

Resettlement Plan

February 2013

KAZ: CAREC Corridor 2 (Mangystau Oblast Section) Investment Program – Tranche 2

Prepared by Ministry of Transport and Communications for the Asian Development Bank. This is an updated version of the draft originally posted in November 2012 available on <http://www.adb.org/projects/43439-033/documents>.

Resettlement Planning Document

Land Acquisition and Resettlement Plan
Document Stage: Draft
Project Number: 43439-KAZ
Date: November 2012

KAZ: CAREC Corridor 2 (Mangystau Oblast Section) Investment Program, Tranche 2

Prepared by the Ministry of Transport and Communications for Asian Development Bank.

The land acquisition and resettlement plan is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

CURRENCY EQUIVALENTS

(as of 29 October 2012¹)

Currency Unit	–	Kazakhstan Tenge (KZT)
		United States Dollar (USD, \$)
KZT 1.00	=	USD 0.006641
USD 1.00	=	KZT 150.56

ABBREVIATIONS

ADB	–	Asian Development Bank
CAREC	–	Central Asia Regional Economic Cooperation Program
CoR	–	Committee of Roads
CSC	–	Construction Supervision Consultant
DP	–	Displaced Person
EMA	–	External Monitoring Agency
GoK	–	Government of Kazakhstan
GosNPTsZem	–	Land State Scientific and Production Center for Land Management
HH	–	Household
IFIs	–	International Financing Institutions
JSC	–	Joint Stock Company
KZT	–	Kazakh tenge
LAR	–	Land Acquisition and Resettlement
LARP	–	Land Acquisition and Resettlement Plan
LE	–	legal entity
LLP	–	Limited Liability Partnership
MFF	–	Multi-Tranche Financing Facility
MOD CoR	–	Mangystau Oblast Department of the Committee of Roads
MoTC	–	Ministry of Transport and Communications
NGO	–	Non-Governmental Organization
PMC	–	Project Management Consultant
RoK	–	Republic of Kazakhstan
TOR	–	Terms of Reference

¹ Information on exchange rate is taken from the website of the National Bank of Kazakhstan, <http://www.nationalbank.kz/>

GLOSSARY

Compensation	Payment in cash or kind to which the displaced persons or entities are entitled in order to replace the lost asset, resource or income.
Cut-off-date	Date after which persons who have neither formal legal rights nor recognized or recognizable claim to the affected land will no longer be eligible for resettlement assistance. For this project, the date of the Akimats' decrees on land acquisition is considered as the cut-off date.
Displaced Person	People, households, or legal entities, who experience full or partial, permanent or temporary physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) resulting from involuntary acquisition or land or involuntary restrictions on land use.
Entitlement	Entitlement means the range of measures comprising compensation in cash or in kind, relocation cost, income rehabilitation assistance, transfer assistance, income substitution, and business restoration which are due to DPs, depending on the type and degree nature of their losses, to restore their social and economic base.
Household	Household means all persons living and eating together as a single-social unit and eating from the same kitchen whether or not related to each other. The census used this definition and the data generated by the census forms the basis for identifying the household unit.
Income restoration	Income restoration means re-establishing income sources and livelihoods of DPs.
Land acquisition	Land acquisition means the process whereby a person is compelled by a public agency to alienate all or part of the land he/she owns or possesses, to the ownership and possession of that agency, for public purposes in return for fair compensation.
Legal Entity	Legally registered enterprise established by two or several individuals or companies vested with its separate property, rights and liability such as a limited liability partnership (LLP), and joint stock company (JSC). It also includes former Soviet collective farms that were privatized into collective enterprises, and production cooperatives. Peasant farms are also considered as legal entities for the purposes of this draft LARP.
Rehabilitation	Assistance provided to DPs to supplement their income losses in order to improve, or at least achieve full restoration of, their pre-project living standards and quality of life.
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 (with per capita income of KZT 17,439 per month ²); large household with 4 or more children below 18 years, or a household with disabled members.

CONTENTS

² This is the minimum subsistence level in Kazakhstan for 2012.

EXECUTIVE SUMMARY.....	5
CHAPTER 1. INTRODUCTION.....	5
1.1 General.....	5
1.2 LAR-Related Conditionalities.....	6
1.3 The Project description.....	7
CHAPTER 2. IMPACT ASSESSMENT.....	3
2.1 Data Collection Methodology.....	3
2.2 Land Losses.....	3
2.3 Loss of Trees and Perennial Plants	4
2.4 Structure Losses.....	5
2.5 Business Losses.....	6
2.6 Employment Loss.....	6
2.7 Relocation Impact.....	6
2.8 Number of Affected Households/Legal Entities and Persons.....	7
2.9 Vulnerable DPs.....	8
2.10 Temporary impacts.....	8
2.11 Perceived Impacts and Suggestions.....	9
CHAPTER 3. SOCIO-ECONOMIC PROFILE.....	10
3.1 General Characteristics of Mangystau Oblast.....	10
3.2 Profile of the Displaced Population.....	11
CHAPTER 4. OBJECTIVES, POLICY FRAMEWORK, AND ENTITLEMENTS.....	1
4.1 Kazakhstan Legal Framework and Practice.....	1
4.2. ADB's Provisions on Involuntary Resettlement under the SPS (2009).....	7
4.3 Comparison of ADB Resettlement Policy and Kazakhstan's Legislation.....	8
4.4 Actions to Address the Gaps.....	9
4.5 Policy Framework and Entitlements.....	10
CHAPTER 5. CONSULTATIONS AND DISCLOSURE.....	14
5.1 Consultations.....	14
5.2 Disclosure.....	15
CHAPTER 6. GRIEVANCE REDRESS PROCEDURE.....	17
6.1 Grievance Redress Process.....	17
6.2. Grievance Focal Points, Complaints Reporting, Recording and Monitoring.....	18
6.3. Disclosure of the Grievance Process.....	19
CHAPTER 7. COMPENSATION, RELOCATION, AND INCOME RESTORATION.....	20
7.1 Compensation for Privately-owned Lands.....	20
7.2 Compensation for Leased / Used Lands.....	20
7.3 Compensation for Trees and Plants.....	21
7.4 Compensation for Expenses Related to Land Development and Obligations to.....	21
Third Parties.....	21
7.5 Compensation for Affected Structures.....	21
7.6 Compensation for Business Losses.....	22
7.7 Relocation and Livelihood Restoration Allowances.....	23
7.8 Allowance for Vulnerable Households.....	24
CHAPTER 8. INSTITUTIONAL FRAMEWORK.....	25
8.1 Committee of Roads.....	25
8.2 Mangystau Oblast Department of Committee of Roads.....	25
8.3 Rayon Akimats.....	26
8.3 Project Management Consultant.....	26
8.4 Construction Supervision Consultant.....	27

8.5 External Monitoring Agency.....	27
8.6 Other Agencies and Institutions.....	27
8.7 ADB.....	28
CHAPTER 9. RESETTLEMENT BUDGET AND FINANCING.....	30
CHAPTER 10. IMPLEMENTATION SCHEDULE.....	31
10.1 General.....	31
10.2 LARP Preparation Phase.....	31
10.3 LARP Implementation Phase.....	31
CHAPTER 11. MONITORING AND EVALUATION.....	34
11.1 Internal Monitoring.....	34
11.2 External Monitoring.....	35
ANNEX A. Socio-economic Survey Questionnaire and Census form for final LARP.....	36
ANNEX B. List of Displaced Households/Legal Entities and Affected Land Plots / Property	
.....	47
ANNEX C. Draft Information Brochure on Displaced Persons' Rights and Entitlements.....	49
ANNEX D. Draft Terms of Reference for External Monitoring Agency.....	59

EXECUTIVE SUMMARY

1. This Draft Land Acquisition and Resettlement Plan (LARP) is prepared under the Central Asia Regional Economic Cooperation Program (CAREC) Corridor 2 (Mangystau Oblast Section) Investment Program, Project 2 (Tranche 2). The Government of Kazakhstan (GoK) has requested the ADB to provide financing for the Tranche 2 (hereinafter referred as Project), which, likewise the Tranche 1 focuses on upgrading the Aktau – Beineu road. The remaining portion of the Aktau – Beineu road section (km 514.4 – 573.6) will be financed by the Government. The Project 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. The proposed activities for each section of the road can be described as follows:

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

2. This draft LARP is based on the feasibility study for Beineu-Aktau Road section developed by Kazakhstan Scientific Research and Design Institute "Dortrans" LLP in 2010 and final design for Shetpe-Aktau road section developed by the "Engineering center Astana" LLP in 2011. Corridor of impacts was defined and list of affected land plots and structures and their owners was prepared during the design (with involvement of Aktau branch of Land State Scientific and Production Center for Land Management), and the licensed valuation company "Center of development of new educational and legal technologies" LLP was hired by design organization to provide valuation of affected assets. The valuation reports were prepared and submitted to Mangystau Oblast Department of Committee of Roads along with the design documentation. Data on affected land/property, as well as information on their owners/renters/users provided in this draft LARP is based on data provided in the design documentation (valuation reports). A final LARP will be prepared following the adoption by the relevant Akimats of decrees on land acquisition for state needs expected in December 2012. The final LARP will include data of the socio-economic survey, census and valuation.

3. This Draft LARP includes: (i) secondary data obtained from state institutions; (ii) preliminary asset valuation related data available in the design documentation (valuation reports compiled in 2010); (iii) consultation with governmental agencies and DPs; and (iv) an informal socio-economic survey and census of DPs based on about 80% sample of the displaced households.

4. The initiation of civil works under CAREC Corridor 2 (Mangystau Oblast Section) Investment Program, Tranche 2 will be subject to the following conditions:

- i. Finalization of this draft LARP;
- ii. Approval of the final LARP by ADB and by GoK;
- iii. Full disclosure of the final LARP to the DPs and the public; and
- iv. Full implementation of the compensation program described in the Final LARP including the full delivery of compensation to the DPs.

5. A total of 32 parties (16 households, 13 legal entities and 3 affected parties with no information on their status available) will likely to experience various losses/impacts from the implementation of the project. Most of displaced households will lose ownership/access to agricultural lands, while most of the displaced legal entities will lose ownership/access to agricultural and commercial lands. The socio-economic survey revealed that at least 24 workers may be displaced. Total number of DPs from among the displaced households, including 24 displaced workers, is 113 persons.

6. Approximately 435.7923 hectares of land will be acquired for permanent use. Most of the permanently affected lands (47%) are used for agricultural purposes, 24% of lands are used for commercial purposes, and 15% of lands is used for residential purposes, while the information on land use purpose is missing for 15% of land plots.

7. Most of the affected lands (250.5500 ha or 57.5%) are leased (according to the data provided in valuation reports the majority of lands are leased on long-term basis), lands provided for unpaid use (some land plots are provided for permanent use) comprise 171.5680 ha or 39.4%. The remaining 13.2743 ha or 3.0% are privately owned lands. The information of ownership / use status of 0.4 ha or 0.1% is missing. Out of the 33 affected land plots 31 are registered.

8. A total of 20 structures will be fully affected. These structures are owned and used by 6 households and 3 legal entities for various purposes (no data is available regarding the status of the owners of 3 structures). Structures to be affected include houses, warehouses, baths, garage, well, school building, gas station, cafés, as well as gas station with shop and gas station with café-bar. Five (5) households, 3 legal entities and owners/users of 3 structures will need to relocate their houses and structures.

9. Two (2) households, 2 legal entities and 1 affected party with no data on status will lose their commercial structures and consequently will permanently lose the income from their business activities. One household was identified in the preliminary socio-economic survey as vulnerable and will be provided with cash assistance equivalent to three month's minimum wage. A complete assessment of vulnerable households will be done during the census as part of the preparation of a final LARP. A summary of the land acquisition and resettlement impacts is given in Table E-1 below.

Table E-1. Summary Land Acquisition and Resettlement Impacts

No.	Description	Number/Amount
1	Total number of permanently affected land parcels	34
	- privately owned lands	9
	- leased lands	16
	- lands provided for unpaid use	5
	- lands with no data on their ownership	4
2	Total area of land to be acquired permanently (in ha)	435.7923
3	Total area of residential land to be acquired permanently (in ha)	0.5634
4	Total area of commercial land to be acquired permanently (in ha)	32.9239
5	Total area of agricultural land to be acquired permanently (in ha)	386.3200
6	Total area of land to be acquired permanently with no data on their land type (in ha)	15.985
7	Total area of permanently affected privately-owned land (in ha)	13.2743
8	Total area of permanently affected leased land (in ha)	250.5500
9	Total area of permanently affected land provided for unpaid use (in ha)	171.5680
10	Total area of permanently affected land with no data on their ownership (in ha)	0.4000
11	Total number of permanently affected households	16
12	Total number of permanently affected legal entities	13
13	Total number of permanently affected parties with no data on their status	3
14	Total number of vulnerable households	1
15	Total number of affected structures	19
16	Total number of households and legal entities who need to relocate their houses/business structures	11
17	Total number of households and legal entities losing business	5
18	Total number of affected workers	24
19	Total number of DPs, including workers in affected establishments	113

10. For the draft LARP, a socio-economic survey covering about 80% of the displaced parties was conducted to obtain social, demographic and economic information on the displaced households. An assessment of the social and economic condition of all DPs will be done during the census to be conducted as part of final LARP preparation. Results from the survey show that most of the households (44.4%) have 4-6 members, while 40.74% of households include 3 and less members. The average household size is 3.19. In terms of ethnic composition, all of the affected households are Kazakhs. Though other ethnic groups are settled in the area many years ago, the surveyed DPs completely represented the Kazakh majority. In the meantime, none of these ethnic groups settled in the project area maintain cultural and social identifies separate from the mainstream Kazakhstan's society fitting the ADB definition of Indigenous Peoples.

11. Heads of the surveyed households have a mean age of 49.7 years. Most are between 40 – 59 years old (76.9%). Households with the age of the heads below 39 and within 60-69 comprise relatively modest share. In addition, the head of one household (3.9%) is already over 70 years old. In terms of marital status, vast majority of the heads of the household are married (84.6%). Another 11.5% are single and only one head of household is divorced. With regard to education, majority of the household heads (61.5%) have higher education, while 14.3% have secondary education. About 27% of the surveyed household heads were not able to obtain education.

12. Majority of the surveyed households depend on wages and livestock related activities (59.1%), several household relies on business and trading activities (22.7%), 13.6% of households depends on wages only, and one household's income includes pension. Most households have more than 1 income-earning member. Among the interviewed households, 54.5% have 2 or more income-earning members. Income reported varies greatly. All the surveyed households earn KZT 50,000.0 or more per month. Average monthly income per surveyed household member is around KZT 136,600.0. Eight respondents mentioned that they have houses/structures to be affected by the project. Out of ten structures, six are commercial structures (gas station, café, etc.), two are houses, one is warehouse and one is bath. All the structures are single-storey buildings containing from 1 to 4 rooms. Majority of structures (70%) are made of bricks and 30% are made of coquina limestone. Almost all the structures were built after 2001 and only one house was built in 1991. All the structures are supplied with electricity, and about 60% have access to water and phone.

13. A number of consultations with DPs have been carried out within the scope of the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program Tranche 2 in 2010-2012. Initial public consultations regarding the proposed Project were carried out during design preparation. Two public consultations were held in April 2010 (in Aktau on 21 April 2010 and in Shetpe on 22 April 2010). Further, two consultations were carried out one in Zhetibay and one in Shetpe in June 2011. The scope of these consultations was to provide information regarding the proposed road improvement activities, schedules of works, expected benefits and anticipated impacts, including proposed mitigation measures. Technical features of Tranche 2 rehabilitation works were presented during the consultation held on 19 July 2011 in Aktau. 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 the project with a special focus on social and resettlement issues. Overall, more than 80 participants attended the public consultations carried out in October 2012, including representatives from different state entities, owners of affected lands/properties/businesses, and civil society.

14. A grievance mechanism is available to allow DPs to appeal any disagreeable decision, practice or activity arising from land or other assets compensation. Efforts will be made to resolve/clarify issues at the levels of the CSC, MOD CoR, Aktau town and respective rayon Akimats as well as Akimat of Mangystau Oblast / CoR. If the case remains unsolved after being considered at above-mentioned levels, a complaint can be lodged to the court.

15. Compensation and entitlements for this Project aims to assure that the DPs will maintain or improve their standard of living after the project. The Table E-2 below provides a summary of the compensation entitlements for various categories of DPs.

Table E-2. Entitlement and compensation matrix

Asset	Specifications	DP	Compensation Entitlements
Permanent Loss			
Agricultural, residential and commercial land plots		Owners	<ul style="list-style-type: none"> Cash compensation at full replacement cost (considering fair market value, transaction costs, interest accrued, transitional and restoration costs and other applicable payments) or through replacement with land plot equal in value to the land plot lost and at locations acceptable to DPs where feasible.
		Renters	<ul style="list-style-type: none"> Rental allowance in accordance with the

Asset	Specifications	DP	Compensation Entitlements
			<ul style="list-style-type: none"> conditions of the rent agreement but not less than the cost of rent for 3 months for short-term rent and 1 year for long-term rent), or continuation of rental agreement on alternative land plot, plus Refund of the unused portion of the rent or lease fees paid in advance.
		Squatters (if any)	<ul style="list-style-type: none"> Leased plot on State land; Displacement allowance option, equal to three months minimum monthly salary.
Buildings and structures		Owners of permanent structures (including squatters)	<ul style="list-style-type: none"> Cash compensation at full market value (without deduction of depreciation, taxes and other transaction costs) or, at the owner choice, house for house swap, plus 3 months housing rental allowance.
		Renters	<ul style="list-style-type: none"> Rental allowance in accordance with the conditions of the rent agreement but not less than cost of rent for 3 months, or continuation of rental agreement on alternative building/structure, plus Refund of the unused portion of the rent or lease fees paid in advance.
Trees	Trees affected	All DPs (including squatters)	<ul style="list-style-type: none"> Compensation reflecting income replacement. Economic trees are compensated based on age category and at gross market value of one year income times the number of years to grow a tree to similar productivity, plus purchase price of seedlings and starting materials. Non fruit-bearing/timber trees will be compensated based on the market value of dry wood volume.
Business and employment	Temporary or permanent business/employment loss	All DPs (including squatters and workers of affected businesses)	<ul style="list-style-type: none"> Owners of shops/commercial establishments: <ul style="list-style-type: none"> - In case of permanent loss, compensation equal to one year net income (lost profits); - In case of temporary loss, compensation equal to net income for the period of disruption (< 1 year). Workers: indemnity for lost wages up to 3 months income.
Relocation	Transport and transitional livelihood costs	All relocated persons	<ul style="list-style-type: none"> Transportation allowance sufficient to cover transport expenses; and, Transition 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.
Vulnerable households (HH)		HH below the poverty line; Large families having 4 or more children below 18 yrs., and HH with	<ul style="list-style-type: none"> Assistance equivalent to minimum living wage for 3 months; Enrollment in government social assistance program if not yet enrolled; Priority in local employment for members of vulnerable household.

Asset	Specification s	DP	Compensation Entitlements
		disabled members	
Temporary Loss			
Land for construction sites and camps		Owners (private or public)	<ul style="list-style-type: none"> • Compensation at local commercial rental rates for duration of use; • Land restored to original status at the end of rental.

16. The MOD CoR (or an entity authorized by GoK) will implement the LARP, with support from the relevant Akimats and Construction Supervision Consultant. The MOD CoR will implement internal resettlement monitoring, and an External Monitoring Agency will be hired to carry out independent monitoring in close collaboration with MOD CoR's focal point on LAR related issues.

17. An External Resettlement Monitoring Agency will also be engaged to provide an independent assessment of the implementation of land acquisition and resettlement activities for the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program Tranche 2.

18. According to the preliminary estimates, a budget of approximately KZT 285,772,876 (USD 1,898,066) will be required for LARP implementation activities. This includes the cost for compensation of losses, registration of new land plots / structures, re-registration of remaining portions of land plots, expenses required for notary services, bank account opening and closing fees, bank operational fees and charges, other administrative expenses, as well as resettlement monitoring and evaluation.

19. Civil works for the Project can commence after the full implementation of the compensation program described in the final LARP including full delivery of compensation to the DPs, and preparation of a compliance report by an external monitoring agency and satisfactory review by ADB. Compensation payments are expected to be completed in August 2013, thus the Contractor(s) for the civil works for Tranche 2 is expected to mobilize in September 2013. In case of expropriation proceedings, the compensation payments are expected to be completed by December 2013, thus, construction works are expected to commence in January 2014.

CHAPTER 1. INTRODUCTION

1.1 General

1. The Project is part of a larger program on Central Asia Regional Economic Cooperation (CAREC) involving various International Financing Institutions (IFIs) such as Asian Development Bank (ADB), the World Bank, European Bank of Reconstruction and Development, Islamic Development Bank and others who, together with partner countries, have identified six road corridors extending from the border with China on the east to the border with the Russian Federation on the west as warranting improvement. The corridor in which the proposed Project is located is part of one of these six corridors and is referred to as the CAREC Transport Corridor 2. The investment program of which the proposed Project is a part is referred to as the CAREC Transport Corridor 2 Investment Program. The Project road is located within Mangystau Oblast bordering the Caspian Sea. The end point of this road project is the Aktau town, an important economic hub and port for export goods, including a terminal for pipelines delivering the regional oil products as far as Western Europe.

