (v) re-registration of plots; and (vi) restoration of living standards.

120. The preceding indicators will be monitored monthly by applying the following approaches: (a) review of DMS on all DPs; (b) consultations and informal interviews with DPs; (c) in-depth case studies; (d) sample survey of DPs; (e) key informant interviews; and (f) public meetings with people in the villages traversed by the Project road.

### **8.2. External Monitoring**

121. The EA/CoR will engage the ERM with the experience in monitoring and to document the LARP implementation processes. External monitoring will be carried out during LARP implementation and will be concluded after the LARP is fully implemented by the preparation of a Compliance Report. An independent organization, like academic or research institute, NGO, consulting firm or individual with experience in resettlement monitoring and evaluation may serve as ERM.

122. The ERM will perform the following activities:

- (i) Verify the records at Kazavtozhol, PMC and CSC internal reports with DPs as to the payments of compensation and entitlements, in cash or otherwise;
- (ii) Interview a random representative sample of DPs to assess their knowledge and concerns about the LAR process, their entitlements, and assistance measures;

- (iii) Observe the functioning of the LAR operation at all levels to assess the effectiveness of and compliance with LARP;
- (iv) Verify the nature of grievance issues and the functioning of grievance redress mechanism by reviewing the processing of appeals at all levels by interviewing the aggrieved DPs;
- (v) Where feasible, survey the standards of living of DPs and the people in unaffected portion nearest the civil works sites before and after displacement, to assess the effects of LAR to DPs who owned small business shops;
- (vi) Advise Kazavtozhol, PMC and CSC regarding the possible improvements in LARP implementation and corrective action plans if required; and
- (vii) Prepare Compliance Report.

123. Assessment by ERM on the satisfactory compliance with LARP implementation will be the basis for MID's request to ADB for its "no-objection" for the award of civil works contract.

124. In case if the LARP preparation is not provided under the project due to the absence of affected persons at the project area, Due Diligence Report will be initiated (DDR). After DDR implemented, internal and external monitoring will not be carried out until any grievances are received.

## 9. BUDGET AND FINANCING

125. The GoK is responsible for all land acquisition costs associated with the implementation of LARPs in Projects under the MFF. The budget for LARP preparation and implementation will come from the GoK as part of counterpart funds for Project implementation. Budget required for verification of the losses (valuation), the compensation of losses, resettlement-related operations, internal monitoring, coordination meetings, allocation of new leases, and land plot re-registration will be transferred to an entity authorized by GoK / MID. CoR will maintain the budget requirement for the engagement of an ERM.

126. Each LARP will include a budget section indicating (i) unit compensation rates for all affected items and allowances, (ii) methodology followed for the computation of unit compensation rates, and (iii) a cost table for all LAR-related expenses including administrative costs and contingencies. CoR will ensure the timely allocation/transfer of funds needed to implement the LARPs. Allocations will be periodically reviewed based on the budget requirements indicated in the LARPs. Table 5 provides a template to guide the budget preparation for each LARP:

*Table 5. Land acquisition and resettlement budget template*

	Particulars/Items	Number of HHs & LEs	Unit Rate (KZT)	Quantity	Estimated Budget (KZT)
1	Cash compensation for privately-owned land -agricultural				

*Updated Land Acquisition and Resettlement Framework  
KAZ: Multitranchise Financing Facility for CAREC Corridor 2  
(Mangystau Oblast Section) Investment Program*

	Particulars/Items	Number of HHs & LEs	Unit Rate (KZT)	Quantity	Estimated Budget (KZT)
	-residential -commercial				
2	Cost for providing new lease in an alternative site				
3	Compensation for crops				
4	Compensation for trees				
5	Compensation for structures				
6	Compensation for business and employment				
7	Compensation for imposition of servitudes				
8	Registration and re-registration of plots				
9	Additional compensation for severely affected				
10	Transportation, relocation and transition allowances				
11	Assistance to vulnerable HHs				
12	Additional compensation for premature termination of obligations to 3 <sup>rd</sup> parties, land development cost, early credit payment and related losses				
13	LAR administration/ implementation including internal monitoring				
14	External Monitoring				
15	Training of Kazavtozhol, regional representative of EA, and Akimats Staff				
	<b>Total</b>				
	Contingencies (5%)				
	<b>Total + Contingencies</b>				

## **ANNEX 1. LARP OUTLINE (according to SPS)**

### **A. Executive Summary**

This section provides a concise statement of subproject scope, key survey findings, entitlements and recommended actions.

### **B. Project Description**

This section provides a general description of the project, discusses project components that result in land acquisition, involuntary resettlement, or both and identify the project area. It also describes the alternatives considered to avoid or minimize resettlement. Include a table with quantified data and provide a rationale for the final decision.

### **C. Scope of Land Acquisition and Resettlement**

This section:

- (i) discusses the project's potential impacts, and includes maps of the areas or zone of impact of project components or activities;
- (ii) describes the scope of land acquisition (provide maps) and explains why it is necessary for the main investment project;
- (iii) summarizes the key effects in terms of assets acquired and displaced persons; and
- (iv) provides details of common property resources that will be acquired.

### **D. Socio-economic Information and Profile**

This section outlines the results of the social impact assessment, the census survey, and other studies, with information and/or data disaggregated by gender, vulnerability, and other social groupings, including:

- (i) define, identify, and enumerate the people and communities to be affected;
- (ii) describe the likely impacts of land and asset acquisition on the people and communities affected taking social, cultural, and economic parameters into account;
- (iii) discuss the project's impacts on the poor, indigenous and/or ethnic minorities, and other vulnerable groups; and
- (iv) identify gender and resettlement impacts, and the socio-economic situation, impacts, needs, and priorities of women.

### **E. Information Disclosure, Consultation and Participation**

This section:

- (i) identifies project stakeholders, especially primary stakeholders;
- (ii) describes the consultation and participation mechanisms to be used during the different stages of the project cycle;
- (iii) describes the activities undertaken to disseminate project and resettlement information during project design and preparation for engaging stakeholders;
- (iv) summarizes the results of consultations with affected persons (including host communities), and discusses how concerns raised and recommendations made were addressed in the resettlement plan;
- (v) confirms disclosure of the draft resettlement plan to affected persons and includes arrangements to disclose any subsequent plans; and
- (vi) describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for consultation with affected persons during project implementation.

## **F. Grievance Redress Mechanisms**

This section describes mechanism to receive and facilitate the resolution of affected persons' concerns and grievances. It explains how the procedures are accessible to affected persons and gender sensitive.

## **G. Legal Framework**

This section:

- (i) describes national and local laws and regulations that apply to the project and identify gaps between local laws and ADB's policy requirements; and discuss how any gaps will be addressed;
- (ii) describes the legal and policy commitments from the executing agency for all types of displaced persons;
- (iii) outlines the principles and methodologies used for determining valuations and compensation rates at replacement cost for assets, incomes and livelihoods; and set out the compensation and assistance eligibility criteria and how and when compensation and assistance will be provided.
- (iv) Describes the land acquisition process and prepare a schedule for meeting key procedural requirements.

## **H. Entitlements, Assistance and Benefits**

This section:

- (i) defines displaced persons' entitlements and eligibility, and describes all resettlement assistance measures (includes an entitlement matrix);
- (ii) specifies all assistance to vulnerable groups, including women, and other special groups; and
- (iii) outlines opportunities for affected persons to derive appropriate development benefits from the project.

## **I. Relocation of Housing and Settlements**

This section:

- (i) describes options for relocating housing and other structures, including replacement housing, replacement cash compensation, and/or self-selection (ensure that gender concerns and support to vulnerable groups are identified);
- (ii) describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs;
- (iii) provides timetables for site preparation and transfer;
- (iv) describes the legal arrangements to regularize tenure and transfer titles to resettled persons;
- (v) outlines measures to assist displaced persons with their transfer and establishment at new sites;
- (vi) describes plans to provide civic infrastructure; and
- (vii) explains how integration with host population will be carried out.

## **J. Income Restoration and Rehabilitation**

This section:

- (i) identifies livelihood risks and prepare disaggregated tables based on demographic data and livelihood sources;
- (ii) describes income restoration programs, including multiple options for restoring all types of livelihoods (examples include induced benefit sharing, revenues sharing arrangements, joint stock for equity contributions such as land, discuss sustainability and safety nets);
- (iii) outline measures to provide social safety net through social insurance and/or project special funds;



- (iv) describes special measures to support vulnerable groups;
- (v) explains gender considerations; and
- (vi) describes training programs.