2. Loans for this Investment Program are made by using a financing instrument referred to as a Multi-Tranche Financing Facility (MFF). The tool allows ADB to provide for smaller incremental loans referred to as "Tranches" rather than one large loan to finance all of the actions in the corridor at one time. The CAREC Corridor 2 (Mangystau Oblast Section) Investment Program consists of the following projects:

- i. Tranche 1: km 372.6 – 514.3, and km 574 – km 632.3, financed by ADB;
- ii. Tranche 2: km 632.3 – km 802.27 (169.97 km long section) proposed to be financed by ADB;
- iii. km 514.3 – 573.6 (59.6 km long section) and 332 – 372.6 (40.6 km long section) financed by the Government of Kazakhstan.

3. Civil works in the Tranche 2 section of CAREC Corridor 2 (Mangystau Oblast Section) Investment Program will require acquisition of land and property. For majority of the alignment, impact is limited to acquisition of lands, however in some sections the structures (including houses, school building, commercial structures, etc.) are also affected.

4. This draft Land Acquisition and Resettlement Plan (LARP) was prepared under (CAREC) Corridor 2 (Mangystau Oblast Section) Investment Program, Project 2 for Asian Development Bank. It aims to provide preliminary assessment of the Project impacts and plan needed compensation / rehabilitation measures. Its preparation involved: (i) secondary data obtained from state institutions, (ii) asset valuation related data available in the design documentation (valuation reports compiled in 2010), (iii) consultation with governmental agencies and affected parties; (iv) an informal socio-economic survey of displaced persons (DPs). This draft LARP fits relevant Kazakhstan legislation and the ADB's Safeguard Policy Statement of 2009 (SPS 2009).

5. It is based on the feasibility study for Beineu-Aktau Road section developed by Kazakhstan Scientific Research and Design Institute "Dortrans" LLP in 2010 and final design for Shetpe-Aktau road section developed by the "Engineering center Astana" LLP in 2011³. Corridor

³ Designs were developed for two sections of Shetpe – Aktau road (part of Beineu – Aktau road). Section 1: Shetpe – Zhetybai road, km 632.3 – km 719; and Section 2: Zhetybai – Aktau road km 719 – km 802.27. Design for both sections were approved by the State Expertise on 04/11/2011 (approvals No 433-ПНП and No 434-ПНП).

of impacts was defined and list of affected land plots and structures and their owners was prepared during the design (with involvement of Aktau branch of Land State Scientific and Production Center for Land Management), and the licensed valuation company "Center of development of new educational and legal technologies" LLP was hired by design organization to provide valuation of affected assets. The valuation reports were prepared and submitted to Mangystau Oblast Department of Committee of Roads along with the design documentation. Data on affected land/property, as well as information on their owners/renters/users provided in this draft LARP is based on data provided in the design documentation (valuation reports).

6. This draft LARP includes: (i) preliminary information on number and valuation of affected assets (land plots and structures) and affected households; (ii) preliminary information on affected businesses (including employees) and respective compensation; (iii) preliminary information on vulnerable households and respective allowances; (iv) summary of consultations carried out; (v) draft LARP implementation preliminary budget and tentative timeline; (vi) information on respective legal framework, compensation calculation principles, and (vii) grievance redress mechanism.

7. A final LARP will be prepared following the adoption of the decrees on land acquisition for state needs by the Akimat of Aktau and Akimats of Munaily, Karakia and Mangystau Rayons of Mangystau Oblast of the Republic of Kazakhstan. The final LARP will include: (i) detailed measurement surveys, (ii) official asset valuation/documentary research on affected plots, (iii) consultation with governmental agencies and affected parties; and (iv) a census of the DPs.

1.2 LAR-Related Conditionalities

8. Based on ADB policy and practice, the approval of CAREC Corridor 2 (Mangystau Oblast Section) Investment Program, Tranche 2 and its further implementation will entail the following LAR-related conditions:

- (i) Project approval is conditional to preparation/disclosure of a draft LARP for the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program, Tranche 2, which is acceptable to ADB;
- (ii) Civil works contract awards signing: Conditional to the preparation/disclosure of a final and implementation-ready LARP approved by ADB and GoK and reflecting final impacts, DP lists and compensation amounts;
- (iii) Provision of notice to proceed to contractor(s): Conditional to full implementation of LARP (full delivery of compensation/ rehabilitation) as verified by an independent monitor (External Monitoring Agency). Such a condition will be clearly specified in the contract for the civil works.

9. Based on the above, the approval, signing of contract awards, and civil works implementation for the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program, Tranche 2 is subject to the following conditions:

- i. **Civil Works Contract Awards Signing and LARP implementation:**
 - (i) approval of the final LARP by ADB and disclosure of the final LARP to the DPs; (ii) selection and mobilization of the External Monitoring Agency (EMA). The LARP should reflect final impacts, final DP list, final

- compensation rates and will be readily implementable;
- ii. **Provision of No objection for commencement of civil works:** (i) full implementation of the compensation program described in the final LARP including full delivery of compensation to the DPs, and (ii) preparation of a compliance report by the EMA and satisfactory review by ADB.

1.3 The Project description

10. The Republic of Kazakhstan (RoK) acting through the Committee of Roads (CoR) of the Ministry of Transport and Communications (MoTC) proposed to undertake the Tranche 2 of the MFF for the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program. The Government of Kazakhstan (GoK) has requested the ADB to provide financing for the Tranche 2 (hereinafter referred as Project).

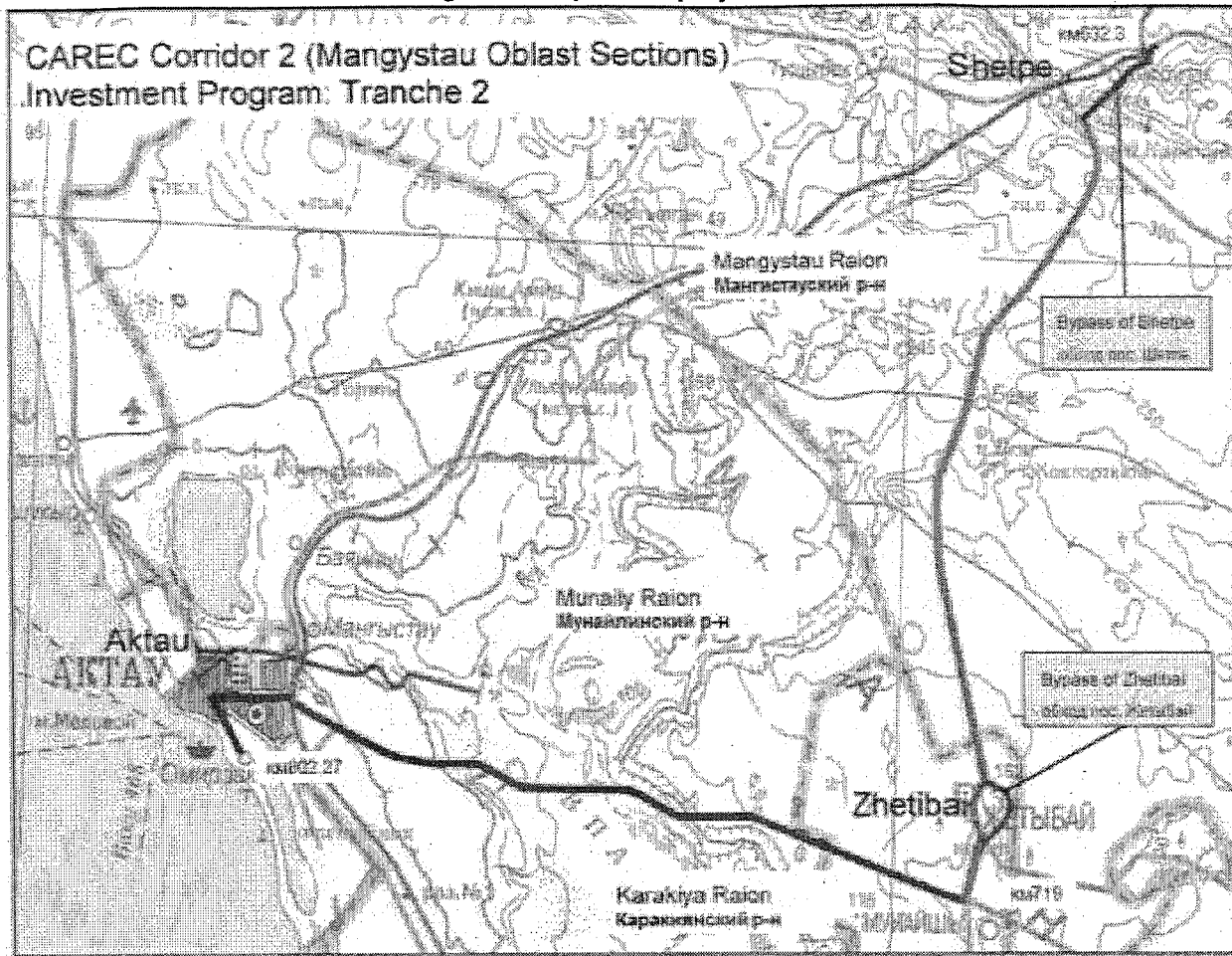
11. The Project is a road upgrading activity, comprising a total of 169.97 kilometers that can be divided, for technical reasons, into 2 sections. The road will be rehabilitated and partly constructed in accordance with the national highway categories. The proposed activities for each section of the road can be described as follows:

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

12. The section km 514.3-573.6, is financed by the Government. 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.

13. The road sections included in Tranche 2 are also a part of the East-West National Road Corridor, linking major economic areas with Europe and the People's Republic of China. The road sections pass through the area of Aktau town and three rayons (districts) - from east to west being Munaily, Karakia and Mangystau Rayons. The location of the proposed Project area within Mangystau Oblast in Western Kazakhstan is demonstrated on the Figure 1.

Figure 1. Map of the project area



14. The proponent for this Project is the RoK acting through its MoTC, and the Implementing Agency (IA) being the Committee of Roads (CoR). The road construction works proposed under this loan agreement will be carried out in different contracts, subject to the decision of the MoTC. The Mangystau Oblast Department of Committee of Roads (MOD CoR) will be responsible for day-to-day management of the Project, including supervision of the detailed design, coordination of implementation of civil works, etc. More details on works proposed to be carried out on the road section are provided in the design documentation prepared for CAREC Corridor 2 (Mangystau Oblast Section) Investment Program.

15. The Project aims at providing an efficient and safe road transportation system for the movement of passengers, goods and services in an environmentally sustainable manner. Overall, the Project will improve transport infrastructure of the oblast, provide improved corridor for the national and international movement of passengers and freight. It will facilitate regional trade, support poverty reduction while accelerating growth and development in the country as a whole, establish fast transportation link, and accelerate social and economic development while raising the living standard of local inhabitants. The road rehabilitation will further promote traffic safety. It will also contribute to reduction of overall emissions by eliminating/reducing the deceleration-acceleration cycles due to smooth road surface. In addition, operation of improved

section will contribute to reduction of commercial risks during goods delivery, decrease in transport costs and passengers travel time. It should be also noted, that the Project will create temporary employment opportunities during construction works.

CHAPTER 2. IMPACT ASSESSMENT

2.1 Data Collection Methodology

16. DPs and affected assets were identified based on the information included in the final design for Shetpe-Aktau road section developed by the "Engineering center Astana" LLP in 2011 and approved in November of 2011. Initial valuation of assets was developed by the licensed valuation company "Center of development of new educational and legal technologies" LLP in 2010. Taking into account that only a part of the required data was available and valuation reports are dated 2010, a number of assumptions was made to carry out respective calculations. The Land State Scientific and Production Center for Land Management (GosNPTsZem) in close collaboration with MOD CoR will plot the affected plots and provide data on affected land plots, following which the land cadastre data can be used to identify the names of the registered landowners/leaseholders/DPs, purpose of land use, size of the affected plots and structures to be taken⁴.

17. In October 2012, a work team comprising of representatives of the MOD CoR carried out preliminary survey of the affected plots and informally met with the owners/lessees/users of these plots to collect the data required for development of this draft LARP.

18. Where possible, additional information was collected from various state agencies (mostly of statistical nature). The questionnaires for socio-economic survey / census were used. A complete assessment of impact will be done through the official valuation of assets/detailed measurement survey and census following the issuance of the decrees on land acquisition by the respective Akimats, which will be reflected in the final LARP.

2.2 Land Losses

19. The following approach was made to allow for calculation of the area of the lands to be acquired: (i) since the land sizes provided in the design documentation differs from the ones mentioned in the valuation reports, the data provided in valuation reports was taken as a basis to allow for correct matching of land size and respective compensation data; (ii) for 2 land plots with no valuation reports, the data on land size was taken from the design documentation.

20. Assessment of data compiled from the valuation reports and design documentation revealed a total of 435.79 ha of land that will be fully acquired for permanent use. Most of the permanently affected lands (47%) are used for agricultural purposes, 24% of lands is used for commercial purposes, and 15% of lands is used for residential purposes, while the information on land use purpose is missing for 15% of land plots. Most of the affected lands (250.55 ha or 57.5%) are leased (according to the data provided in valuation reports the vast majority of lands are leased on long-term basis), lands provided for unpaid use (some land plots are provided for permanent use) comprise 171.57 ha or 39.4%. The remaining 13.27 ha or 3.0% are privately

⁴ The DP list used for this draft LARP is considered unofficial and preliminary. Only after the issuance of the decrees on land acquisition for state needs by the Akimat of Aktau and Akimats of Munaily, Karakia and Mangystau Rayons of Mangystau Oblast, and submission of formal notifications to the DPs, the DP list be considered final and official. The final list of DPs referred to in the decrees will be used as basis for the preparation of a final LARP. The final LARP will be based on a formal socio-economic survey and census of DPs, official and detailed valuation of affected assets and businesses by licensed valuers and follow-up consultations with DPs.

owned lands. The information of ownership / use status of 0.4 ha or 0.1% is missing. See table 1.

Table 1. Number of plots and area of permanently affected lands by land type and ownership status

Land Type	Property status by number of plots				Total number of plots	Property status by land area, in ha				Total area, in ha
	Privately owned	Leased	Unpaid use	No data		Privately owned	Leased	Unpaid use	No data	
Residential land	4	-	1	-	5	0.37	-	0.19	-	0.56
Agricultural land	1	13	2	-	16	11.88	240.74	133.70	-	386.32
Commercial land	4	3	1	0	7	1.02	9.80	22.09	-	32.92
No data	-	-	1	4	5	-	-	15.58	0.4	15.98
Total	9	16	5	4	34	13.27	250.55	171.57	0.4	45.79

21. One plot is registered (leased) to more than one owner. Two legal entities use two land plots each. Sixteen (16) households (including owners of peasant farms) and 13 legal entities were identified as owners/users of the plots affected by the Project. No information is available with respect to the ownership of 3 land plots. Nine land plots are privately-owned, another 16 plots are leased from the State, while 5 land plots are provided for unpaid use (information of 4 affected land plots is missing). See table 2.

Table 2. Number of permanently affected HHs & Legal Entities by type of land owned and tenurial status

Land Category			Number of Affected Parties (Households / Legal Entities)		
	Private owners	Leaseholders	Unpaid users	No data	Total
Residential land	4 HH - LE	- HH - LE	- HH 1 LE	- HH - LE	4 HH 1 LE
Agricultural land	1 HH - LE	9 HH 3 LE	- HH 2 LE	- HH - LE	10 HH 5 LE
Commercial land	2 HH 2 LE	- HH 2 LE	- HH 1 LE	- HH - LE	2 HH 5 LE
No data	- HH - LE	- HH - LE	- HH 1 LE	- HH 1 LE 3 No data	- HH 2 LE 3 No data
Total	7 HH 2 LE	9 HH 5 LE	- HH 5 LE	- HH 1 LE 3 No data	16 HH 13 LE 3 No data

2.3 Loss of Trees and Perennial Plants

22. No impact on trees and perennial crops is expected as the project affected areas are located on lands with very limited agricultural productivity. None of the surveyed households reported on crop production activities. The presence of trees and perennial plants on the land

plots to be taken for the Project purposes will be verified as a part of the census process during preparation of final LARP.

2.4 Structure Losses

23. A total of 20 structures will be affected as a result of Project implementation. These structures are owned and used by 5 households and 3 legal entities for various purposes. Data on ownership status of 3 structures is not available. Structures to be affected include houses (with extensions⁵), warehouses, baths, cafes, garage, well, school building, gas station, as well as one gas station with shop, and one gas station with café-bar. See table 3.

Table 3. Affected structures

Use of Structure	Type of Material	Number of Structures	Total area (m ²)	Number of Displaced HH and LEs
House	cement – concrete	1	628.4	3 HH, - LE
	concrete and coquina	2		
	limestone			
Warehouse ⁶	coquina limestone	5	242.4	5 HH, - LE
	no data	2		2 no data
Bath	coquina limestone	2	46.0	2 HH, - LE
Garage	coquina limestone	1	58.0	1 HH, - LE
Well	coquina limestone	1	4.4	1 HH, - LE
School	concrete and coquina limestone	1	249.6	- HH, 1 LE
Gas station with shop ⁷	concrete and coquina limestone	1	144	- HH, 1 LE
Gas station with café-bar ⁸	concrete	1	132.2	1 HH, - LE
Gas station ⁹	no data	1	144	- HH - LE 1 no data
Cafe	concrete and coquina limestone	2	376.7	1 HH, 1 LE

⁵ According to valuation reports all three houses include extensions. The sizes of such extensions are included in the overall size of the respective house.

⁶ No data on two warehouses provided in the valuation report (assumptions accepted for these structures are described in the section 7.5.

⁷ The data for the “gas station with shop” cannot be separated to “gas station” and “shop” sub-categories, as all available data (regarding size of the land plot, structure, etc.) is combined in total figures for the whole structure.

⁸ The data for the “gas station with café-bar” cannot be separated to “gas station” and “café-bar” sub-categories, as all available data (regarding size of the land plot, structure, etc.) is combined in total figures for the whole structure.

⁹ No data on the gas station was provided in the valuation report (assumptions accepted for this structure are described in the section 7.5.

Use of Structure	Type of Material	Number of Structures	Total area (m ²)	Number of Displaced HH and LEs
Total		20	2,198.5	14 HH (5 without double count) 3 LE (3 without double count) 3 no data (3 without double count)

2.5 Business Losses

24. Two (2) households, 2 legal entities and 1 affected party with no data on status will lose their commercial structures and consequently will lose their income from their business activities. MOD CoR provided with preliminary estimates on the approximate monthly income of affected businesses. See table 4.

Table 4. DPs losing their business

Type of Business	Number of affected businesses	Monthly income, in KZ	Degree of Impact (Permanent or Temporary)	Number of Displaced households (HH) and legal entities (LE)
Gas station with shop	1	900,000.00	permanent	- HH, 1 LE
Gas station with café-bar	1	1,050,000.00	permanent	1 HH, - LE
Gas station	1	750,000.00	permanent	- HH - LE 1 no data
Cafe	2	450,000.00	permanent	1 HH, 1 LE
TOTAL	5	3,150,000.00		2 HH 2 LE 1 no data

2.6 Employment Loss

25. A number of workers may be affected permanently by the disruption in the commercial operations of some business entities. During the socio-economic survey, it was reported that the jobs of at least 24 workers/employees may be affected. Average income of these workers was reported to comprise about 46,350.0 KZT per month. Compensation for workers will be based on their 3 month income as reported to tax entity or - in case the official records are not available - based on the official monthly minimum salary for 2012 (17,439.0 KZT x 3 months). Possibility arrangement for re-employment of the displaced workers will be assessed during the conduct of the census as part of the final LARP preparation.

2.7 Relocation Impact

26. Five (5) households, 3 legal and 3 unknown affected parties entities will lose their primary structure (i.e. house, café, gas station, etc.) and will need to relocate. These DPs will be entitled to a self-relocation/transport allowance, rental cost and transition allowance while they

transfer to a new location. The number of household / legal entities subject to relocation, as well as final estimate of self-relocation/transport allowance will be determined during the official census and valuation and will be reflected in the final LARP.

2.8 Number of Affected Households/Legal Entities and Persons

27. Thirty-two parties (16 households and 13 legal entities and 3 unknown affected parties) will likely experience various losses / impacts from the implementation of the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program, Tranche 2. Most of displaced households will lose ownership/access to agricultural lands, while most of the displaced legal entities will lose ownership/access to agricultural and commercial lands. The socio-economic survey revealed that at least 24 workers may be affected. The estimated number of DPs, including the 24 workers from the affected business establishments, is 124 persons. See table 5.

Table 5. Details of affected households, legal entities and DPs by category

DP Category	Number of affected households / legal entities		Estimated number of DPs ¹⁰
	(x impact type)	Absolute (without double counting)	
A. Land loss			
A1. Residential land (permanent loss)			
- owned/leased/used by households	4	4	16
- owned/leased/used by legal entities	1	1	1
A2. Agricultural land (permanent loss)			
-owned/leased/used by households	10	10	28
-owned/leased/used by legal entity	6	5	13
A3. Commercial land (permanent loss)			
-owned/leased/used by households	2	2	5
-owned/leased/used by legal entity	6	5	15
A4. No data (assumed to be permanent loss)			
-owned/leased/used by households	-	-	-
-owned/leased/used by legal entity	2	2	2
-no data	3	3	9
Sub-total (A)	34	32	89
C. Business/Income Losses			
C1. Permanent business losses			
- owners (household)	2	-	-
- owner (legal entity)	2	-	-
- no data	1	-	-
C2. Wage workers/Employees from affected businesses	24	-	24
Sub-Total (B)	29	-	
D. Permanent structure losses			

¹⁰ Data on the number of household DPs is based on the information obtained during informal valuation / socio-economic survey and represents only a part of the total number of household members to be affected by the Project. A full count of the DPs will be done during the census as part of final LARP preparation.

DP Category	Number of affected households / legal entities		Estimated number of DPs
	(x impact type)	Absolute (without double counting)	
D1. Residential Structures - owners (households)	12	-	
D2. Commercial Structures - owners (households) - owners (legal entity)	2 2	- -	
D3. Structures with no data on use type (1 gas station and 2 warehouses)	3	-	
D4. Public Structure (school) - owners (legal entity)	1	-	
Sub-total (C)	20	-	
E. Total (A+B+C)		32	113

2.9 Vulnerable DPs

28. In Kazakhstan, the law on State targeted social assistance (N246 II dated 17 July 2001) considers families with an average per capita income below the poverty line (defined as 40% of the subsistence minimum), large families with 4 or more children below 18 years old, and households with a disabled member are considered vulnerable and are entitled to the Targeted Social Assistance (TSA) program of the government. As of May 2012, the official subsistence minimum in Kazakhstan is 17,439.0 KZT per capita. The poverty line therefore is 6,975.6 KZT per capita. State social benefits, financed from the central budget, include monetary transfers to citizens in need due to disability, loss of the family breadwinner, or old age. The local authorities (Akimats) are mandated to identify poor and vulnerable households in the project area.

29. Efforts were made during the socio-economic survey to identify poor and vulnerable households. None of the interviewed households was receiving Targeted social assistance and could be considered poor based on their income. One household was identified as vulnerable during the socio-economic survey, as it included a disabled member. A complete assessment of the vulnerability status of all displaced households will be made during the census and reflected in the final LARP. Information on vulnerable households is presented in table 6 below.

Table 6. Vulnerable households identified during the socio-economic survey

Vulnerability Criteria	Number of HH
Income below subsistence minimum	-
With disabled HH member	1
With 4 or more children below 18 years	-
Total	1

2.10 Temporary impacts

30. According to the valuation reports about 343 ha of lands will be temporarily required for implementation of construction works. 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. Contractors are assumed to prefer to rent State land, rather than private property, during implementation of construction works. In addition, temporarily used lands are required to be returned to their original state after work is concluded.

2.11 Perceived Impacts and Suggestions

31. When asked what they think about the impact of the project to them and their households, around 92.5% of the interviewed DPs mentioned that they are expecting positive impact on them as a result of road improvement. About 52% of respondents were interested in getting a job during implementation of construction works. None of the respondents provided suggestions. When asked about project outcomes 40.7% of respondents emphasized comfortable, safe and speed driving, while 25.9% mentioned access to improved road connection. See table 7.

Table 7. Suggestions from DPs on how to address adverse impact from the Project

Expected outcome	Number of DPs
Comfortable, safe and speed road	11
Availability of improved road	7
Improved access	1
Improved bus service	1
No answer / can't tell	10

CHAPTER 3. SOCIO-ECONOMIC PROFILE

3.1 General Characteristics of Mangystau Oblast¹¹

32. Mangystau Oblast is located in the South-West of Kazakhstan at the shore of Caspian Sea. Mangystau Oblast borders the neighboring countries of Turkmenistan (to the south), Uzbekistan (to the east), as well as two other Kazakhstan provinces: Aktyubinsk Oblast (to the north-east) and Atyrau Oblast (to the north). Overall, the Oblast is located on the highly profitable transport (sea, rail and road) crossing. Cargo transported across the Caspian Sea amounts to 30 million tons, of which 38% is via Aktau port.

33. Mangystau Oblast is Kazakhstan's major oil- and mineral-producing region on the eastern shore of the Caspian Sea. Aktau, Mangystau Oblast's capital, is a regional hub for transporting the Caspian's bulky cargoes of oil and oil products to European and Asian countries, and for transit traffic connecting the surrounding oilfield developers to other countries. Aktau is an integral part of three international transport corridors -- Transport Corridor Europe-Caucasus-Asia, North-South, and Inogate.

34. Total area of the oblast is 165.6 thousand sq. km. (as of January 1, 2012), which comprise 6.08% of Kazakhstan's territory. It is the least populated oblast of the country. Population of the oblast comprises 545.7 thousand people (270.9 thousand men and 274.8 thousand women) and population density per 1 sq. km. is 3.29. There are 5 rayons (Beineu, Karakia, Mangystau, Munaily, Tupkaragan), 3 rayon-level towns (Aktau, Zhanaozen, Fort-Shevchenko) and 58 rural communities. The project road passes through the administrative area of Aktau town, as well as three rayons of Mangystau Oblast – namely Munaily, Karakia and Mangystau rayons.

35. In year 2011, 9,799 newborns were registered in the Aktau town and Karakia, Munaily and Mangystau rayons together, which is by 815 newborns more than in year of 2010. The number of the deceased comprised 1,851 people in 2011, which is equal to the number of deaths for the previous year. In total, population of the Mangystau Oblast people younger than labor force age (0-14 years) make 167,185 people (30,6%), the number of active working age people (15-64 years) makes 320,223 people (66%), the number of people older than labor force age (65 years and older) makes 18,316 people (3,4%). The economically active population of Mangystau Oblast comprises 241,934 people.

36. The population of Mangystau Oblast is reportedly composed of several ethnic groups (nationalities). Kazakhs are the largest permanent population (88.1%) followed by Russians (8.2%). Russians that at the level of country represent the second largest group, have relatively modest share in population of Mangystau Oblast. Azeris (0.8%) and Ukrainians (0.5%) represent smaller share of population. The share of all other nationalities in South Kazakhstan Oblast comprises 2.4%, and the share of any separately taken nationality is less than 0.5%. All ethnic groups are fully integrated into Kazakh majority, having the same access to land and natural resources, health, education, livelihood systems, and social security status. None of these ethnic groups may be classified as indigenous people as defined in ADB SPS (2009).

37. Average monthly salary in Mangystau Oblast in 2011 comprised 151041 KZT. The highest average monthly salaries of employees for 2011 was registered in the areas of mining operations and industry (224850 – 273470 KZT), followed by transport and construction sector

¹¹ Data provided in this sub-section is based on the information available from statistical information sources.

(182546 – 195082 KZT). The lowest average monthly salaries of employees for 2011 was registered in the agricultural sector, arts, education, healthcare and social services (33907 – 65247 KZT). In total 15272 people received pension in 2011 in average amount of 32239 KZT. Approximately 7123 people received social assistance, including 5026 disabled, 1936 single mothers/fathers and 161 elderly. The average amount of social assistance per person per month established for 2012 is 17,439 KZT.¹²

3.2 Profile of the Displaced Population

38. To obtain information on the socio-economic profile and living conditions of the displaced households and further assess the impacts of land acquisition on the DPs, secondary data obtained from state institutions and a sample informal socio-economic survey of about 80% of DPs was conducted. In about 30% of the cases the respondents answered only to a part of questions. Informal interviews were conducted in October 2012 by the MOD CoR, using questionnaires translated to Russian. English versions of the questionnaires for socio-economic survey as well as census forms for final LARP are shown in Annex A.

39. From the DP list available at MOD CoR, 27 households (representing about 80% of DPs agreed to participate in the socio-economic survey). The MOD CoR representatives carried out informal socio-economic survey and completed the questionnaires. Results of the interviews are presented in this chapter.

3.2.1 Number and Size of Displaced Households

40. Most of the surveyed households (44.44%) have 4-6 members, while households including 3 and less members comprise 40.74%. The average household size is 3.19. However, 14.82% of respondents (mostly leaders of peasant farms and managers of legal entities) refused to provide information regarding their households. Out of 27 interviewed parties only 23 agreed to provide information on their households, which was used for the analysis. See table 8.

Table 8. Size of the surveyed households

Household Size	Number	Percent
3 and below	11	41
4 – 6	12	44
No data	4	15
Total	27	100

3.2.2 Age, Marital Status and Education Level of Household Head

41. Heads of the surveyed households have a mean age of 49.7. Most are between 40 – 59 years old (76.9%). Households with the age of the heads below 39 and within 60-69 comprise relatively modest share. In addition, the head of one household (3.9%) is already over 70 years old. In terms of marital status, vast majority of the heads of the household are married (84.6%). Another 11.5% are single and only one head of household is divorced (no information is available for 1 household head). With regard to education, majority of the household heads (61.5%) have higher education, while 14.3% have secondary education. About 27% of the surveyed household heads were not able to obtain education (no information is available for 1 household head). In total, about 96% of the interviewed household heads have provided

¹² The information on pensions and assistance is based on that statistics available for Aktau.

information of their education level. See tables 9 and 10.

Table 9. Age profile of the heads of the surveyed households

Age of Household Head	Men	Women	Total	
	Number	Number	Number	%
Below 39	1	1	2	7.7
40 – 49	8	1	9	34.6
50 – 59	9	2	11	42.3
60 – 69	2	1	3	11.5
70 and above	0	1	1	3.9
Total	20	6	26	100.0

Table 10. Education profile of the heads of surveyed households

Education	Men	Women	Total	
	Number	Number	Number	%
Higher	5	2	7	27
Secondary	3	0	3	11.5
No education	12	4	16	11.5
Total	20	6	26	100

3.2.3 Ethnic Composition

42. In terms of ethnic composition, all the heads of the surveyed households are Kazakhs. No other nationalities were observed among those surveyed. The Kazakhs constitute the native local population. The other ethnic groups are migrants who settled in the area for many years. None of these ethnic groups maintain cultural and social separate from the mainstream Kazakhstan's society fitting the ADB definition of Indigenous Peoples. They have full and equal access to institutions and economic opportunities as the rest of the population. Taking this into account, the Project will not trigger the ADB policy on Indigenous peoples.

3.2.4 Household Income

43. Of the 27 interviewed households (22 responded to the income related questions), majority depend on wages and livestock related activities (59.1%), several household relies on business and trading activities (22.7%), 13.6% of households depends on wages only, and one household's income includes pension. Most households have more than 1 income-earning member. Among the interviewed households, 54.5% have 2 or more income-earning members. Income reported varies greatly. All the surveyed households earn KZT 50,000.0 or more per month. Households earning KZT 51,000.0--100,000.0 per month and KZT 101,000--150,000.0 per month equally comprise 31.8% each. The next group is represented by the households earning KZT 151,000.0--200,000.0 per month (27.3%), while another 9.1% of households earns more than KZT 201,000 per month. Average monthly income per household member is around KZT 136,600.0. Average data for all interviewed parties is provided in the table 11.

Table 11. Reported monthly household income of surveyed households

Income Range (in KZT)	Number of HH	%
51,000.0 – 100,000.0	7	32
101,000.0 – 150,000.0	7	32
151,000.0 – 200,000.0	6	27
201,000.0 and above	2	9
Total	22	100

3.2.5 Living Conditions

44. Eight respondents mentioned that they have houses/structures to be affected by the project. Out of ten structures, six are commercial structures (gas station, café, etc.), two are houses, one is warehouse and one is bath. All the structures are single-storey buildings containing from 1 to 4 rooms. Majority of structures (70%) are made of bricks and 30% are made of coquina limestone. Almost all the structures were built after 2001 and only one house was built in 1991. All the structures are supplied with electricity, and about 60% have access to water and phone.

CHAPTER 4. OBJECTIVES, POLICY FRAMEWORK, AND ENTITLEMENTS

45. This draft LARP is based on existing legal framework and procedures for land acquisition in Kazakhstan and ADB Safeguard Policy Statement (2009). The following section describes these policies, land acquisition processes, entitlements and eligibility for compensation and other resettlement entitlements.

4.1 Kazakhstan Legal Framework and Practice

46. In Kazakhstan, land is owned by the State but can be transferred, sold or rented to individuals for short-term (less than 5 years) or long-term (5-49 years) use. The State can acquire privately-owned/used land only for specific uses, including road transport infrastructure construction, and only after compensating the owner for the asset and other losses.

4.1.1 Hierarchy of Legal Acts in Kazakhstan

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

- i. The Constitution of the Republic of Kazakhstan;
- ii. International treaties ratified by the parliament;
- iii. 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;
- iv. Codes and ordinary laws; and
- v. other regulations, normative decrees, and so forth.

4.1.2 Constitution of the Republic of Kazakhstan

48. The Constitution states that land (surface and underground) is owned by the State, but can also be privately owned (Article 6.3). It also states that no one may be deprived of property unless stipulated by a court decision (Article 26.3). Compulsory alienation of property for state needs in extraordinary cases stipulated by law may be exercised subject to provision of just compensation.

4.1.3 The Land Code

49. The Land Code of the Republic of Kazakhstan (RK Code No. 442-II of 20 June 2003) 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).

50. 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 railroad 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).

51. The owner of the land or land user must be notified in writing by the body that made the decision to purchase at least one year prior to acquisition, unless the owner or land user agrees to release the land before (Article 85.2). If the remaining portion of the land can no longer be used for the intended purpose, then the entire plot must be purchased (Article 86.2).

52. 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 RK 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).

53. 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 state¹³ (Article 96.1). 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 96.2 as well as Article 67.2 of the RK 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 96.3).

54. 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 № 1154¹⁴), 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.

¹³ Kazakhstan's Constitution considers international treaties ratified by the Republic (such as ADB Loan agreements) as having priority over its laws and hence can be directly implemented. The ratification of the loan agreement will provide the legal basis and justification for undertaking measures to address the gaps between Kazakhstan's laws, and the compensation payments and rehabilitation assistance provided in this draft LARP. Upon the ratification of the loan agreement, the ADB policy requirements of compensating land based at current market rates (not original purchase prices) shall prevail.

¹⁴ 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.azur.kz/en/news-list/784-03-2011->

55. 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.

56. 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).

57. 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).

58. 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.

4.1.4 Law on State Property

59. Law on State Property (№ 413-IV LRK dated 1 March 2011, 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:

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

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

61. 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).

62. 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).

63. 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).

64. 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).

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

- i. The 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;
- ii. the 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;
- iii. The 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;
- iv. The 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;
- v. The composition of the property alienated for state needs;
- vi. The list of people whose rights in respect to the alienated property will be terminated or limited;
- vii. the procedure for financing the government expenditures for the acquisition of property for state needs (Article 65.6).

66. 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).

67. 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)¹⁵. 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 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 RK represented by the Government of the RK 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).

4.1.5 Law on Housing Relations

68. The Law of the Republic of Kazakhstan on Housing Relations (№ 94-І dated April 16, 1997) 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).

69. In the capital of the Republic of Kazakhstan (Article 119-1), in case of involuntary acquisition of land plots for state needs, the affected owner shall be paid cash compensation equal to the market cost of the residential place or (if preferred by the affected owner) provided with a well-maintained place of residence (house or apartment) with a useful (living) area not exceeding the useful (living) area of the involuntarily taken place of residence.

4.1.6 Labor Code

70. According to the Labor Code (№ 251-ІІІ dated May 15, 2007), 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).

4.1.7 Land Acquisition Process

¹⁵ This gap with the ADB policy regarding compensation at replacement rate is addressed in the Kazakhstan constitutional provision regarding international treaties. See footnote 11.

71. Following the standard land acquisition practice and process in Kazakhstan, land acquisition for the project will be implemented in accordance with the following procedures with some modifications to follow ADB policy.

- i. 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/design;
- ii. The feasibility study/design is sent to the oblast and rayon government levels for review and comments. In the case of Republican Roads, the feasibility study/design is sent to the Committee of Roads in Astana for review;
- iii. Based on the tentative alignment, registered owners/leaseholders are notified initially that their land will be acquired;
- iv. 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;
- v. 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;
- vi. Akimat(s) issue(s) a resolution on the land acquisition and register the resolution with register(s) the resolution with the oblast Department of Justice. Owners are officially notified of the extent of land acquisition of their properties;
- vii. The Akimat(s) establish(es) an evaluation commission that includes officials and land owners. Inputs will be sought from licensed valuers in establishing official compensation amounts;
- viii. Once the official compensation amounts have been established, negotiation between government and the affected 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 affected person;
- ix. If agreement cannot be reached, the government agency requiring the land will initiate a court appeal for expropriation;
- x. 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.

72. 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. Contractors 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 contractor and the owner and lands are required to be returned to their original state after work is concluded.

4.2. ADB's Provisions on Involuntary Resettlement under the SPS (2009)¹⁶

73. The ADB Policy on Involuntary Resettlement is based on the following principles:

- i. Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.
- ii. Carry out meaningful consultations with DPs, host communities, and concerned nongovernment organizations. Inform all DPs of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and indigenous peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of DPs and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.
- iii. Improve, or at least restore, the livelihoods of all DPs through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.
- iv. Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.
- v. Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.
- vi. Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.
- vii. Ensure that DPs without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
- viii. Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- ix. Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to DPs and other stakeholders.
- x. Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary

¹⁶ ADB. Safeguard Policy Statement, 2009, Manila.

- resettlement component of the project as a stand-alone operation.
- xi. Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
 - xii. Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

4.3 Comparison of ADB Resettlement Policy and Kazakhstan's Legislation

74. 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 to at least maintain 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 that shall not exceed market value. On the other hand, ADB policy requires compensation at full replacement costs.

75. Table 12 below summarizes the differences between the Kazakhstan national legislation/regulations related to involuntary land acquisition and the ADB involuntary resettlement safeguards:

Table 12. Comparison of Kazakhstan's Land Acquisition/Resettlement Practice/Policy and ADB Resettlement Safeguards

Kazakhstan's Land Acquisition Practice	ADB Resettlement Safeguards
Compensation of privately-owned land is based on the amount paid to the state with adjustments made based on inflation and may be lower than the market cost.	Compensation of privately-owned land is based on replacement cost ¹⁷ .
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.	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.	Objective focuses on restoring livelihood and standards of living for DPs, regardless of tenure or legal status.
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 for the DPs to benefit from the project.	Physically displaced persons (regardless of their legal status on the land) are provided with: (i) 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 as required;

¹⁷ 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)

Kazakhstan's Land Acquisition Practice	ADB Resettlement Safeguards
	(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 a land acquisition and resettlement plan (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 compulsory acquisition through court.	Encourages acquisition through a negotiated settlement subject to third party validation, to verify if compensation was made at replacement costs and meaningful consultations with DPs were carried out.

76. ADB can only finance projects that comply with its Safeguard Policy Statement (2009). If gaps exist between ADB's safeguards requirements and countries' laws, specific gap-filling measures need to be made to ensure that policy and safeguards requirements are achieved.

4.4 Actions to Address the Gaps¹⁸

77. To bridge the gaps between national legislation and practice and ADB resettlement safeguards, the following are observed in the Tranche 2 section of CAREC Corridor 2 (Mangystau Oblast Section) Investment Program:

- i. Land acquisition, and other involuntary resettlement impacts will be avoided or minimized exploring all viable alternative project designs;
- ii. Compensation at replacement cost for all items will be provided to DPs;
- iii. Valuation of land will not be based on amount paid to the State or on the amount at

¹⁸ The ratification of the loan agreement will provide the legal basis for undertaking measures to address the gaps in compensation payments and rehabilitation assistance provided in this LARP.

- the purchase contract (in case of land bought from other parties);
- iv. DPs without legal rights to land will be compensated for non-land assets;
- v. DPs will be assisted to restore their livelihood;
- vi. Persons who will need to relocate will be provided with relocation assistance, transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities as required;
- vii. Vulnerable DPs will be provided special allowances;
- viii. Appropriate redress mechanisms to solve DPs grievances will be established;
- ix. Census and socio-economic surveys and consultation with DPs, will be conducted;
- x. A LARP based on the census and socio-economic surveys, valuation and DP consultation will be prepared and submitted to ADB as a condition for loan appraisal. The LARP will be disclosed to DPs in a language and form that is understandable to them and posted on the web for general public disclosure;
- xi. Compensation payments will be initiated only after ADB has approved the LARP. Moreover, LARP implementation will be monitored by an independent monitor to be agreed with ADB; and,
- xii. Civil works in Project road section will only commence after the LARP implementation has been completed, and verified by an independent monitor.

4.5 Policy Framework and Entitlements

4.5.1 Entitlements to Compensation

78. The following groups of DPs are included in the LARP for this project:

- i. All DPs losing land either with legal title, lease holding land rights or without legal status;
- ii. Owners of buildings, crops, trees, or other objects attached to the land; and
- iii. DPs losing business, income, and salaries temporarily or permanently.

79. Table 13 below provides the entitlements for various categories of DPs and degrees of impacts related to the project.

Table 13. Entitlement and compensation matrix

Asset	Specification s	DP	Compensation Entitlements
Permanent Loss			
Agricultural, residential and commercial land plots		Owners	<ul style="list-style-type: none"> Cash compensation at full replacement cost (considering fair market value, transaction costs, interest accrued, transitional and restoration costs and other applicable payments) or through replacement with land plot equal in value to the land plot lost and at locations acceptable to DPs where feasible.
		Renters	<ul style="list-style-type: none"> Rental allowance in accordance with the conditions of the rent agreement but not less than the cost of rent for 3 months for short-term rent and 1 year for long-term rent), or continuation of rental agreement on alternative land plot, plus Refund of the unused portion of the rent or lease fees paid in advance.

Asset	Specifications	DP	Compensation Entitlements
		Squatters (if any)	<ul style="list-style-type: none"> Leased plot on State land; Displacement allowance option, equal to three months minimum monthly salary.
Buildings and structures		Owners of permanent structures (including squatters)	<ul style="list-style-type: none"> Cash compensation at full market value (without deduction of depreciation, taxes and other transaction costs) or, at the owner choice, house for house swap, plus 3 months housing rental allowance.
		Renters	<ul style="list-style-type: none"> Rental allowance in accordance with the conditions of the rent agreement but not less than cost of rent for 3 months, or continuation of rental agreement on alternative building/structure, plus Refund of the unused portion of the rent or lease fees paid in advance.
Trees	Trees affected	All DPs (including squatters)	<ul style="list-style-type: none"> Compensation reflecting income replacement. Economic trees are compensated based on age category and at gross market value of one year income times the number of years to grow a tree to similar productivity, plus purchase price of seedlings and starting materials. Non fruit-bearing/timber trees will be compensated based on the market value of dry wood volume.
Business and employment	Temporary or permanent business/employment loss	All DPs (including squatters and workers of affected businesses)	<ul style="list-style-type: none"> Owners of shops/commercial establishments: <ul style="list-style-type: none"> - In case of permanent loss, compensation equal to one year net income (lost profits); - In case of temporary loss, compensation equal to net income for the period of disruption (< 1 year).
			<ul style="list-style-type: none"> Workers: indemnity for lost wages up to 3 months income.
Relocation	Transport and transitional livelihood costs	All relocated persons	<ul style="list-style-type: none"> Transportation allowance sufficient to cover transport expenses; and, Transition 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.
Vulnerable households (HH)		HH below the poverty line; Large families having 4 or more children below 18 yrs., and HH with disabled members	<ul style="list-style-type: none"> Assistance equivalent to minimum living wage for 3 months; Enrollment in government social assistance program if not yet enrolled; Priority in local employment for members of vulnerable household.
Temporary Loss			
Land for construction sites and camps		Owners (private or	<ul style="list-style-type: none"> Compensation at local commercial rental rates for duration of use;

Asset	Specification s	DP	Compensation Entitlements
		public)	• Land restored to original status at the end of rental.

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

- a. **Land impacts.** The household with legal title will be compensated at replacement value either through (i) cash compensation at replacement cost (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 to the plot lost. Eventual transaction taxes/fees will be paid by the Government or waived. 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.

Renters of land will be provided with rental allowance in accordance with the conditions of the rent agreement but not less than the cost of rent for 3 months for short-term rent and 1 year for long-term rent. Leaseholders will also be compensated for activities related to land plot development, maintenance, protective measures etc. The land leasers may be granted a renewed lease in an alternative plot on the same terms and conditions, with no deductions for registration or transfer cost.

If the permanent or temporary acquisition results in partial or complete damage to infrastructure utilities (water, wastewater, electricity and gas supply, communication etc.), then the losses will be determined based on the costs of the work for construction of new structures or rehabilitation of existing systems, including the costs of design and survey works.

Residual portions of the acquired lands, which are rendered unusable in accordance with their initial purpose of use, will be included in the affected land and compensated as indicated above subject to the preference of the DP.

- b. **Buildings, and structures.** Owners of 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 water, wastewater, electricity, gas, communication utilities will be included in the compensation.

Building/structure renters will be provided with rental allowance in accordance with the conditions of the rent agreement but not less than cost of rent for 3 months, or continuation of rental agreement on alternative building/structure.

- c. **Crops and trees.** Standing crops on the acquired lands shall be compensated. Fruit-bearing trees are compensated based on age category and at gross market value of one year income times the number of years to grow a tree to similar productivity, plus purchase price of seedlings and starting materials. Non-fruit bearing/Timber trees will be valued based on the market value of their dry wood volume. The compensation for the tree will be free of deduction for the value of the wood left to the DP.

- d. **Businesses.** If business is lost permanently, it will be compensated in amount equal to 1-year net income (lost profit) based on the highest annual net income for the last three years of operation. If disruption is temporary, the DP shall be paid compensation for the period of business interruption period (less than one year) based on tax declaration or, if unavailable, official monthly minimum salary¹⁹. Losses that the owner incurred related to early termination of obligations to third parties, and expenses related to business development will also be considered.
- e. **Business workers and employees.** Displaced workers will be provided a compensation for lost job (termination of employment agreement) due to permanent or temporary termination of business activities amounting to up to their registered three-month average wage, or, if unavailable, official monthly minimum salary.
- f. **Relocation and transition allowance.** DP households/owners of structures who need to relocate will be provided with (i) an additional allowance to help them transport their structures, goods and personal items to a new site; (ii) housing rent allowance for 3 months and (iii) additional 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.
- g. **Vulnerable people²⁰** (Households below the poverty line, large households having 4 or more children below 18 years, and households with disabled members) will be provided a one-time monetary compensation equivalent to minimum living wage x 3 months and will be enrolled in existing social assistance programs. Able-members of vulnerable households will be given priority in project-related jobs.
- h. **Public utilities and infrastructure** will be fully replaced or rehabilitated to maintain their pre-project functions.
- i. **Temporary impacts.** In case of temporary land acquisition, compensation shall be based at local commercial rental rates for the duration of use. The land shall be restored by the construction contractor(s) to its original status at the end of rental.

81. For unexpected adverse effects during the project implementation, MOD CoR will undertake measures in accordance with the objectives of the LARP to restore the socio-economic and living conditions of DPs.

82. Delivery of compensation will be made through bank transfer to the account of DPs or by other means based on the preference of the DPs free from fees or processing charges. Expenses related to opening/closing of bank accounts and different bank operation connected to compensation payments, registration of the land plot/real property purchase agreement, registration of right of ownership with respect to new land plot/real property, transfer of funds, and documentation requirements shall be covered by GoK (entity authorized by GoK).

¹⁹ According to the Law "On Republican budget for 2012-2014" N496-IV dated 24 November 2011, the monthly minimum salary for 2012 is 17,439 KZT.

²⁰ Definition of vulnerable DPs is based on the Law on Targeted Social Assistance (N246 II dated 17 July 2001).

CHAPTER 5. CONSULTATIONS AND DISCLOSURE

5.1 Consultations

83. Initial public consultations regarding the proposed Project were carried out during design preparation.²¹ Two public consultations were held in April 2010. The meetings were held in Aktau (21 April 2010, in the Conference Hall of the Technical University) and in Shetpe (22 April, 2010, in the Akimat Conference Room). The first event was attended by 29 participants including Government officials, and 5 national and international specialists on traffic management, engineering, environment, economics and resettlement as well as members of the civil society and one NGO. The second event was attended by 40 participants, including Government officials, national and international specialists on environment, economics and resettlement, as well as members of the civil society. Besides the mentioned consultations there were two more, one in Zhetibay and one in Shetpe in June 2011. Meetings were carried out by presenting: (i) engineering details for the road, (ii) prospected schedules, (iii) expected benefits and (iv) anticipated impacts, including proposed mitigation measures. It was also disclosed that there will be a mechanism in place where local citizens and stakeholders affected will have a chance to forward their concerns, complaints at specified offices, and advance compensation claims for lost assets or business opportunities, as applicable. In specific, the latter were invited to forward suggestions and/or concerns pertaining to the near-future planning and implementation of the project. Detailed answers were provided by the designers, planners and representatives from the organizing agencies to the questions raised. Minutes of the meetings were taken by both representatives from the "Dortrans" and the ADB Project Team members.

84. On 19 July 2011 another Public Consultation Meeting was carried out in the Conference Room of the MOTC/Road Committee in Aktau. Meeting was attended by 40 participants. The Environmental Team also participated in this event. Technical features of Tranche 2 rehabilitation work plan were introduced by an Engineer from design organization, who was newly entrusted with the implementation of the Project.

85. 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 the project with a special focus on social and resettlement issues. The announcement on the upcoming public consultation was published in the local newspaper "Mangystau" (in Kazakh language) on 20 October 2012. Overall, more than 80 participants attended three public consultation, including representatives from different state entities, owners of affected lands/properties/businesses, and civil society. The MOD CoR specialists, consultant on social and resettlement issues and consultant on environmental issues also took part in the consultation.

86. DPs participated actively in the discussion. Questions and comments revolved around details of the project activities, including schedule of construction activities, eligibilities and entitlements, factors to be considered in the valuation of residential and commercial lands and property, information availability, dust and noise during construction works, etc. Representatives of MOD CoR, consultant on social and resettlement issues and consultant on environmental issues responded to the questions.

²¹ Information on public consultations carried out in 2010-2011 was taken from the Environmental Impact Assessment report for Tranche 2 section of CAREC Corridor 2 (Mangystau Oblast Section) Investment Program, P43439-KAZ, July 2011

87. Consultation with DPs will continue throughout preparation, finalization and implementation of the LARP. Their feedback and comments will be sought during a census and socio-economic surveys, planning for the provision of alternative land plot / structure, dismantling and relocation of structures, and delivery of compensation.

Table 14. Summary Consultation Matrix

Date	Location	Participants	Key Issues Discussed
21 April 2010	Conference Hall of the Technical University, Aktau town	Government officials, national / international specialists involved in Project, members of the civil society and NGO	Presentation of engineering details for the road, schedules, anticipated impacts and benefits.
22 April 2010	Akimat Conference Room, Shetpe village	Government officials, national / international specialists involved in Project, civil society	Presentation of engineering details for the road, schedules, anticipated impacts and benefits.
June 2011	Shetpe village, Zhetybai village	Representatives of the state authorities, Akimat, civil society, DPs	Presentation of engineering details for the road, schedules, anticipated benefits and impacts, including proposed mitigation measures.
19 July 2011	Conference Room of the MOTC/CoR Aktau town	Representatives of the state authorities, Akimat, design organization, consultants, civil society, DPs	Presentation of technical features of Tranche 2 works
23 October 2012	Akimat of Mangystau Rayon, Shetpe village	Representatives of the state authorities, Akimat, people residing in project corridor, interested public, representatives of MOD CoR, consultants, DPs	Presentation of detailed information regarding the Project activities, ADB resettlement requirements, LARP development details, description of impacts, entitlements for compensation, grievance procedures, monitoring activities.
23 October 2012	Akimat of Zhetybai village	Representatives of the state authorities, Akimat, people residing in project corridor, interested public, representatives of MOD CoR, consultants, DPs	Presentation of detailed information regarding the Project activities, ADB resettlement requirements, LARP development details, description of impacts, entitlements for compensation, grievance procedures, monitoring activities.
24 October 2012	Akimat of Munaily Rayon, Mangystau village	Representatives of the state authorities, Akimat, people residing in project corridor, interested public, representatives of MOD CoR, consultants, DPs	Presentation of detailed information regarding the Project activities, ADB resettlement requirements, LARP development details, description of impacts, entitlements for compensation, grievance procedures, monitoring activities.

5.2 Disclosure

88. Information brochure on the proposed Tranche 2 section of CAREC Corridor 2 (Mangystau Oblast Section) Investment Program, as well as ABD resettlement requirements will be produced and distributed to participants during the follow up public consultations at the stage of final LARP development (draft brochure is presented in Annex B). The copies of this brochure will also be shared during the meetings and discussions with the relevant state stakeholders, affected parties, NGOs, interested public. The information brochure will ensure that all DPs are

well-informed about the project and their entitlements to compensation and assistance envisaged under the project.

89. A summary of the final LARP (translated to Kazakh and Russian) shall be distributed among the DPs to provide additional information on the implementation arrangements, payment schedule, and assistance to specific groups and grievance redress options.

90. The draft and final LARP document will be translated into Russian language and disclosed on the websites of the CoR/MoTC and ADB upon approval by ADB and the GoK / MoTC.

CHAPTER 6. GRIEVANCE REDRESS PROCEDURE

91. Grievance redress procedures for the project aim to provide an effective and systematic mechanism in responding to queries, feedbacks and complaints from DPs, other key stakeholders and the general public.

6.1 Grievance Redress Process

92. A grievance mechanism will be available to allow DPs to appeal any disagreeable decision, practice or activity arising from land or other assets compensation. Information about the land acquisition and other aspects of the project will be provided to the MOD CoR, Akimats of affected villages, Aktau town, Munaily, Karakia, Mangystau Rayons, as well as Mangystau Oblast. The officials will be appointed on these levels to receive, help resolve, report or forward complaints received from DPs and the general public. Many grievances at local level arise due to inadequate understanding of project policies and procedures, and can be promptly resolved by properly explaining the situation to the complaining person at the site. The efforts will therefore be to first seek resolution of these grievances at the local level through the mediation by Grievance Focal Point appointed at Construction Supervision Consultant (CSC) and MOD CoR, as well as by involving designated officials at local community, rayon and oblast levels. In addition, the NGOs may serve as informal mediators to facilitate grievance resolution process.

93. The Grievance resolution process will follow the steps defined below:

- (i) First, complaints resolution will be attempted at the CSC level, which will be required to nominate a Grievance Focal Point to receive complaints, provide explanation to DPs regarding their particular case, record complaints in a special record-book and attempt to resolve them on spot. If the complaint can be immediately resolved Grievance Focal Point of CSC shall inform aggrieved parties about the development of their grievance and decision made with respect to their case. If the case remains unresolved (immediately on spot), it is passed to the MOD CoR for review and resolution. In addition, the APs dissatisfied with the attention paid by Grievance Focal Point of CSC may also refer to the Grievance Focal Point of MOD CoR to resolve their case. In case, the grievance is related to serious violation of procedures / requirements or is associated with an incident, Grievance Focal Point of CSC shall also immediately notify MOD CoR in written.
- (ii) Second, complaints resolution will be attempted at the MOD CoR level, which will also be required to nominate a Grievance Focal Point to receive complaints, consult with CSC and DPs and will search for possibilities to resolve the complaint within one-week period. At the end of one-week period Grievance Focal Point of MOD CoR shall inform aggrieved parties about the development of their grievance and decision made with respect to their case.
- (iii) If the complain remains unresolved after being considered at the MOD CoR level, DPs may take their complaints to the head of Akimat of respective rayon/town. Designated person (Grievance Focal Point) in Rayon Akimat (Akimats of Aktau town, Munaily, Karakia and Mangystau Rayon, as relevant) receives the complaint, registers it and attempts to resolve it with involvement of the MOD CoR, relevant authorities, informal mediators (such as representatives of civil

society) and DP(s). If there is no resolution in two-week period, it is passed to the Akimat of Mangystau Oblast / CoR of the MoTC.

- (iv) Forth, complaints resolution will be attempted at the Akimat of Mangystau Oblast / CoR of the MoTC level. Designated person (Grievance Focal Point) in Akimat of Mangystau Oblast / CoR of the MoTC receives the complaint and attempts to resolve it within two weeks. As part of the process of resolving the complaint the Akimat of Mangystau Oblast / CoR of the MoTC must convene a grievance redress committee that includes representatives of Government, professional organizations (design firm, valuation company, etc.), independent mediators (academic organizations, NGOs) as well as representative of the complaining party.
- (v) If after the intervention and assistance with the Akimat of Mangystau Oblast / CoR of the MoTC no solution has been reached and if the grievance redress system fails to satisfy the DPs, they can pursue further action by submitting their case to the appropriate court of law. Nevertheless, abovementioned grievance mechanism does not limit the citizen's right to submit the case to the court of law just in the first stage of grievance process.

94. The following standards shall be used while considering or referring to complaints:

LEVELS	STEPS IN COMPLAINT HANDLING
CSC	Registers the complaint and attempts to solve it on spot. If complaint cannot immediately resolved it is passed to the MOD CoR for resolution.
MOD CoR	Registers the complaint and attempts to solve it. If complaint is not resolved in one week, it is passed to the Akimat of respective community for resolution.
Community Akimat	Registers the complaint and attempts to solve it. If complaint is not resolved in one week, it is passed to the Akimat (Akimats of Aktau town, Munaily, Karakia, Mangystau rayons, as relevant) for resolution.
Akimat of Aktau town, Munaily, Karakia and Mangystau Rayons,	Receives the complaint and coordinates with the concerned units or agencies to find timely solution. If there is no resolution within two weeks, the case is passed to the Akimat of Mangystau Oblast / CoR of the MoTC for resolution.
Akimat of Mangystau Oblast / CoR of the MoTC	Receives the complaint and coordinates with the concerned units or agencies to find timely solution. If there is no resolution within two weeks, the case will be presented to a Kazakh court and resolved according to Kazakh's legislation.
Court	Hears the case and renders decision. The court's decision shall be final and binding.

6.2. Grievance Focal Points, Complaints Reporting, Recording and Monitoring

95. Complaints can be received through the staff of the CSC, CoR or Akimat (Akimats of Aktau town, Munaily, Karakia and Mangystau Rayons, Mangystau Oblast, as relevant). Grievance focal points will be designated at these levels to receive, help to resolve, report or forward complaints received from DPs and the general public. The following are the Grievance Focal Points designated for the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program, Tranche 2:

- a. **Grievance Focal Point at CSC** (*name, position, contact details*)
- b. **Grievance Focal Points at MOD CoR:**

Kazhimurat Borashevich Suebaev
 Director of Mangystau Oblast Department of Committee of Roads (CoR)

Zhantas Gazizovich Sharipov
 Deputy Director of Mangystau Oblast Department of Committee of Roads (CoR)
- c. **Grievance Focal Points at Akimats**
 Aktau town Akimat (*name, position, contact details*)
 Munaily Rayon Akimat (*name, position, contact details*)
 Karakia Rayon Akimat (*name, position, contact details*)
 Mangystau Rayon Akimat (*name, position, contact details*)
- d. **Grievance Focal Points at Mangystau Oblast Akimat / CoR of the MoTC**
 (*name, position, contact details*)

96. DPs or other concerned individuals may visit, call or send a letter or fax to any of the Grievance Focal Points to register their comments or complaints related to land acquisition or other aspects of the project.

97. The CSC, MOD CoR, Akimats will maintain a record-book to register the complaints, keep track of their status. Complaint forms will be available at these entities to facilitate recording of complaints. The information of grievance resolution will be summarized in MOD CoR progress reports to be submitted to ADB. The reports and the process of dispute resolution will be observed/monitored by the External Resettlement Monitoring Agency.

6.3. Disclosure of the Grievance Process

98. The grievance resolution process for the LARP will be disseminated through information brochure and will be presented during the public consultations to be held during preparation of final LARP. The information on grievance resolution process will be also made available at the respective Akimats and MOD CoR.

CHAPTER 7. COMPENSATION, RELOCATION, AND INCOME RESTORATION

7.1 Compensation for Privately-owned Lands

99. Privately-owned lands shall be compensated in cash based on the current market value in the area or provided with land plot of equal value. In the area where the affected privately-owned plots are situated, market values of land vary depending on the type of land and location. If preferred by the DP, a replacement plot may also be provided subject to availability of suitable land.

100. Several assumptions were made to allow for calculation of compensation: (i) since valuation data was available only for 4 residential plots out of 5, based on the available information the maximal cost of 1 ha of residential land was defined and used to calculate the cost for the land plot with missing information; (ii) since no data was available regarding the cost of agricultural land, the above-mentioned maximal cost for residential land was applied to define the value of agricultural land plots (with assumption that the residential land here is usually more expensive than agricultural); (iii) since valuation data was available only for 2 commercial plots, based on the available information the maximal cost of 1 ha of commercial land was defined and used to calculate the cost for the land plots with missing information; (iv) since the initial valuation information is dated November 2010, the inflation rates for 2011 (8.3%) and 2012 (5.5%)²² were taken into account while calculating compensation (inflation rate of 15% was accepted for this draft LARP purposes). In addition since no data was available regarding the ownership status of 4 land plots, those were considered as privately owned and calculation of respective compensation was provided.

101. Table 15 shows the estimates of preliminary valuation of the affected privately-owned lands.

Table 15. Preliminary valuation of affected private lands

Purpose of land plot use	Number of plots	Area acquired, in ha	Average Unit Rate (per ha) ²³	Calculated compensation, in KZT
Residential	4	0.37	3,374,768.76	1,250,014.35
Agricultural	1	11.88	3,375,020.00	40,095,237.60
Commercial	4	1.02	36,065,074.86	36,927,030.15
Sub-Total	9	13.27	5,896,528.04	78,272,282.10
No data	4	0.40	16,870,500.00	6,748,200.00
Total	13	13.67	6,217,538	85,020,482.10

7.2 Compensation for Leased / Used Lands

²² <http://www.gfmag.com/gdp-data-country-reports/245-kazakhstan-gdp-country-report.html#axzz2AQptfEgG>

²³ The average unit rate per hectare (in this and all other tables with this criterion) are calculated based on the calculated compensation amount and are to be acquired

102. Majority of the 16 affected leased lands is used for agricultural purposes (13 plots). Remaining 3 leased plots are used for commercial purposes. Four land plots (one residential, one commercial and two agricultural) are provided for permanent/unpaid use. Residential plot provided for permanent use is the land plot under the school and another plot will be provided by state instead. Agricultural lands provided for lease / permanent use are mostly natural grazing lands with no improvements made by the leaseholders / users to make these areas productive. Based on the information available for 8 agricultural plots, the portions of the land to be acquired for Project purposes vary within 0.01 – 1.08% of the total land plot area. Three commercial leased land plots and one land plot provided for unpaid use are utilized for mining (mostly quarries for extraction of coquina limestone) and represent only a minor portion of the overall land plot (less than 4%). Instead of the lost lands, the DPs may be provided with an option to continue the rental agreement or permanent/unpaid use on an alternative land plots.

7.3 Compensation for Trees and Plants

103. No impacts on the trees and perennial crops are expected as the project affected areas are located on lands with very limited agricultural productivity. None of the surveyed households reported on crop production activities and income generated from such activities. The presence of trees and perennial plants on the land plots to be taken for the Project purposes will be verified as a part of the census process, and respective provisions will be included in the final LARP.

7.4 Compensation for Expenses Related to Land Development and Obligations to Third Parties

104. Compensation to affected land users of agricultural, residential and commercial lands will consider expenses incurred for land development, mortgage and obligations to third parties. During the socio-economic survey no data was obtained from the interviewed households and legal entities. This will be assessed during the formal census and valuation process based on documents presented by DPs and official documents from relevant agencies and will be reflected in the final LARP.

7.5 Compensation for Affected Structures

105. A total of 20 structures will be affected as a result of Project implementation. These structures to be affected include houses (with extensions²⁴), warehouses, baths, cafes, garage, well, school building, gas station, as well as one gas station with shop, and one gas station with café-bar.

106. Several assumptions were made to allow for calculation of compensation for affected structures: (i) since valuation data was available only for 5 warehouses out of 7, and for remaining two warehouses information on neither size nor cost was available, the size and cost of the biggest warehouse from the list of 5 structures were used to calculate approximate compensation; (ii) since no data was available regarding the cost of gas station (the information is available only for one gas station + shop and one gas station + café-bar), the information on

²⁴ According to valuation reports all three houses include extensions. The sizes of such extensions and their costs are included in overall size and cost of the respective house.

bigger and more expensive gas station+shop was used for calculating the approximate compensation; (iii) since the initial valuation information is dated November 2010, the inflation rates for 2011 (8.3%) and 2012 (5.5%) were taken into account while calculating compensation (inflation rate of 15% was accepted for this draft LARP purposes).

107. Based on the above assumptions the estimated the total value of these structures at KZT 99,848,119.44. Of which, KZT 15,339,287.58 is needed for 3 affected residential houses and KZT 84,508,831.86 for the other 17 structures. The estimate is based on replacement rate (provided in valuation reports), without deduction for depreciation, transaction and salvage materials. Table 16 shows the preliminary valuation of the affected structures.

Table 16. Preliminary valuation of affected structures

Purpose of structure use	Materials	Number	Average Unit Rate (per m ²)	Area acquired, in m ²	Calculated compensation, in KZT
House	cement – concrete concrete and coquina limestone	1 2	24,410.07	628.4	15,339,287.58
Warehouse	coquina limestone no data	5 2	36,188.65	242.4	8,772,069.65
Bath	coquina limestone	2	17,747.04	46.0	816,363.68
Garage	coquina limestone	1	10,989.10	58.0	637,368.08
Well	coquina limestone	1	7,715.85	4.4	33,949.76
School	concrete and coquina limestone	1	56,790.46	249.6	14,174,900.00
Gas station with shop ²⁵	concrete and coquina limestone	1	60,432.62	144	8,702,297.25
Gas station with café-bar ²⁶	concrete	1	53,333.10	132.2	7,050,636.20
Gas station	no data	1	60,432.62	144	8,702,297.25
Cafe	concrete and coquina limestone	2	94,555.22	376.7	35,618,950.00
Total		20	45,416.47	2,198.5	99,848,119.44

7.6 Compensation for Business Losses

108. Two (2) households, 2 legal entities and 1 affected party with no data on status will lose their commercial structures and consequently will lose their income from their business activities. MOD CoR provided with preliminary estimates on the approximate monthly income of affected businesses and to calculate the approximate compensation for income losses.. During the preparation of the final LARP data on income provided by DPs as part of formal census/survey will be verified with the Tax Committee. Compensation for business losses is estimated at KZT 37,800,000.00. See Table 17 below.

Table 17. Preliminary computation of business income losses

²⁵ The data for the “gas station with shop” cannot be separated to “gas station” and “shop” sub-categories, as all available data (regarding size and cost of the structure) is combined in total figures for the whole structure.

²⁶ The data for the “gas station with café-bar” cannot be separated to “gas station” and “café-bar” sub-categories, as all available data (regarding size and cost of the structure) is combined in total figures for the whole structure.

Business description	Number of affected businesses	Number of displaced households and legal entities	Monthly income, (In KZT)	Number of months	Total compensation (in KZT)
Gas station with shop	1	- HH, 1 LE	900,000.00	12	10,800,000.00
Gas station with café-bar	1	1 HH, - LE	1,050,000.00	12	12,600,000.00
Gas station	1	- HH - LE 1 no data	750,000.00	12	9,000,000.00
Cafe	2	1 HH, 1 LE	450,000.00	12	5,400,000.00
Total	5	2 HH 2 LE 1 no data	3,150,000.00	-	37,800,000.00

7.6.1 Compensation for lost jobs of workers of affected businesses

109. The socio-economic survey identified at least 24 workers/employees who may lose their jobs as a result of the disruption of affected businesses. For this draft LARP, the average monthly income of these workers obtained during the socio-economic survey (KZT 46,350.0) was used to estimate the amount of compensation for permanent job loss (KZT 46,350.0 x 3 months = KZT 139,050.0). In the preparation of the final LARP, data on income of the workers provided by DPs will be verified with the Tax Committee. In case the income of the workers is not reported to the Tax Committee, the minimum monthly salary of KZT 17,439.0 will be used as monthly income multiplied by the period of disruption up to a maximum of 3 months. Based on preliminary computation, compensation for wage losses for the 24 workers is placed at KZT 3,337,200.0.

7.7 Relocation and Livelihood Restoration Allowances

110. Five (5) households, 3 legal entities and 3 unknown parties will lose their lands and structures and will need to relocate. These households and legal entities will be provided with relocation allowances. Relocation allowance includes the cost of labor and vehicle rent to transport the materials of the houses/and business structures (KZT 16,000.00) and rental cost for 3 months (KZT 200,000.00 x 3 = KZT 600,000.00). Additionally, a livelihood allowance equivalent to the subsistence minimum (KZT 17,439.00 KZT) will be provided for the transition period (estimated at 3 months). Support in identifying alternative houses or plots will be provided to relocating households/entities as part of the tasks of the entity to be designated by MOD CoR for valuation, negotiation and land clearing. Table 18 below summarizes the relocation and livelihood restoration allowances budget.

Table 18. Relocation and livelihood restoration allowances

Use of Structure	Number of Displaced HH and Les	Transportation cost, in KZT	Rental allowance, in KZT	transition allowance (minimum wage x 3 months), in KZT	Total (KZT)
House, warehouse, baths, school, garage, well, cafés, gas station, gas station with shop and gas station with café-bar	5 HH, 3 LE 3 - no data	16,000x11	200,000 x 3 months x 11	17,439 x 3 x11	176,000.00 6,600,000.00 575,487.00
Total					7,351,487.00

7.8 Allowance for Vulnerable Households

111. One household was identified during the socio-economic surveys as vulnerable. This household includes a disabled member. This household will be provided with cash allowance equivalent to one month's minimum wage (17,439.0 KZT) multiplied by 3 months (KZT 17,439 x 3 = KZT 52,317.0). An assessment of the vulnerability of all households will be done as part of the census during the final LARP preparation. Information on vulnerable households and calculation of compensation is presented in table 19 below.

Table 19. Allowance for vulnerable households

Vulnerability Criteria	Number of HH	Amount of allowance (minimum wage x 3 months)	Total
With disabled HH member	1	17,439 KZT x 3 months	52,317.0
Total	1		52,317.0

CHAPTER 8. INSTITUTIONAL FRAMEWORK

112. The timely and effective implementation of the LARP will require the involvement of several agencies and units. This chapter describes the roles of the different parties involved in LAR preparation and implementation.

8.1 Committee of Roads

113. The CoR, has the overall responsibility for CAREC Corridor 2 (Mangystau Oblast Section) Investment Program, Tranche 2, including LARP preparation, implementation, financing, reporting and evaluation. In particular, the CoR will:

- i. appraise and approve the LARP upon having obtained ADB's approval;
- ii. make decisions related to the land acquisition and compensation of affected people;
- iii. steer government units as well as Aktau Akimat and Akimats of Munaily, Karakia and Mangystau Rayons involved in land acquisition, plot allocation and complaint handling/grievance resolution;
- iv. provide sufficient budget for compensation, support and resettlement activities;
- v. ensure compliance of land acquisition and resettlement activities with the approved LARP;
- vi. engage experts/consultants to assist in preparation/updating of the LARP,
- vii. and conduct of LARP monitoring/evaluation activities.

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 Akimat of Mangystau Oblast / CoR will be responsible for establishing the grievance redress committee.

8.2 Mangystau Oblast Department of Committee of Roads

114. The MOD CoR has overall responsibility for day-to-day project implementation, including day-to-day implementation of LAR activities. A focal point on LAR issues shall be designated within the MOD CoR to coordinate the preparation and implementation of the final LARP for the Project. The focal point on LAR issues shall report to the Director of MOD CoR and will be tasked to:

- i. Finalize the list of DPs and develop/update a database of DPs based on the results of the census and new information (including the needed cadastral maps and land/property records, title verification details, etc.);
- ii. Maintain regular coordination and communication with relevant state agencies at the Mangystau Oblast (e.g. local branch of GosNPTsZem, Justice Department), and Rayon Akimats;
- iii. Follow up and provide support to respective Akimats during drafting and adoption of the decree on land/property acquisition for project purposes;
- iv. Follow up and provide support to respective Akimats during notification of DPs on upcoming land/property acquisition;
- v. Provide support during census, socio-economic survey of the DPs and valuation of the land / property to be taken;
- vi. Prepare documents for negotiation of compensation with the DPs;

- vii. Prepare documents for formalizing agreements with DPs and processing of compensation payments;
- viii. Conduct regular consultations and exchange of information with DPs on the implementation of the LARP;
- ix. Disclose the LARP and the information brochures;
- x. Plan and manage LARP implementation and the distribution of compensation;
- xi. Follow up with expropriation cases;
- xii. Facilitate conduct of field surveys, and re-registration of the remaining portions of the DPs land plots;
- xiii. Coordinate with the appropriate state agencies to provide all needed documentation and ensure prompt allocation of LAR budgets to the DPs;
- xiv. Engage and mobilize the External Monitoring Agency;
- xv. Assist in receiving, recording, resolving and reporting of grievances related to land / property acquisition process and other issues related to the project and coordinate with the CSC and EMA, rayon akimats and oblast akimat;
- xvi. Ensure proper internal monitoring;
- xvii. Monitor/supervise the temporary land acquisition carried out by contractors engaged for the project; and
- xviii. Prepare regular reports on the progress of LARP-related activities.

115. Given the complexity of the work in relation to the land acquisition and resettlement activities and relatively limited experience of the MOD CoR and Akimats in implementing similar works, ADB may provide training to these entities and regular mentoring/coaching during the LAR implementation and monitoring activities. If deemed necessary, the training shall cover but not limited to the following topics:

- i. Principles and procedures of land acquisition;
- ii. Public consultation and participation;
- iii. Entitlements and compensation & assistance disbursement mechanisms;
- iv. Grievance redress; and
- v. Monitoring of resettlement operations.

116. In addition, a specialized licensed valuation company shall be involved to carry out land/property valuation and assist in verification of the census data as well as assist in clarification of titles and land/property registration process. MOD CoR will also be supported by Project Management Consultant (PMC) and CSC, which will have the necessary specialists to handle LAR and environmental issues related to the project.

8.3 Rayon Akimats

117. Although MOD CoR will take the central role in implementing the LARP, the Akimat of Aktau and Munaily, Karakia, Mangystau Rayon Akimats will continue to play important roles in DP consultation, issuance of decrees, grievance resolution and in the provision of alternative land leases for leaseholders. The Akimats will also involve leaders of rural settlements in information dissemination and grievance redress.

8.3 Project Management Consultant

118. The PMC (taking into account its international experience in implementation of assignments including LAR activities) will assist the MOD CoR in carrying out the duties related

to finalization, implementation, supervision, monitoring and evaluation of LAR activities. In particular, the PMC will assist CoR to:

- i. Finalize the draft LARP after the issuance of the akimat decree on land acquisition;
- ii. Design and supervise the consultations, disclosure, DMS and census/socioeconomic survey related to the finalization of the LARP;
- iii. Coordinate closely with the licensed valuator in the conduct of official valuation of affected assets to ensure that these are conducted following the replacement cost principles of the ADB SPS (2009);
- iv. Ensure complete relocation or reconstruction of affected structures/businesses before civil works commencement and payment of appropriate compensation before displacing the DPs;
- v. Monitor LARP implementation process, provide data and support to MOD CoR during preparation of quarterly monitoring reports on LARP implementation and monitoring activities;
- vi. Present to the MOD CoR the issues and bottlenecks that arise during LARP implementation and monitoring, and provide recommendations and suggestions on solution of such issues;
- vii. Control the activities of Contractors and Sub-contractors, including implementation of mitigation measures, temporary land acquisition, etc.;
- viii. Provide advice to MOD CoR on LAR issues and grievance redress;
- ix. Study, communicate to MOD CoR and implement immediate remediation in case of any non-compliance with the LARP;

8.4 Construction Supervision Consultant

119. The CSC will assist the MOD CoR and collaborate with PMC on monitoring of LAR activities and preparation of internal resettlement monitoring reports. The CSC will 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. One of the main responsibilities of the CSC will include provision of guidance and monitoring of Contractors' compliance with stipulated measures to mitigate, enhance or compensate for social and environmental impacts related to implementation of the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program, Tranche 2.

8.5 External Monitoring Agency

120. An EMA will be engaged to provide an independent assessment of the implementation of land acquisition and resettlement activities for the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program, Tranche 2. Specific role of the EMA is described in Chapter 11 of this draft LARP. The Terms of reference for the EMA are presented in the Annex D to this LARP.

8.6 Other Agencies and Institutions

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

- i. **Ministry of Finance of the Republic of Kazakhstan** 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;

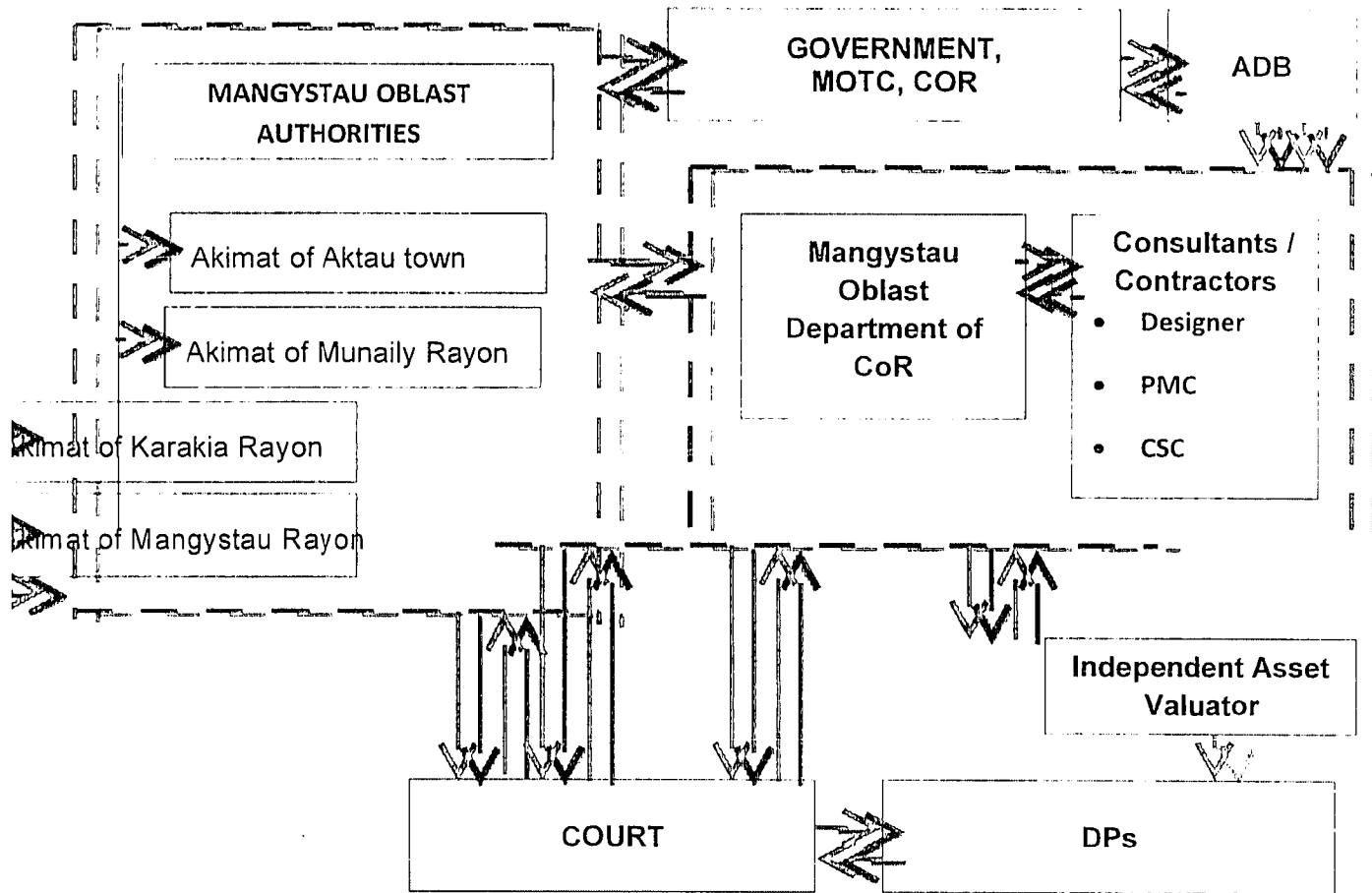
- ii. **Local Courts.** The court system will be involved in LAR process in case the agreement is not reached between MOD CoR / respective Akimat and the owner/user of the affected land plot / property. The court system in the Republic of Kazakhstan has a pyramidal hierarchy and includes (i) district (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 / MOD CoR 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;
- iii. **Independent Asset Valuers.** These will be accredited / licensed private firms hired by Akimats / MOD CoR to evaluate the affected assets subject to acquisition / expropriation

8.7 ADB

122. Besides carrying out the periodical 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.

123. Figure 2 below shows the LAR implementation arrangements and relations among various stakeholder agencies involved in the LAR activities for this project.

Figure 2. LAR implementation arrangements and relations among stakeholders



CHAPTER 9. RESETTLEMENT BUDGET AND FINANCING

124. The GoK / CoR is responsible for all land acquisition costs associated with the implementation of the LARP. A budget of approximately KZT 285,772,876 will be allocated for all LARP implementation activities from republican budget for CAREC Corridor 2 (Mangystau Oblast Section) Investment Program Tranche 2. This includes the cost for compensation of losses, registration on new land plots and structures, re-registration of remaining land plots, all associated administrative and bank operation related costs, as well as resettlement monitoring and evaluation. The budget breakdown is shown in Table 20.

Table 20. Land acquisition and resettlement budget

	Particulars/Items	Number of DPs	Quantity	Estimated Budget in KZT	Estimated Budget in USD
1	Compensation for privately-owned land				
	a. residential land	4 HH, 1 LE	0.3704 ha	1,250,014.35	8,302.4
	b. agricultural land	10 HH, 5 LE	11.88 ha	40,095,237.60	266,307.4
	c. commercial land	2 HH, 5 LE	1.0239 ha	36,927,030.15	245,264.5
	d. no data	2 LE, 3 no data	0.4 ha	6,748,200.00	44,820.7
	Total			85,020,482.10	564,695.0
3	Compensation for structures	5 HH, 3 LE 3 – no data	20 units	99,848,119.44	663,178.26
4	Compensation for business losses				
	a. Compensation for business income losses	2 HH, 2 LE 1 no data	5 businesses (permanently affected)	37,800,000.00	251,062.70
	b. lost jobs of workers of affected businesses	24 workers	3 months	3,337,200.00	22,165.25
5	Relocation and livelihood assistance				
	a. Relocation of housing and business	5 HH 3 LE 3 no data	20 units	7,351,487.00	48,827.62
6	Assistance to vulnerable DPs	1 HH	3 months	52,317.0	347.48
7	Registration of DPs new land plots and/or structures, notary verification and purchase agreement registration, bank account opening and bank related charges	16 HH 13 LE 3 no data	34 plots	9,033,600.00	15,238.56
8	LAR Administration/ Implementation, including internal monitoring by MOD CoR / PMC / CSC ²⁷		1 specialist / consultant	10,840,320.00	60,000.00
9	External Monitoring		company	15,056,000.00	100,000.00
	Total			259,793,523.54	1,725,514.87
	Contingencies (10%)			25,979,352.35	172,551.49
	Total + Contingencies			285,772,875.89	1,898,066.36

²⁷ This includes remuneration for a LAR focal point at MOD CoR for 30 months.

CHAPTER 10. IMPLEMENTATION SCHEDULE

10.1 General

125. The time for implementation of resettlement plan will be scheduled as per the overall project implementation. All activities related to the land acquisition and resettlement must be planned to ensure that compensation is paid prior to displacement of DPs and commencement of civil works. Public consultation, internal monitoring and grievance redress will be undertaken intermittently throughout the project duration. However, the schedule is subject to modification depending on the progress of the project activities. As part of advance actions following loan negotiations the capacity of the MOD CoR shall be enhanced to ensure proper implementation of LAR activities. Capacity building may include provision of training to staff and focal point on LAR issues within MOD CoR. The project LAR activities to be conducted are the following (i) updating of data on DPs and their properties, and conducting detailed measurement survey and valuation, and full consultations with DPs; (ii) preparation of the final LARP; and (iii) monitoring, which includes both internal and external monitoring.

126. Contractor(s) for the civil works for Tranche 2 is expected to mobilize in September 2013 (January 2014 in case of expropriation proceedings). Related to this, the LARP needs to be fully implemented and evaluated not later than August 2013 (December 2013 in case of expropriation proceedings). In best case scenario implementation is expected to take about 4-5 months from the finalization of land acquisition documents, negotiation of compensation with DPs, compensation payments, re-registration of plots and internal/external monitoring. However if there are court processes or inheritance cases implementation of LARP for such DPs may take up to one year.

10.2 LARP Preparation Phase

127. Designation of a focal point of LAR issues (as an option an ad hoc LAR unit for the resettlement activities can be established) will be the major task during the preparatory stage, which is pre-implementation phase. Valuation of affected assets shall be made by the licensed property valuator, following which the final LARP should be prepared and sent to ADB and GoK for approval. Upon the approval, the final LARP should be disclosed.

10.3 LARP Implementation Phase

128. Upon the approval of the final LARP, all the arrangements for fixing the compensation and the disbursement have to be done. These include payment of all eligible assistance, relocation of DPs, rehabilitation measures, site preparation for delivering the site to civil works contractor(s) and finally commencement of the civil works. Internal monitoring will be the responsibility of MOD CoR and will start early during the project when implementation of final LARP starts and will continue till the completion of the project. An organization/consultant with experience in LAR process monitoring will be engaged as EMA to oversee the LARP implementation activities and develop compliance report.

129. Table 21 shows the activities involved in the LARP preparation, finalization and implementation and the agencies/units involved.

Table 21. LARP preparation, finalization and implementation process

No.	Work Description	Responsible Agency
A. LARP Preparation		
A1	Akimats decrees and notification of DPs	Akimat of Aktau and Akimats of Munaily, Karakia and Mangystau Rayons
A2	Detailed surveys (census, socio-economic survey and valuation)	MOD CoR (with support of PMC, licensed valuator)
A3	Public consultations	Akimats, MOD CoR, licensed valuator
A4	Final LARP drafting	MOD CoR (with support of PMC, licensed valuator)
A5	Final LARP review / approval / disclosure	CoR / ADB
A6	Mobilization of external monitor	MOD CoR (through PMC)
A7	No objection to signing of civil works contract	ADB
B. LARP Implementation		
B1	Allocation of LAR funds, including those for relocation and rehabilitation assistance	Akimats, Ministry of Finance
B2	Detailed schedule for compensation action plan	MOD CoR, Akimats
B3	Preparation of relocation plots / structures / houses	MOD CoR, Akimats
B4	Registration of new plots / structures / houses	MOD CoR, Akimats
B5	Processing of compensation payments to DPs	MOD CoR, Akimats
B6	Expropriation proceedings	MOD CoR, Akimats
B7	Demolishing/ relocation of affected structures / assets	Contractor(s), MOD CoR, EMA
B8	Monitoring	MOD CoR (together with PMC, CSC, Contractor, EMA)
B9	Preparation of compliance report	EMA, MOD CoR
B10	Review of compliance report and issuance of Notice to Proceed for civil works is issued	ADB

130. Efforts will be made to reach agreements or resolution of issues with the DPs on the compensation payments without involving the Courts in order to avoid delays in project implementation. Table 22 presents the proposed schedule for the LARP implementation and commencement of civil works.

Table 22. Tentative Schedule for LARP Implementation²⁸

Milestones/Activities	2012		2013											
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
A. Final LARP Prep., Approval and Disclosure														
A1. Akimats decrees and notification of DPs														
A2. Detailed surveys (census, socio-economic survey and valuation)														
A3. Public consultations														
A4. Final LARP drafting														
A5. Final LARP review / approval / disclosure														
A6. Mobilization of external monitor														
A7. No objection to signing of civil works contract														
B. Final LARP implementation														
B1. Allocation of LAR funds, including those for relocation and rehabilitation assistance														
B2. Detailed schedule for compensation action plan														
B3. Preparation of relocation plots / structures / houses														
B4. Registration of new plots/structures/houses														
B5. Processing of compensation payments to DPs														
B6. Expropriation proceedings														
B7. Demolishing/ relocation of affected assets														
B8. Monitoring														
B9. Preparation of compliance report														
B10. Review of compliance report and issuance of Notice to Proceed for civil works														
Start of civil works														
Compensation of temporary impacts during civil works														

²⁸ Tentative timeline is based on the assumption that the decrees on land acquisition for state needs (including the final list of DPs) will be adopted in early December, 2012

CHAPTER 11. MONITORING AND EVALUATION

131. The LARP implementation will be subject to both internal and external monitoring. Results of these monitoring will be used as basis for issuance of Notice-To-Proceed (NTP) to the Contractor(s) in project sections with LAR impacts.

11.1 Internal Monitoring

132. The MOD CoR (with support of PMC and CSC) will monitor the progress for implementing the LARP, and submit quarterly monitoring reports to ADB. Table 23 below shows a general system of monitoring indicators to be periodically reported to ADB.

Table 23. LARP internal monitoring and evaluation matrix

Purpose	Activities	Monitoring Indicators
Identification of compensation recipients	Verify the list of compensation recipients against eligibility criteria for compensations	Number of persons in the list of compensation recipients, who do not meet eligibility criteria (included by mistake)
	Identification of persons, who may claim eligibility for compensation, but are not included in the lists of compensation recipients. Separate verification should be performed on each type of compensation	Number of persons who meet the criteria, but are not included in the list of compensation recipients (excluded by mistake)
Verification of affected area	Confirmation of the areas of affected assets (including land plots and real property) against the LARP	Area of land subject to acquisition, for which compensation has been paid
		Area of structures subject to acquisition for which compensation has been paid
Verification of compensation amount, processing and payment	Examination of financial documents	Number of persons who received compensation in time and in full amount disaggregated by compensation types
	Identification and analysis of reasons for compensations not being paid in full amount and in time.	Number of persons who did not receive compensation in time and in full amount, disaggregated by compensation types
		Amount of funding allocated for payment of compensations
	Identification of reasons for which funds for compensations have been under/overspent	Rate of spending of funds allocated for compensations, % of amount envisaged in the LARP
Verification of compensation timeline	Identification of reasons for which payment of compensations was delayed (e.g. due to the court trial, inheritance issue, etc.)	Number of persons who received compensation with delay, disaggregated by compensation types and reasons of delay; changes in amount of compensation (if any) should also be noted

Verification of consultation and participation	Determine the level of involvement and identification of reasons of inadequate participation	Number of compensation recipients who participated in consultations and coordination meetings at each stage of land acquisition
	Examination of grievance cases; analysis of disputes and complaints content, and resolution of conflicts	Number of complaints received
		Number of complaints resolved
Verification of income restoration	Socio-economic survey of affected households (after implementation of LARP)	Changes in household income / livelihood

133. Expenditures for this internal monitoring will be incorporated into the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program, Tranche 2 budget.

11.2 External Monitoring

134. Since the LARP implementation for the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program, Tranche 2 is expected to be completed within 4-5 months, the EMA will be required to prepare an inception report at the start of the LARP implementation and LARP Compliance Report once the LARP activities have been fully implemented.

135. The EMA will determine whether (i) the provisions in the resettlement plan have been observed during its implementation; (ii) whether the sources of income of the individuals, whose interests have been affected, were restored; and (iii) whether any unplanned or unexpected consequences of the resettlement have occurred. A draft Terms of Reference (TOR) for the EMA is provided in Annex D.

136. The EMA will:

- i. Recommend on the organization and implementation of internal monitoring of resettlement, including a system of monitoring indicators, timelines and procedures, reporting forms, etc.;
- ii. Analyze and prepare recommendations on the list of persons who incur damages and may be eligible to compensation;
- iii. Analyze the payment of compensations, procedures for approving payment of compensations and recommend on their compliance with the ADB resettlement policy;
- iv. Participate (as an observer) in consultation meetings on land acquisition;
- v. Monitor the timely allocation of funds for compensation and recommend on required adjustment measures, if needed;
- vi. Monitor the acquisition timelines and terms of temporary land acquisition (if any) and recommend adjustments, if needed;
- vii. Conduct surveys with displaced persons who incurred damages resulting from construction works under the project in order to identify the level of satisfaction with the types and amounts of compensations.

ANNEX A. Socio-economic Survey Questionnaire and Census form for final LARP

CAREC CORRIDOR 2 (MANGYSTAU OBLAST SECTION) INVESTMENT PROGRAM TRANCHE 2

SOCIO-ECONOMIC SURVEY QUESTIONNAIRE

Questionnaire ID: | | | | - | | | |
Number of questionnaire - Interviewer Initials

Hello! My name is _____. The Government of Kazakhstan applied for the support from the Asian Development Bank to provide assistance under the Central Asia Regional Economic Cooperation Program (CAREC) Corridor 2 (Mangystau Oblast Section) Investment Program, Tranche 2 to improve km 632.3 – km 802.27 road section connecting Shetpe to Aktau. Within the framework of the project, it is planned to rehabilitate approximately 179.97km long section of the road. The main goal of our interviews is to study the situation on roads and transport along the proposed route, as well as the perception of population about the proposed project. Your answers and comments will be used to for social assessment. Any information you will provide to us will be used to make general conclusions only.

A. Questionnaire Passport

A1. Place of the survey: _____

A2. Date of the survey: ____ (dd/mm/yyyy)

A3. Name of the interviewer: _____

A4. Name of the supervisor: _____

A5. Date of verification: ____ (dd/mm/yyyy)

B. Information about respondent and his/her household

B1. Full name of household head: _____

B2. Sex: Male __1__ Female __2__

B3. District: _____

B4. Address, phone: _____

B5. Information on household members:

Before we start our this section, I would like to explain the exact meaning of the word "household", which we are going to use often during our conversation. I mean that household is made of people who live permanently in your house and share your household expenditures, at least those related to nutrition. Let us talk about your household. Please start from yourself

(household head should be the first in the table) and name all members of your household, including small children, and also those who live in your house and share his or her income and expenditures with your household

INTERVIEWER: FILL THE TABLE STARTING FROM THE RESPONDENT

Order No	Name	Gender 1 - male 2 - female	Age (as at the last birthday): children under 1 YEAR OLD = 0	EDUCATION		Basic occupation	Additional job / employment
				Adults	Children, schoolchildren and students		
1				1 - did not complete school (have no school certificate)	5 - preschool child	1 - preschool child	1 - have 2 - do not have
1				2 - secondary education	6 - child under 16 years old, who neither attend educational establishments, nor have employment	2 - school student	
2				3 - completed specialized secondary, vocational education (vocational technical school, specialized vocational technical school, technical college, lyceum, college)	7 - school student	3 - child under 16 years old, who neither attend educational establishments, nor have employment	
3				4 - completed higher education, postgraduate education, etc	8 - student of lyceum, college	4 - student of lyceum, college	
4					9 - student of higher educational establishment (full time course student)	5 - student of higher education or postgraduate student (full time students)	
5						Permanent employment (including those who are on childcare leave):	
6						6 - in budget-funded organization or institution (healthcare education administration, enforcement institutions, etc.)	
7						7 - in the private or state-owned enterprises (transport construction, industry, telecommunications, etc.)	
8						Owning private business:	
9						8 - Patented entrepreneurship	
10						9 - Registered as legal entity	
						10 - Unregistered business	
						Self-employed	
						11 - Self employed in trade, commerce and services	
						12 - Self employed in agriculture	
						Unemployed	
						13 - Officially registered as an unemployed person	
						14 - Unregistered unemployed, seeking employment and ready to accept employment immediately	
						Other categories	
						15 - Unemployed and do not seek employment for any reason	
						16 - Retired	
						17 - Disabled registered with social security authorities (17 years and below)	
						18 - Disabled registered with social security authorities (only 18 years old and above)	

B6. Land and asset ownership

Land	
Total area of land plot, sq.m	
Area of cultivated land, sq.m	
Area of uncultivated land, sq.m	
Crops being cultivated	
Yield	
Building/structure	
Total area of building, sq.m.	
Residential area of building, sq.m	
Non-residential area of building, sq.m	

B7. Land type

Answer # []

Type of the land	
Residential land	1
Commercial land	2
Garden	3
Other	4

B8. Information on the structures that belong to the household head

Type of structure	Materials (concrete, bricks-2, wood-3, metal-4, clay-5 other-specify)	Number of stores	Number of rooms	Has water supply/ wastewater? Yes -1 No -2	Has gas supply? Yes -1, No -2	Has electricity? Yes -1, No -2	Has phone line? Yes -1, No -2	Year built

B9. Other assets owned by your family

Asset	Quantity
1. Real property	
2. Car	
3. Trading and Business	
4. Construction equipment	
5. Agricultural equipment	
6. Other (specify)	

B10. Family members who generate income (specify all of them including pensioners)

Member's name (father, mother, son, daughter etc.)	Income source (salary -1, pension-2, profit-3 etc.)	Monthly income, in KZT

B11. Information on family expenditure (monthly):

Item of Expenditure	Amount in KZT
1. Food	
2. Clothing	
3. Utilities (gas, electricity, water, phone, etc.)	
4. Dwelling house and other accommodation	
5. Maintenance cost of household structures and equipment	
6. Payment of loan/credit	
7. Education	
8. Medical/health	
9. Transport expenses	
10. Gasoline, fuel	
11. Household appliances/utensils	
12. Smoking	
13. Alcohol	
14. Entertainment	
15. Other (if any)	
TOTAL	

B12. Information on family income (for month of _____ 2013)

Source of Income	Amount in KZT
1. Salary	
2. Trade/Business	
3. Allowance	
4. Pension	
5. Renting light vehicles (car, van)	
6. Renting heavy vehicles (bus, minibus, lorry, tractor)	
7. Interest (bank deposit, money lending)	
8. Rent of land or real assets	
9. Household products	
10. Agriculture (including livestock)	
11. Other (specify)	
TOTAL	

B13. Does your household income level vary during the year? Answer # []

higher in summer 1
 higher in winter 2
 same all year round 3

B14. Please indicate your family borrowings during 2012

No	Name of borrowing family member	Name of source (institution or private person)	Amount taken, KZT	Amount returned, KZT	Balance, KZT
1					
2					
3					
4					
5					
TOTAL					

B15. What illness did you and your family members experience during the last 12 months?

B16. Did you and your family members apply for medical service to a hospital, out-patients' clinic or maternity hospital during the last 12 months?

Family member	Illness	Medical institutions you applied to

B17. Are there members of your family who work in locations outside the Mangystau Oblast?

1. Yes 2. No

If "Yes", please fill in the following:

Name	Type of work (agriculture, industry, construction, trade and business, other.)	Location of work (Astana, other regions in Kazakhstan, CIS, foreign countries (specify where))	Frequency and duration of work (shift team, permanent, years?)	Remittances, in KZT	Monthly income of this member, in KZT

B18. What ethnicity do you consider yourself belonging to?

	Kazakh	1
	Russian	2
	Uzbek	3

Kirgiz	4
Other (please specify)	5

B19. Do you consider yourself as disadvantaged because of ethnicity?

(in case the answer to B18 is different from «Kazakh»)

Yes [] / No []

B20. Do you consider yourself as disadvantaged because of low income?

Yes [] / No []

B21. Do you/your household get social assistance/allowance?

Yes [] / No []

C. TRANSPORT

C1. Please provide us with the following information about the transport use.

Purpose of travel	C 1.1 Type of transportation: A – public transport B – private car C – bicycle D – motorcycle E – none (walking)	C1.2 Distance (one way – in km)	C1.3 How often: A – Everyday B – 2 or times a week C – Every week D – 2 or more times a month E – Every month F – less than every months	C 1.4 How much you spend for one way trip (KZT)	C 1.5 How much time you spend for one way trip in minutes (excluding time spent for waiting)
School or kindergarten					
College/ University					
Policlinic					
Hospital					
Work					
Market or trade					
Other (specify):					

C2. Is there seasonal fluctuation in transportation use?

	Summer	Winter	Doesn't change
C2_1 Increase in Frequency	1	1	1
C2_2 Increase Time	2	2	2
C2_3 Increase costs	3	3	3

C3. What are the main problems associated with your travel? Please select top three answers:

Numbers [], [] and []

Lack of public transport (unavailability of routes/luck of the transport means)	1
Buses/minibuses are overcrowded	2
Long waiting time between two buses/minibuses	3
Traffic jams/ slow traffic in peak hours	4
Safety of transportation means, quality of service	5
Quality of the streets (technical conditions of roads)	6
Lack of lightening along the streets	7
High cost of transportation tariffs	8
High cost of benzine and gas	9
Others (Specify):	10

C4. Who has to drive/use public transport more often than others?

ONLY 1 OPTION OF ANSWER IS ALLOWED

Number – []

1	Everyone have to go nearly equally	1
2	Men have to go more often	2
3	Women have to go more often	3
4	Children have to go more often	4
5	Women and children have to go more often	5

6	Men and children	6
---	------------------	---

C5. Have your household members got serious diseases and attended to the hospital and/or polyclinic within last 12 months? Yes () / No ()

If "Yes" continue with the next question.

If "No" proceed to D1.

C6. How did you go to hospital / polyclinic?

Household member	Type of health care institution	How did he/she go to there?			How many times within last 12 months		
		By Bus	By car	By walking	By bus	By car	By walking
Men	Hospital	1	2	3			
	Polyclinic	1	2	3			
Women	Hospital	1	2	3			
	Polyclinic	1	2	3			
Children	Hospital	1	2	3			
	Polyclinic	1	2	3			

C7. How much did your household spend for treatment of these diseases within the last 12 months? _____ KZT

D PROJECT IMPACT

D1. The Government of Kazakhstan together with the Asian Development Bank is planning to rehabilitate Shetpe-Aktau section of the road. Have you heard about the proposed project?

Yes 1

No 2

D2. Do you think if your household will get better access to the infrastructure and services when the works are completed?

Yes 1

No 2

Do not know..... 3

D3. Does access to the improved transportation services increase the value of land/housing?

Yes 1

No 2

Do not know..... 3

D3. Do you think that after completion of the works you will have (Please select top three answers)?

Numbers [], [] and []

	Name	Yes	No	Do not know
1	Reliable, safe and speed road	1	2	0
2	Better access to education	1	2	0
3	Better access to work	1	2	0
4	Better access to markets/ shops	1	2	0
5	Better access to health care infrastructure	1	2	0
6	Better access to entertainment places	1	2	0
7	Better access to airport/railway	1	2	0

D5. In order of priority how you believe the transport sector should invest in improvements (Please select top three answers)?

Numbers [], []

] and []

Ways of investments	#
Rehabilitation of existing roads	1

Construction of new roads	2
Improvement of facilities of transport stations and bus stops for passengers	3
Increased frequency of public transport means	4
Improvement of public transport coverage/better routes	5
Improvement of road maintenance services	6
Improvement of road safety and security measures	7
Reduced Carbon emission	8
Other	9

(Question for women-heads of households or family members of the person filling the Questionnaire)

D7. Do you think that women in your area have sufficient opportunities to participate in decision making in:

	Yes	No	Limited
Landuse	1	2	3
Bankcredits	1	2	3
Household development	1	2	3
Land selling or renting	1	2	3
Temporary workers hiring	1	2	3
Household income distribution	1	2	3
Purchasing equipment, appliances	1	2	3
Other (specify)	1	2	3

D8. (For respondents who think that there are limited opportunities for women) What do you think are the possible reasons why there are limited opportunities for women to participate in decision making in their family and society?

D9. What can be done to improve women's life in your region?

D10. Should the women receive any supplemental assistance related to land acquisition for rehabilitation of Shetpe-Aktau road section?

Yes 1
No 2
Do not know..... 3

If Yes, please explain why do you think so:

Thank you very much for your participation in the survey!

**CAREC CORRIDOR 2 (MANGYSTAU OBLAST SECTION) INVESTMENT
PROGRAM TRANCHE 2**

CENSUS OF AFFECTED PERSONS

1. Full name: _____

2. Sex: Male _____ Female* _____

* If female: Are there other breadwinners in the household 1. Yes ☐ 2. No ☐, how many? ____

3. Address, phone: _____

4. Year of birth: _____

5. Nationality: _____

6. Members of the household:

#	Full name	Relation to household head (husband, wife, son, daughter etc.)	Age	Sex	Marital status	Education	Occupation	Any disabilities Yes/No
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

7. What are potential impacts on your household due to the road improvement project?

(mark with x)

#	Description of Impact	Temporary	Permanent
1	Loss of some portion of lands (residential, commercial, agricultural)		
2	Loss of structure (house, shop-house, secondary structures etc.)		
3	Loss of business, livelihood or income		
4	Loss of crops or trees		

8. What are your rights to the land plot/property?

- a) Long-term lease for 49 years
- b) Short-term lease for ____ years
- c) Private ownership
- d) State ownership
- e) Other (please specify): _____

9. Number of years you use this land plot/property: _____

10. If you lease the land plot/property from a private person, provide the following information on the owner of the land?

Owner's full name: _____

Owner's sex: Male _____ Female _____

Address: _____ Phone number: _____

11. (a) Did you have any expenditure for land improvement during the last 3 years?

#	Type of improvement	Yes	No
1	Bank loan/credit		
2	Trees and crops		
3	Watering system		
4	Establishment of access roads		

5	Parking lot / garage		
6	Other (specify)		

(b) Did you have any expenditure for structure/building improvement during the last 3 years?

#	Type of improvement	Yes	No
1	Extension / reconstruction		
2	Renovation/repair		
3	Infrastructure improvement		
4	Bank loan / credit		
5	Other (specify)		

12. Do you think that after acquisition of a portion of your land plot/property you will be able to continue with your former activities or you have to relocate, in particular (tick appropriate box) :

Agriculture	1. Yes <input type="checkbox"/>	2. No, but has alternative land plot / property to reside <input type="checkbox"/>	3. No, and has no alternative land plot / property, thus have to relocate <input type="checkbox"/>
Residential life	1. Yes <input type="checkbox"/>	2. No, but has alternative land plot / property to reside <input type="checkbox"/>	3. No, and has no alternative land plot / property, thus have to relocate <input type="checkbox"/>
Trading, Business	1. Yes <input type="checkbox"/>	2. No, but has alternative land plot / property to continue trading or business activity <input type="checkbox"/>	3. No, and has no alternative land plot / property, thus have to relocate <input type="checkbox"/>

13. If you have alternative land plot/property to reside or to continue with agricultural activities / trading / business, where is it situated?

14. If the remaining land plot / property is not sufficient to reside or to continue with agricultural activities / trading / business, would you like to obtain alternative land plot / property instead of cash compensation? (tick appropriate box)

1. Yes ☐ 2. No ☐

15. Only for business owners:

Type of business	Is it basic or secondary activity?	Monthly income from this activity, in KZT	Amount of lost income, in KZT

16. Only for persons engaged in trading, commerce or service:

When did you start the mentioned activity in this location? (year)	Do you have a license to carry out this activity? (tick appropriate box)	State authority that issued a trading license
	Yes <input type="checkbox"/> No <input type="checkbox"/>	

17. Do you employ workers for your activities on the land plot to be affected due to road improvement? (tick appropriate box)

1. Yes (permanent workers) ☐ 2. Yes (temporary workers) ☐ 3. No ☐

18a. If you have permanent hired workers, please fill in the table below for each of them :

#	Work being done by hired worker	Age	Sex	Education	Worker's monthly income, in KZT
1					

2					
3					
4					
5					

18b. If you have temporarily hired workers, please fill in the table below for each of them :

#	Work being done by hired worker	Age	Sex	Education	Worker's monthly income, in KZT
1					
2					
3					
4					
5					

19. Main trees and crops growing on the land plot to be affected due to road improvement:

Type of tree/crop	Total area of land plot (sq.m.)	Area to be acquired (sq.m.)	Year of sowing	Amount of trees / crops	Total cost of the profit lost, in KZT

20. Structures on the land plot to be affected due to road improvement:

Type of building/structure	Area (sq. m)	Cost, in KZT

21. Information on basic premises (house, shop, building) on the land plot to be affected due to road improvement:

Building	Materials	Number of stores	Number of rooms	Has electricity?	Has phone line?	Has gas supply?	Has water / wastewater infrastructure?	Year built

22. For persons whose structures will be affected due to road improvement:

(a) Did you obtain any credit to build this/these structure/structures? (tick appropriate box)

1. Yes ☐ 2. No ☐

(b) If yes, please specify your source(s) of credit for building the structure? (tick appropriate box)

1. Bank ☐ 3. Individual ☐
2. Credit organization ☐ 4. Other (specify) ☐

23. Information on renters of structures located on the land plot to be affected due to road improvement:

a) Monthly rent _____ KZT

b) Number of years you have been renting the affected structure __ years

c) Until when do you intend to rent the structure (tick appropriate box) :

1. Less than 6 months ☐ 3. More than 1 year ☐
2. 6 to 12 months ☐ 4. Indefinitely ☐

d) Do you know another (new) place to rent? (tick appropriate box)

1. Yes ☐ 2. No ☐

e) If no, will you need assistance in finding another place to rent? (tick appropriate box)

1. Yes ☐ 2. No ☐

24. In case you need to relocate your business as a result of road improvement, what would you prefer? (tick appropriate box)

1. Self relocate to another site ☐
2. Relocate in a site to be identified and provided by local authority (Akimat) ☐
3. Do not know ☐

25. What opportunities and livelihood assistance do you expect from the road improvement to help restore your livelihood?

1. Employment from road construction
2. Skill training (specify kind of training) _____
3. Provision of micro-credit/soft loan (specify type of business) _____
4. Others (specify) _____
5. Don't expect anything

27. Are you a member of any local civil organization? (tick appropriate box)

1. Yes ☐ 2. No ☐

If Yes, please indicate the name of organization: _____

28. What portion of your income (in KZT) you will lose due to land acquisition for road improvement? _____

29. What impact will the road improvement have on your household? (tick appropriate box)

1. Positive ☐
2. Negative ☐
3. Neither positive, nor negative ☐
4. Do not know ☐

30. What do you think are the advantages that you and your family would get due to road improvement? _____

31. What are your suggestions to minimize the losses or adverse impacts due to road improvement? _____

Thank you very much for your participation in the survey!

ANNEX B. List of Displaced Households/Legal Entities and Affected Land Plots / Property

№	Name of owner	Address / location	Cadastrе number	Permanent land acquisition according to valuation report, ha	Ownership status	Owner HH/LE	Land type according to valuation report	Structures according to valuation report	Size of structures according to valuation report, m²
1	Turkpenbaev B.	Shetpe, aul Kosbulak, house 69-b	13-198-002-372	0.10	private	HH	residential	house with extension	35
								warehouse	4
								bath	2
								garage	5
								well	4
2	Kelmaganbetov K.	no data	no data	0.02 (assumed)	no data	no data	no data	warehouse	86 (assume
3	Bekturov M.	no data	no data	0.02 (assumed)	no data	no data	no data	warehouse	86 (assume
4	Zholdasbaev I.	Shetpe, aul Kosbulak, house 52	13-198-002-1177	0.0864	private	HH	residential	warehouse	86
5	Mukhanova Zh.	Shetpe, aul Kosbulak, house 2	13-198-002-462	0.10	private	HH	residential	house with extension	169
								warehouse	4
								warehouse	4
								bath	2
								warehouse	2
6	Ersultanova A.	Shetpe, aul Kosbulak, house 2/1	13-198-002-224	0.084	private	HH	residential	house with extension	10
7	School	Shetpe, aul Kosbulak	13-198-002-850	0.193	permanent land use	LE	residential	school building	249
8	"MKDSM" JSC	Shetpe bypass	no data	15.585	permanent land use	LE	no data		
9	"Baiterek" LLP	Shetpe bypass	13-198-002-158	0.24	no data	LE	no data		
10	"Ondy" LLP	km 652.46 - km 704.54	13-198-019-016 13-198-019-017	132.56	permanent land use	LE	agricultural		
11	"Kozha" Peasant Farm	km 660.85 - km 660.95	13-198-019-033	0.25	long-term lease till 2054	LE	agricultural		
12	"Elshibek" Peasant Farm	km 667.7 - km 668.1	13-198-019-004	1.14	permanent land use	LE	agricultural		
13	Bozbanov M. ("Sultan-M" Peasant Farm)	km 683.9 - km 683.96	no data	0.12	long-term lease	HH	agricultural		48
14	"Mangistau-munaygaz" JSC	Zhetybai bypass	13-197-004-585	22.09	temporary unpaid use till	LE	commercial		

Republic of Kazakhstan:
CAREC Corridor 2 (Mangystau Oblast Section)
Investment Program
Tranche 2

INFORMATION BROCHURE

On entitlements and compensation of displaced persons and entities, grievance redress mechanism and resettlement implementation steps with respect to land acquisition for state needs

Aktau, October 2012

The Proposed Project

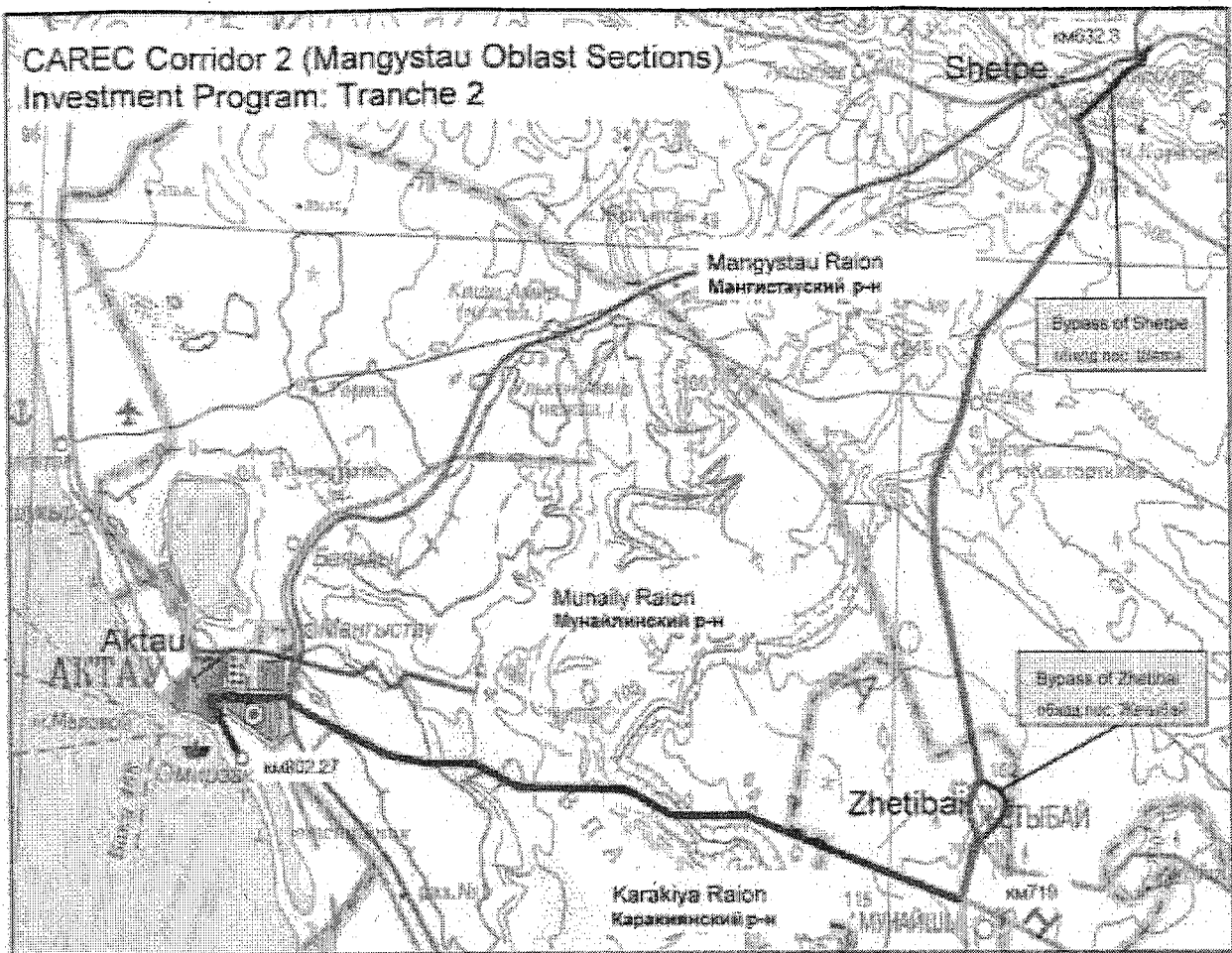
The Republic of Kazakhstan (RoK) acting through the Committee of Roads (CoR) of the Ministry of Transport and Communications (MoTC) proposed to undertake the Tranche 2 of the MFF for the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program. The Government of Kazakhstan (GoK) has requested the ADB to provide financing for the Tranche 2 (hereinafter referred as Project), which, likewise the Tranche 1 focuses on upgrading the Aktau – Beineu road. The remaining portion of the Aktau – Beineu road section (km 514.4 – 573.6) will be financed by the Government.

The Project 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. The proposed activities for each section of the road can be described as follows:

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

The road sections included in Tranche 2 pass through the area of Aktau town and three rayons (from east to west being Munaily, Karakia and Mangystau Rayons). The location of the proposed Project area within Mangystau Oblast in Western Kazakhstan is demonstrated on the Figure 1.

Figure 1. Map of the project area



The proponent for this Project is the RoK acting through its MoTC, and the Implementing Agency (IA) being the Committee of Roads (CoR). The Mangystau Oblast Department of Committee of Roads (MOD CoR) will be responsible for day-to-day management of the Project, including supervision of the detailed design, coordination of implementation of civil works, etc.

The Project aims at providing an efficient and safe road transportation system for the movement of passengers, goods and services in an environmentally sustainable manner. Overall, the Project will improve transport infrastructure of the oblast, provide improved corridor for the national and international movement of passengers and freight. It will facilitate regional trade, support poverty reduction while accelerating growth and development in the country as a whole, establish fast transportation link, and accelerate social and economic development while raising the living standard of local inhabitants. The road rehabilitation will further promote traffic safety. It will also contribute to reduction of overall emissions by eliminating/reducing the deceleration-acceleration cycles due to smooth road surface. In addition, operation of improved section will contribute to reduction of commercial risks during goods delivery, decrease in transport costs and passengers travel time. It should be also noted, that the Project will create temporary employment opportunities during construction works.

Property acquisition principles adopted for the project

Civil works in the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program Tranche 2 will require acquisition of land and property. For majority of the alignment, impact is limited

to acquisition of lands, however in some sections the structures (including houses, school building, commercial structures, etc.) are also affected.

Efforts were made in the design stage to minimize possible adverse impacts on the land plots and existing structures. For unavoidable impacts, measures will be made to ensure that wellbeing of displaced persons (DPs) will not worsen and will be improved to the extent possible. To achieve these, legislative norms of the RoK will be applied, along with the requirements set forth in the ADB's Safeguard Policy Statement of 2009 (SPS 2009).

As part of the review of the Project by ADB, a Land Acquisition and Resettlement Plan (LARP) for the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program Tranche 2 will be prepared based on the design. The LARP will be finalized after the Akimat of Aktau and Akimats of Munaily, Karakia and Mangystau Rayons issue the decrees for land acquisition and officially notified the owners and users of affected assets.

The following core principles will be followed for the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program Tranche 2:

- Land acquisition, and other involuntary resettlement impacts will be avoided or minimized exploring all viable alternative project designs;
- where unavoidable, DPs will be assisted in improving or at least regaining their standard of living before displacement;
- Compensation at replacement cost for all items will be provided to DPs;
- Valuation of land will NOT be based on amount paid to the State or on the amount at the purchase contract (in case of land bought from other parties);
- DPs without legal rights to land will be compensated for non-land assets;
- DPs will be assisted to restore their livelihood;
- Persons who will need to relocate will be provided with relocation assistance, transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities as required;
- Vulnerable DPs will be provided special allowances;
- Appropriate redress mechanisms to solve DPs grievances will be established;
- Census and socio-economic surveys and consultation with DPs, will be conducted;
- Final LARP based on the census and socio-economic surveys, valuation and DP consultation will be prepared. Final LARP will be disclosed to DPs in local language and posted on the web for general public disclosure;
- Compensation payments will be initiated only after ADB has approved the final LARP. Moreover, final LARP implementation will be monitored by an independent monitor to be agreed with ADB; and,
- Civil works for the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program Tranche 2 will only commence after the final LARP implementation has been completed, and verified by an independent monitor.

Census, socio-economic survey and cut-off date

The final census to prepare asset inventory of DPs and socio-economic survey of affected households will be concluded after the issuance of the decrees on land acquisition for state needs and subsequent notification of DPs. The date of the adoption of the decrees will

serve as cut-off date for entitlement.

Persons will NOT be indemnified for the expenditures and losses incurred related to improvement of land plot, new construction, extension or improvement of buildings (facilities, structures) on the land plot to be taken AFTER the cut-off date.

Eligibility for compensation and Entitlements

The following groups of DPs are included in the LARP for the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program Tranche 2:

- All DPs losing land either with legal title, lease holding land rights or without legal status;
- Owners of buildings, crops, trees, or other objects attached to the land; and
- DPs losing business, income, and salaries temporarily or permanently.

Compensation and rehabilitation assistance to be provided to DPs will be provided according to the entitlement and compensation matrix presented in the Table 1 below.

Table 1. Entitlements matrix

Asset	Specification s	DP	Compensation Entitlements
Permanent Loss			
Agricultural, residential and commercial land plots		Owners	<ul style="list-style-type: none"> • Cash compensation at replacement cost (based on fair market value, without deduction of taxes and other transaction costs) or through replacement with land plot equal in value to the land plot lost and at locations acceptable to DPs where feasible.
		Renters	<ul style="list-style-type: none"> • Rental allowance in accordance with the conditions of the rent agreement but not less than the cost of rent for 3 months for short-term rent and 1 year for long-term rent), or continuation of rental agreement on alternative land plot, plus • Refund of the unused portion of the rent or lease fees paid in advance.
		Squatters (if any)	<ul style="list-style-type: none"> • Leased plot on State land; • Displacement allowance option, equal to three months minimum monthly salary.
Buildings and structures		Owners of permanent structures (including squatters)	<ul style="list-style-type: none"> • Cash compensation at full market value (without deduction of depreciation, taxes and other transaction costs) or, at the owner choice, house for house swap, plus • 3 months housing rental allowance.
		Renters	<ul style="list-style-type: none"> • Rental allowance in accordance with the conditions of the rent agreement but not less than cost of rent for 3 months, or continuation of rental agreement on alternative building/structure, plus • Refund of the unused portion of the rent or lease fees paid in advance.
Trees	Trees affected	All DPs (including squatters)	<ul style="list-style-type: none"> • Compensation reflecting income replacement. Economic trees are compensated based on age category and at gross market value of one year income times the number of years to grow a tree to

Asset	Specifications	DP	Compensation Entitlements
			similar productivity, plus purchase price of seedlings and starting materials. • Non fruit-bearing/timber trees will be compensated based on the market value of dry wood volume.
Business and employment	Temporary or permanent business/employment loss	All DPs (including squatters and workers of affected businesses)	• Owners of shops/commercial establishments: - In case of permanent loss, compensation equal to one year net income (lost profits); - In case of temporary loss, compensation equal to net income for the period of disruption (< 1 year).
			• Workers: indemnity for lost wages up to 3 months income.
Relocation	Transport and transitional livelihood costs	All relocated persons	• Transportation allowance sufficient to cover transport expenses; and, • Transition 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.
Vulnerable households (HH)		HH below the poverty line; Large families having 4 or more children below 18 yrs., and HH with disabled members	• Assistance equivalent to minimum living wage for 3 months; • Enrollment in government social assistance program if not yet enrolled; • Priority in local employment for members of vulnerable household.
Temporary Loss			
Land for construction sites and camps		Owners (private or public)	• Compensation at local commercial rental rates for duration of use; • Land restored to original status at the end of rental.

Valuation and Compensation payment

Estimation and computation of compensation amounts and rehabilitation assistance will be done at different stages:

(a) For the draft LARP, an initial assessment of the affected assets, and estimates of the compensation payments will be made based on (i) initial data provided by a licensed valuation company engaged by design organization in 2010, (ii) information provided by concerned agencies, and (iii) interviews from willing DPs.

(b) For the final LARP (after issuance of the Akimats' decrees on land acquisition), computation will be based on (i) the formal valuation to be conducted by a licensed valuator following standard procedures prescribed by law and following the policy principles for the project, (ii) supporting documents provided by the owner or land user, and (iii) data from census and socio-economic survey. Computations / valuation done for the final LARP will be used for negotiating compensation.

If a DP agrees with the price proposed for his/her land plot and assets (if any) then he/she shall sign an agreement on acquisition of the land plot and real assets located on that plot. Following the agreement signing, delivery of compensation will be made through bank transfer to the account of DP or by other means based on the preference of the DP.

Expenses related to opening/closing of bank accounts and different bank operation connected to compensation payments, registration of the land plot/real property purchase agreement, registration of right of ownership with respect to new land plot/real property, transfer of funds, and documentation requirements shall be covered by GoK (entity authorized by GoK).

If the DP does not agree with the decision on his/her land plot acquisition for state needs or with the acquisition price of his/her land plot or assets, or with other conditions of the acquisition, the matter will be referred to a competent court for resolution.

Dispute settlement and grievance redress procedure

Persons or entities displaced by the project have the right to file complaints and/or queries on any aspect of land acquisition compensation, and resettlement. In order to ensure that grievances and complaints are addressed in a timely and satisfactory manner and that all possible avenues are available to DPs to air their grievances, the following mechanism for grievances will be set up:

(i) First, complaints resolution will be attempted at the Construction Supervision Consultant (CSC) level. The Grievance Focal Point will receive complaints, provide explanation to DPs regarding their particular case, record complaints in a special record-book and attempt to resolve them on spot. If the case remains unresolved (immediately on spot), it is passed to the MOD CoR for review and resolution.

(ii) Second, complaints resolution will be attempted at the MOD CoR level. The Grievance Focal Points of MOD CoR will receive complaints, consult with CSC and DPs and will search for possibilities to resolve the complaint within one-week period. Within one-week period, the MOD CoR will discuss the case and recommend its settlement to parties. If the case remains unsolved the DPs may take their complaints to the head of Akimat of respective rayon/town.

(iii) Third, complaints resolution will be attempted at the Aktau town / rayon Akimat level. Designated person in respective Akimat (Akimats of Aktau town, Munaily, Karakia and Mangystau Rayon, as relevant) will receive complaint, register it and attempt to resolve it with involvement of the MOD CoR, relevant authorities, informal mediators (such as representatives of civil society) and DP(s). If there is no resolution in two-week period, the case will be passed to the Akimat of Mangystau Oblast / CoR of the MoTC.

(iv) Forth, complaints resolution will be attempted at the Akimat of Mangystau Oblast / CoR of the MoTC level. Designated person in Akimat of Mangystau Oblast / CoR of the MoTC will receive the complaint and attempt to resolve it within two weeks. As part of the process of resolving the complaint the Akimat of Mangystau Oblast / CoR of the MoTC must convene a grievance redress committee that includes representatives of Government, professional

organizations (design firm, valuation company, etc.), independent mediators (academic organizations, NGOs) as well as representative of the complaining party.

(v) If after the intervention and assistance with the Akimat of Mangystau Oblast / CoR of the MoTC no solution has been reached and if the grievance redress system fails to satisfy the DPs, they can pursue further action by submitting their case to the appropriate court of law. Nevertheless, abovementioned grievance mechanism does not limit the citizen's right to submit the case to the court of law just in the first stage of grievance process.

Complaints can be received through the staff of the CSC, CoR or Akimat (Akimats of Aktau town, Munaily, Karakia and Mangystau Rayons, Mangystau Oblast, as relevant). Grievance focal points will be designated at these levels to receive, help to resolve, report or forward complaints received from DPs and the general public. The contacts of the Grievance Focal Point designated at the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program, Tranche 2 are provided in the box below:

a.	Grievance Focal Point at CSC <i>(name, position, contact details)</i>
b.	Grievance Focal Points at MOD CoR: Kazhimurat Borashevich Suebaev <i>(contact details)</i> Zhantas Gazizovich Sharipov <i>(contact details)</i>
c.	Grievance Focal Points at Akimats <i>Aktau town Akimat (name, position, contact details)</i> <i>Munaily Rayon Akimat (name, position, contact details)</i> <i>Karakia Rayon Akimat (name, position, contact details)</i> <i>Mangystau Rayon Akimat (name, position, contact details)</i>
d.	Grievance Focal Points at Mangystau Oblast Akimat / CoR of the MoTC <i>(name, position, contact details)</i>

DPs or other concerned individuals may visit, call or send a letter or fax to any of the Grievance Focal Points to register their comments or complaints related to land acquisition or other aspects of the project.

The CSC, MOD CoR, Akimats will maintain a record-book to register the complaints, keep track of their status. Complaint forms will be available at these entities to facilitate recording of complaints.

Land acquisition and resettlement implementation steps

All activities related to the land acquisition and resettlement will be planned in a way to ensure that compensation is paid prior to displacement of DPs and commencement of civil works. Public consultation, internal monitoring and grievance redress will be undertaken throughout the project duration.

Land acquisition and resettlement activities under the CAREC Corridor 2 (Mangystau

Oblast Section) Investment Program Tranche 2 will involve the following steps:

- (i) Akimats adopt decrees on land and property acquisition for state needs, notifies DPs, and allocate appropriate funds;
- (ii) MOD CoR, through its designated entity and licensed valuator, coordinate updates of data on DPs and their properties, detailed valuation survey, as well as consults with DPs and seeks their agreement;
- (iii) MOD CoR prepares the final implementation-ready LARP;
- (iv) ADB and GoK (maybe through CoR/MoTC) review and approve the LARP;
- (v) ADB and CoR disclose the final LARP on the web and to DPs;
- (vi) GoK designated entity implements the LARP, pay compensation, register new land plots and structures. MOD CoR conducts internal monitoring of final LARP implementation;
- (vii) If agreement is not reached with the DP, GoK designated entity files for expropriation procedures;
- (viii) MOD CoR designated entity demolishes and relocates affected structures / assets;
- (ix) Independent monitor reports on final LARP completion;
- (x) ADB issues no objection for commencement of civil works;
- (xi) Contractor implements civil works.

Overall, the LARP implementation and evaluation is expected to be completed in about 5 months from the issuance of the Akimats' decrees on land acquisition for state needs (without taking into account the time required for inheritance registration and court trial).

ANNEX D. Draft Terms of Reference for External Monitoring Agency

Draft Terms of Reference for External Monitoring Agency

I. Introduction

The Republic of Kazakhstan (RoK) acting through the Committee of Roads (CoR) of the Ministry of Transport and Communications (MoTC) proposed to undertake the Tranche 2 of the MFF for the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program. The Government of Kazakhstan (GoK) has requested the ADB to provide financing for the Tranche 2 (hereinafter referred as Project), which, likewise the Tranche 1 focuses on upgrading the Aktau – Beineu road. The remaining portion of the Aktau – Beineu road section (km 514.4 – 573.6) will be financed by the Government.

The Project 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. The proposed activities for each section of the road can be described as follows:

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

Civil works in the Tranche 2 section of CAREC Corridor 2 (Mangystau Oblast Section) Investment Program will require acquisition of land and property. For majority of the alignment, impact is limited to acquisition of lands, however in some sections the structures (including houses, school building, commercial structures, etc.) are also affected.

The draft Land Acquisition and Resettlement Plan (LARP) has been prepared for the proposed Project. The draft LARP fits relevant Kazakhstan legislation and the ADB's Safeguard Policy Statement of 2009 (SPS 2009). The draft LARP specifies that land acquisition and resettlement be monitored externally by an External Monitoring Agency (EMA) with the objective to monitor final LARP preparation, implementation and post implementation processes, identify problems and suggest respective solutions.

Land acquisition and resettlement activities for the proposed Project will be monitored internally by the MOD CoR, which will appoint a specialist responsible for internal monitoring of resettlement. This specialist will be supported by the PMC and CSC to develop detailed plans and indicators for monitoring. The monitoring Specialist will submit quarterly information about the progress of resettlement to be incorporated into project reports. The monitoring specialist will prepare summary reports for the compliance assessment by the EMA.

II. Objectives

ADB policy requires that external monitoring be carried out in parallel with the implementation of the LARP and its internal monitoring. The main goal of external monitoring is to assess relevance, efficiency, effectiveness and impact of the LAR processes and to suggest any corrective measures, if necessary. The EMA will monitor and verify LARP preparation and implementation to determine whether resettlement goals have been

achieved, livelihood and living standards have been restored and provide recommendation for improvement, if needed. The EMA scope of work will also include analysis of site conditions, compensation disbursement and grievance redress procedures.

The EMA is expected to submit monthly reports of the resettlement progress, LARP Implementation Review Quarterly Reports and a LARP Compliance Report, which indicates whether the compensation program has been carried out based on the provisions of the LARP and ADB policy and with the satisfaction of the displaced persons (DPs). The LARP Compliance Report is a precondition to the commencement of civil works.

To ensure compliance with this requirement MOD CoR (through PMC) will recruit a National Consulting Firm or a Non-Governmental Organization or Individual Consultant, in accordance with ADB guidelines, as the EMA for CAREC Corridor 2 (Mangystau Oblast Section) Investment Program Tranche 2 to provide an independent review of resettlement implementation to determine whether intended goals are being achieved, and if not, what corrective actions are needed. The objectives of the EMA will be the followings:

- Verify that resettlement has been implemented in accordance with the approved final LARP;
- Monitor and evaluate the schedules and the achievement of targets related to land acquisition and resettlement activities;
- Ensure that DPs have been able to at least restore their livelihoods and living standards;
- Review the project impacts on vulnerable groups and assess the effectiveness of the mitigation measures adopted;
- Assess resettlement relevance, efficiency, effectiveness and impact drawing both on policies and practices and to suggest any corrective measures, if necessary.

III. Scope of Work

The EMA will be involved in ongoing monitoring of the resettlement efforts by the MOD CoR. The major tasks of the EMA are the followings:

- Develop specific monitoring indicators for LAR;
- Monitor the progress of the land acquisition and resettlement activities against the targeted performance indicators;
- Verify claims through random check at the field level to assess whether resettlement objectives have been generally met;
- Identify the strengths and weaknesses of the resettlement objectives and approaches, and implementation strategies;
- Review and verify the progress in LARP implementation and prepare quarterly reports for the MOD CoR and ADB;
- Evaluate the adequacy of compensation given to the DPs as well as livelihood opportunities and incomes and quality of life of DPs;
- Evaluate the adequacy and effectiveness of the consultative process with DPs, particularly those vulnerable, including the adequacy and effectiveness of grievance procedures and legal redress available to the DPs, and dissemination of information about these;
- Monitor land acquisition timelines and terms of temporary land acquisition, and, if needed, recommend adjustment of timelines/terms; and
- Conduct baseline update surveys with DPs who incurred damages resulting from construction works under the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program Tranche 2, in order to identify the level of satisfaction with types and sizes of compensation.

IV. External Monitoring Methodology and Procedure

The following research methodologies and procedures are suggested for monitoring and evaluation of LARP preparation, implementation and post-implementation activities:

- Desk review (secondary data analysis);
- Baseline survey (face to face interviews);
- Participatory rapid assessment (focus groups, interviews, observations).

The monitoring and evaluation of LARP progress against the targeted performance indicators will be based on data from secondary and primary sources. EMA will use field visits and interviews with a representative sample of the DPs.

The work of the EMA can be subdivided into two phases:

- a. **Assessing pre-LARP implementation status** – this involves establishing the pre-LARP implementation conditions of the DPs to allow for the measurement of the initial impacts of the compensation and assistance provided in the course of LARP implementation. In this phase, the EMA will undertake:

a1. Desk review / secondary data analysis – review the socio-economic baseline survey, land acquisition and resettlement information available with MOD CoR and confirm its accuracy and validity. The completeness of the profiles for all the affected land plots/structures/businesses should be checked, which includes desk review of the information available at MOD CoR. In order to obtain insight on the number and types of DPs and impacts and determine the sampling plan for the conduct of surveys, the EMA shall review the socio-economic survey / census / valuation information. The EMA will propose a methodology for confirming the results of socio-economic survey and census, as provided in the LARP, through sample random checks of a representative number of DPs. The EMA will identify and select appropriate indicators to measure the impact of the LARP, including possible impact differences on men and women DPs.

a2. Baseline survey – having confirmed the validity of available socio-economic survey and census data available with the MOD CoR, the EMA will undertake a baseline survey for the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program Tranche 2. To ensure that adequate pre-project data is collected and available for monitoring, the baseline survey shall be conducted, to the extent possible, prior to the implementation of the LARP. The survey will cover a representative sample of DPs based on the census list, stratified according to types and severity of impacts. The survey shall follow the general rule of taking 10% of all DPs and at least 20% of severely affected/vulnerable DPs. However, adjustment in the sample size can be made to ensure that the error margin is +/- 5% at a CI of 95%. The sampling procedures for the baseline survey and the subsequent formal survey should be consistent to ensure comparability of samples. The results of the survey will be reported through Baseline Survey Report.

a3. Public Consultation Process – EMA will observe the public consultations organized by MOD CoR. This will allow evaluating the effectiveness of the public participation and the cooperative attitude of the DPs towards the LAR process. Monitoring of public consultation process shall to the extent possible be conducted before the resettlement implementation.

b. **LARP implementation review and preparation of LARP Compliance Report** – this involves the review of LARP implementation process to ensure that activities are implemented in accordance with the approved LARP. Upon the completion of the LARP implementation, an evaluation shall be made as to what extent the LARP was able to accomplish its objectives. This evaluation shall be used as basis for issuing the Notice-To-Proceed to Construction Contractor(s). In this phase the EMA shall undertake:

b1. Verification of compliance with LARP – this includes review of reports prepared by the MOD CoR. The EMA shall review and verify in the field the results of the reports prepared by the MOD CoR. The review shall involve a random check of payment/compensation records. Field verification will be done through interviews with DPs. The EMA shall also review the compliance of compensation process with procedures /methodologies /mechanisms stated in the approved LARP. The EMA shall check if the valuation, consultations, disclosure, payments, and related processes are done in accordance with the approved LARP.

b2. Assess the impact of the LARP – this will be carried out through formal and informal surveys with the DPs. Upon completion of compensation payments/assistance, the EMA shall conduct a survey of a representative sample of DPs to determine changes that have occurred on the DPs. Focus group discussions, conversational open-ended interviews and other unstructured data gathering methods will also be used for DP groups to supplement the findings from the survey. The assessment will also look into potential impacts or benefits that men and women DPs experienced from the resettlement activities.

b3. Assess DPs satisfaction on the valuation of assets and entitlements, timing of payments, etc. Through post-LARP survey, the EMA shall ascertain the degree of satisfaction of DPs on the valuation of assets, as well as, the scope and timing of assistance provided under the LARP.

b4. Post-LARP evaluation shall be carried out to find out if the objectives of the LARP have been attained or not and to assess resettlement efficiency, drawing lessons for future resettlement planning. The Post-LARP Report will be developed at this stage. Should the outcome of the study show that the objectives of the LARP have not been attained; the EMA will recommend appropriate supplemental assistance for the DPs.

The following data is considered to serve as the basis for developing the Post-LARP Report:

- (i) Socio-economic conditions of the DPs in the post-resettlement period;
- (ii) Communications with DPs and reaction from DPs on entitlements, compensation options, alternatives and relocation timetables, etc.;
- (iii) Changes in housing conditions and income levels;
- (iv) Rehabilitation of informal settlers;
- (v) Grievance procedures;
- (vi) Disbursement of compensation; and
- (vii) Level of satisfaction of DPs in the post-resettlement period.

b5. Prepare the LARP Compliance Report that shall demonstrate as to what extent the LARP was able to accomplish its objectives. The LARP Compliance Report will be used as basis to allow for commencement of the construction works. As part of the LARP Compliance Report, the EMA will also assess the

status of project affected vulnerable groups, such as female-headed households, disabled/elderly and families below the poverty line. Prior to submission of the LARP Compliance Report, the EMA shall ensure that informal and formal meetings are held with the men and women DPs, MOD CoR and other key officials and seek feedback on the contents/analysis presented the report. Highlights of these consultations will also be attached as an annex to the LARP Compliance Report.

V. Implementation Arrangements

The EMA shall report directly to the MOD CoR and carry out the works in close collaboration with the MOD CoR's focal point on LAR related issues and members of PMC and CSC. The EMA will deliver copies of all monitoring reports to ADB. The EMA assignment is on an intermittent basis following the pace of the progress of LARP preparation and implementation for the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program Tranche 2.

VI. Reporting Requirements

The EMA is expected to prepare and submit to the MOD CoR and ADB the following deliverables:

- An Inception Report and detailed Work Plan including draft formats (as appropriate for various outputs, such as questionnaires, guides, etc.) and draft outlines for various reports (including Baseline Survey Report, LARP Implementation Review Quarterly Report, Post-LARP Report, LARP Compliance Report) in 1 month upon signing of the contract;
- Baseline Survey Report;
- LARP Implementation Review Quarterly Reports;
- Post-LARP Report
- LARP Compliance Report;
- Final Report upon completion of the assignment.

In addition to the abovementioned programmatic reports, the EMA will submit to MOD CoR and ADB the monthly progress reports describing their activities undertaken during the specific month of assignment.

The EMA shall submit the deliverables in Kazakh/Russian and English languages in electronic and hard copies along with the cover letter.

VII. Consultant Qualifications

National Consulting Firm or a Non-Governmental Organization or Individual Consultant, will be engaged as the EMA for the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program Tranche 2. The Consultant shall have prior experience in conducting external resettlement monitoring for development projects. Familiarity with ADB Safeguards Policy Statement (2009) and LAR related RoK laws and regulations is an advantage.

Appendix I. Indicators for External Resettlement Monitoring and Evaluation

Monitoring Indicators	Basis for Indicators
Basic Information on the DPs	Location
	Composition and structure, age, educational and skill levels of affected household members
	Gender of the household head
	Ethnicity of the household head
	Access to health, education, utilities and other social services
	Housing type
	Land/structure and other asset owning and using patterns
	Occupations and employment patterns
	Income sources and levels
	Access to cultural sites and events
	Value of all assets forming entitlements
Restoration of living standards	Were house/structure compensation payments made free of depreciation, fees or transfer costs to the DP?
	Have DPs adopted the housing options developed?
	Have DPs preferred land-land and property-property swap?
	Have DPs achieved replacement of key social and cultural elements?
Restoration of livelihoods	Were compensation payments sufficient to replace lost assets?
	Was sufficient replacement land/property available of suitable standard?
	Did relocation payments cover respective costs?
	Have enterprises affected received sufficient assistance to re-establish themselves?
	Have vulnerable groups been provided income-earning opportunities? Are these effective and sustainable?
	Do jobs provided restore pre-project income levels and living conditions?
Levels of DP Satisfaction	How much do DPs know about resettlement procedures and entitlements? Do DPs know their entitlements?
	How do DPs assess the extent to which their own living standards have been restored?
	How much do DPs know about grievance procedures and conflict resolution procedures?
Effectiveness of Resettlement Planning	Were the DPs and their assets correctly identified?
	Did any land speculators appeared?
	Was the time frame and budget sufficient to meet the objectives?
	Were compensation too generous?
	Were vulnerable groups identified and assisted?
Budget and Time Frame	How did resettlement implementers deal with unforeseen problems?
	Have land acquisition and resettlement staff been appointed and mobilized for the field and office work on schedule?
	Have capacity building and training activities been completed on schedule?
	Are resettlement implementation activities being achieved against agreed implementation plan?
	Are funds for resettlement being allocated to relevant agencies on time?
	Did agencies involved in the land acquisition/LARP implementation receive the scheduled funds?
	Have funds been disbursed according to the LARP?

	Has all land been acquired in time for project implementation?
Delivery of Compensation to DPs	Have all DPs received compensation according to numbers and categories of loss set out in the entitlement matrix?
	Have DPs received compensation on time?
	Have all DPs received the agreed transport costs, relocation costs, income substitution support and any resettlement allowances, according to schedule?
	Have all replacement land plots/structures (if available and provided in the LARP) or contracts been provided? Are there measures to provide secure tenure (titles) to DPs, if applicable and provided in the LARP?
	How many DP households have received secure tenure (titles), if applicable and provided in the LARP?
	Does house quality meet the standards agreed, if applicable and provided in the LARP?
	Have relocation sites, if applicable and provided in the LARP, been selected and developed as per agreed standards?
	Are DPs able to access schools, health services, cultural sites and activities as provided in the LARP?
	Have affected businesses received entitlements including transfer and payments for net losses resulting from lost business and stoppage of production as provided in the LARP?
	Are there DPs who were not included in the LARP and were measures made to compensate for the impacts? Were these measures sufficient to replace losses/restore livelihoods?
Gender Impacts	Were measures done to identify differential impacts/benefits on men and women DPs and were measures done to address these? Were these measures effective in addressing the issue?
Consultation, Grievance and Special Issues	Have consultations taken place as scheduled? Have resettlement information leaflets been prepared and distributed? Were men and women equally able to participate in these meetings/consultations?
	How many DPs know their entitlements?
	Did the DPs signed agreements in accordance with their own free will and without pressure, intimidation or deceit?
	Have any DPs used the grievance redress procedures? What were the outcomes?
	Have conflicts been resolved?
Monitoring of Impacts	What changes have occurred in patterns of occupation, production and resource use compared to pre-project situation?
	What changes have occurred in income and expenditure patterns compared to pre-project situation? What have been the changes in cost of living compared to pre-project situation? Have DPs incomes kept pace with these changes?
	What changes have taken place in key social and cultural parameters relating to living standards?
	What changes have occurred for vulnerable groups? What changes occurred for women DPs?
	Were there unintended environmental impacts?
Other Impacts	Were there unintended impacts on employment or incomes?