**K. Resettlement Budget and Financing Plan**

This section:

- (i) provides an itemized budget for all resettlement activities, including for the resettlement unit, staff training, monitoring and evaluation, and preparation of resettlement plans during loan implementation;
- (ii) describes the flow of funds (the annual resettlement budget should show the budget scheduled expenditure for key items;
- (iii) includes a justification for all assumptions made in calculating compensation rates and other cost estimates (taking into account both physical and cost contingencies), plus replacement costs;
- (iv) includes information about the source of funding for the resettlement plan budget.

**L. Institutional Arrangements**

This section:

- (i) describes institutional arrangement responsibilities and mechanisms for carrying out the measures of the resettlement plan;
- (ii) includes institutional capacity building program, including technical assistance, if required;
- (iii) describes role of NGOs, if involved, and organizations of affected persons in resettlement planning and management; and
- (iv) describes how women's groups will be involved in resettlement planning and management.

**M. Implementation Schedule**

This section includes a detailed, time bound, implementation schedule for all key resettlement and rehabilitation activities. The implementation schedule should cover all aspects of resettlement activities synchronized with the project schedule of civil works construction, and provide land acquisition process and timeline.

**N. Monitoring and Reporting**

This section describes the mechanisms and benchmarks appropriate to the project for monitoring and evaluating the implementation of the resettlement plan, It specifies arrangements for participation of affected persons in the monitoring process. This section will also describe reporting procedures.

## ANNEX 2. CENSUS / SOCIO-ECONOMIC QUESTIONNAIRE

1. Name of household head
2. Sex
3. District
4. Postal address
5. Telephone
6. Year of birth
7. Ethnicity
8. Characteristics of household *(to be filled in for all members starting from household head)*

#	Name of HH member	Relation to HH Head	Age	Sex	Marital Status	Education	Occupation	Any disabilities	Receives social benefits?
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									

9. What is your land holding status?

Long-term land lease (49 years)
Short-term land lease (5-15 years)
Private property
Permanent land lease

10. How many years do you use this land? \_\_\_\_\_

11. Potential impacts on the DP due to land acquisition for the road development project  
*(Multiple responses are allowed)*

Description of Impact		Temporary	Permanent
a.	Loss of land (commercial/residential/agricultural/others)(owners, tenants, sharecropper, non-title user or squatter on private or state land)	<input type="text"/>	<input type="text"/>
b.	Loss of structure (house, shop, shop-house, building, secondary structures)	<input type="text"/>	<input type="text"/>
c.	Loss of business/livelihood/income	<input type="text"/>	<input type="text"/>
d.	Loss of crops, plants or trees (person who cultivates crops and/or own trees regardless if the land is owned or not)	<input type="text"/>	<input type="text"/>

12. Major crops and trees planted in the affected land

Crops	Total area (hectares)	Affected area (hectares)	Age of affected crops	Value of a crop unit	Total value of the affected units

13. Did you have expenditures for improvement of your land during the last 3 years?

		Yes	No
1	Fertilizers		
2	Irrigation		
3	Bank credit, leasing		
4	Seeds		
5	Access roads		
6	Fuel, lubricants		

14. Do you think the remaining portion of land after the land acquisition is sufficient to readjust and continue your:

Trading/business activities:	yes		2. no, but has alternative land to continue business activity		3. no, and has no alternative land	
Agricultural activities:	yes		2. no, but has alternative land to continue agricultural activity		3. no, and has no alternative land	
Residential life:	yes		2. no, but has alternative land to reside		3. no, and has no alternative land	

15. Do you have other land lots for your agricultural activities, trade or residence?

Yes      No

16. (For DPs with no sufficient remaining land or alternative land to continue)

Will you need assistance from government in finding an alternative land?

Yes      No

17. How would you like to be compensated for your land?

1. cash compensation
2. land for land
3. other (specify)
4. no answer


18. Do you employ or hire workers to help you in the affected livelihood/business?

Yes (permanent or temporary?)      No

19. If yes, please provide information on the workers/staff by filling in the table below:

No	Position	Name of Worker/Staff/Labourer	Age	Sex	Educa tion	Monthly Income/ Allowances
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						

20. (For business owners only) Affected livelihood activities

Affected Occupation/ Livelihood	Year Commenced	Indicate if Primary or Secondary	Monthly Income Derived from the Affected Livelihood, in KZT	Extent of Income Loss, in KZT

21. Primary and secondary structures within the affected land

Type of Structure	Materials	No. of Storeys	No. of Rooms	Has Electricity?	Has telephone facility?	Has piped born water?	Year built

22. Did you obtain any credit to build this/these structure/s?

1. Yes ☐
2. No ☐

23. If yes, specify source(s) of credit for building the structure

1. Bank ☐
2. NGO ☐
3. Cooperative Society ☐
4. Money lender ☐
5. Relatives/Friends ☐
6. Others (specify)

24. In case you need to relocate as a result of the project, which of the two options do you prefer?

1. self relocate to another site ☐
2. relocate in a site to be identified and provided by government ☐
3. undecided/don't know ☐

25. Assets owned by the household

Livestock				Agricultural machines (combine harvester, seed drill, etc.)	Tractor	Lorry	Car	Water hole	Business & commerce
Cows	Horses	Goats	Hens						

26. Number of family members who generate income

Household member	Source of income	Monthly income, in KZT

27. Family Expenditure (Monthly):

Item of Expenditure	Amount in KZT
Food	
Clothing	
Water	
Firewood/Gas/Electricity	
Dwelling house and other accommodation	
Fuel for vehicles/Boats/Agricultural Equipment	
Medical/health	
Education	

Equipment/inputs (household utensils)	
Communication/Transportation	
Debt payment/Interest	
Smoking	
Alcohol	
Maintenance cost of household structures and equipments	
Entertainment	
Other (specify)	
Total	

28. Information on Family Income (Monthly):

Source of Income	Amount in KZT
Agriculture	
Livestock	
Wage	
Allowance	
Pension	
Rent (land/buildings and other properties)	
Trade/Business	
Non Farm products (household products)	
Renting heavy vehicles (Bus/lorry/trucks/tractor)	
Renting light vehicles (Van/car/land master)	
Interest (money lending/bank deposits)	
Gardening	
Other (specify)	
Total	

29. What opportunities and livelihood assistance do you expect from this project/subproject for your household or workers to help restore your/their livelihood (multiple responses allowed)?

1. Employment from the construction/civil works ☐
2. Skills training (specify kind of training) ☐
3. Micro-finance/soft loan (specify business) ☐
4. Others (specify) ☐

30. In your opinion, will the impacts of this road project be more positive or negative for you and your household?

Positive
Negative
Neither positive nor negative
No answer, can't answer

31. What are your suggestions to minimize/losses of income and property?

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Thank you!

### ANNEX 3. GRIEVANCE REGISTRATION FORM

<b>GRIEVANCE REGISTRATION FORM</b>	
<b>CONTACT INFORMATION</b>	
Name:	Gender: <input type="checkbox"/> Male / <input type="checkbox"/> Female
Address:	
Community:	Telephone:
Rayon and Oblast:	E-mail:
Anonymous grievance: <input type="checkbox"/> Yes / <input type="checkbox"/> No	Preferred mode of communication for feedback: <input type="checkbox"/> Mail / <input type="checkbox"/> Phone / <input type="checkbox"/> E-mail
<b>DESCRIPTION OF GRIEVANCE / SUGGESTION / QUESTION</b>	
Please provide details (who, what, where, when) of your grievance below:	
In case any other actions were undertaken by the complainant with respect to the grievance case, please provide details on past actions (if any):	
Please provide details on your suggested resolution for grievance:	
<b>GRIEVANCE REGISTRATION DETAILS</b>	
Name of registrant:	
Organization:	Position:
How the grievance was lodged: <input type="checkbox"/> in person / <input type="checkbox"/> mail / <input type="checkbox"/> e-mail / <input type="checkbox"/> phone / <input type="checkbox"/> fax / <input type="checkbox"/> _____	Type of grievance: <input type="checkbox"/> type A / <input type="checkbox"/> type B / <input type="checkbox"/> type C
Documents attached:	Grievance is relevant to project: <input type="checkbox"/> Yes / <input type="checkbox"/> No if "No" it was forwarded to: _____
Remarks:	
Signature of registrant:	Date of grievance: