

Resettlement Plan

August 2014

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

Prepared by the Committee of Roads of the Republic of Kazakhstan for the Asian Development Bank. This is an updated version of the draft originally posted in February 2013 available on <http://www.adb.org/projects/43439-033/documents>.



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The Committee of Roads Ministry of Investments and Development of the Republic of Kazakhstan (hereinafter – the Committee) forward the Due Diligence Report for Land Acquisition and Resettlement Plan and Land Acquisition and Resettlement Plan (LARP) for the Tranche 2.

Hereby the Committee informs, after the consideration by bank, given reports will be posted on the website of project Western Europe-Western China.

Deputy Chairman

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Prepared by the Committee of Roads, Republic of Kazakhstan, for the Asian Development Bank (ADB)

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.

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ABBREVIATIONS

ADB	- Asian Development Bank
CAREC	- Central Asia Regional Economic Cooperation
GoK	- Government of Kazakhstan
CoR	- Committee of Roads
PMC	- Project Management Consultant
KazAutoZhol	- Joint Stock Company (JSC) "NC KazAutoZhol"
CSC	- Construction Supervision Consultant
GosNPTsZem	- Land State Scientific and Production Center for Land Management
LARF	- Land Acquisition and Resettlement Framework
LARP	- Land Acquisition and Resettlement Plan
LAR	- Land Acquisition and Resettlement
MFF	- Multi-Tranche Financing Facility
IFI	- International Financing Institution
LLP	- Limited Liability Partnership
NGO	- Non-Governmental Organization
JSC	- Joint Stock Company
DP	- Displaced Person
LE	- legal entity
HH	- Household
RoK	- Republic of Kazakhstan
KZT	- Kazakh Tenge
AP	- Affected Person
Ha	- Hectare
EMA	- External Monitoring Agency
IA	- Implementing Agency

NOTE

In this report, \$ refers to US dollars.

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 people will NOT be considered eligible for compensation i.e. they are not included in the list of DPs as defined by the census.
Displaced Persons	In the context of involuntary resettlement, displaced persons are those who are physically displaced (relocation, loss of residential land, or loss of shelter) and/or economically displaced (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or access to legally designated parks and protected areas.
Physical Displacement	Relocation, loss of residential land, or loss of shelter as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.
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	Means all persons living together as a single social unit. They are identified in a census and recognized as legitimately entitled to receive compensation, rehabilitation and assistance under the Project.
Income restoration	Income restoration means re-establishing income sources and livelihoods of DPs.
Involuntary Resettlement	Any resettlement, which does not involve willingness of the persons Resettlement being adversely affected, but is forced through an instrument of law.
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 in this LARP.
Rehabilitation	Assistance provided to affected persons 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	Households that might suffer disproportionately or face the risk of being further marginalized by the effects of resettlement and specifically include: (i) households living below the poverty line (with per capita income of KZT 19 966 per month ¹); (ii) large household with 4 or more children below 18 years, (iii) households headed by women, the elderly or disabled.
Income Restoration	Means the reestablishment of income sources and livelihoods of APs to their pre-project levels.

¹ Minimum living wage in Kazakhstan for 2014.

Land Acquisition and Resettlement Plan	is the planning document that describes the activities to be done in addressing the direct social and economic impacts associated with involuntary taking of land and other assets.
Relocation	is the physical shifting of APs from his/her pre-project place of residence and/or business.
Replacement Cost	the value determined to be fair compensation for land based on its productive potential, the replacement cost of houses and structures (current fair market price of building materials and labor without depreciation or deductions for salvaged building material), and the market value of residential land, crops, trees, and other commodities.
Severely Affected Person	Are persons who will: (i) lose 10% or more of their productive, income/ productive land.
Indigenous Peoples	a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (iv) a distinct language, often different from the official language of Kazakhstan.

EXECUTIVE SUMMARY

1. The Land Acquisition and Resettlement Plan (LARP) is prepared by the Committee of Roads (CoR) for the construction, rehabilitation and upgrading of a road section with a total length of 632.3 km from Km. 802.27 under the Central Asia Regional Economic Cooperation (CAREC) Corridor 2 (Mangystau Oblast Section) Investment Program, Tranche 2.
2. The affected persons (APs) for this Project were originally identified based on the feasibility study for Beineu-Aktau Road section carried out by Kazakhstan Scientific Research and Design Institute “Dortrans” LLP in 2010 and final design for Shetpe-Zhetibai-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 Mangistay branch of Land State Scientific and Production Center for Land Management “GosNPTsZem”), and the licensed valuation company “Center of development of new educational and legal technologies” LLP was hired by design organization to carry out valuation of affected assets. The valuation reports were prepared and submitted to Joint Stock Company (JSC) “NC KazAutoZhol” (formerly named as Mangystau Oblast Department of Committee of Roads) along with the design documentation in January 2013. From June 25 to 25 July 2014, the impact on the DPs was reviewed/rechecked through a socioeconomic survey conducted by Project Management Consultant (PMC) for the (CAREC) Corridor 2, Transhe 2.
3. The initiation of civil works on the road sections covered by this LARP will be contingent upon fulfillment of the following conditions:
 - a. approval of this final LARP by ADB;
 - b. full disclosure of this final LARP to the public; and
 - c. full implementation of the compensation program described in this LARP including the full delivery of compensation to the APs.
4. A total of 22 parties (4 households-HH, 18 legal entities-LE) have experienced various losses/impacts from the implementation of the project.² A total of 3 structures: 2 houses (2HH) and 1 Gas station with cafe bar “Gularsha” (1LE) will be physically displaced. Two (2) leaseholders and two (2) private land owners lost more than 10% of their land.
5. A total of 373.40 ha of land acquired for permanent use for the project. Out of these 279.1292 ha is state reserved land and 94.2708 ha is privately owned or leased land. There may still be some temporary effects by the contractor during construction which will be monitored. Most land acquired for permanent use is privately owned or leased agricultural land (77.8307 ha), also there are industrial (15.0453 ha), Commercial (1.2108 ha) and residential (0.184 ha) land.

² Data is based on Due Diligence Report for Land Acquisition and Resettlement for CAREC Corridor 2 (Mangystau Oblast Section) Investment Program Tranche 2, August 2014. There was no updated final LARP and the process of land acquisition was started without the approved LARP. At this stage the process of land acquisition is partially completed. Although compensation (cash, land replacement) have not been paid to all APs yet.

6. Most of the affected areas 70.9917 ha are leased on long-term basis (for 49 years) by 12 legal entities. All affected plots are registered. Unregistered settlers, occupying the lands to be acquired for permanent use are not found.
7. Summary of land acquisition and resettlement impacts is given in Table 1 below.

Table 1. Summary land acquisition and resettlement impacts

No.	Description	Number/Amount
1	Total number of permanently affected land plots	22
	a. Leased lands (natural pastureland, industrial, commercial lands)	12
	b. Privately owned lands	10
2	Total land (ha) needed for the project	373.40
	a. Area of land to be taken from state reserved lands (ha)	279.1292
	b. Area of land to be taken from private and leased land (ha)	94.2708
3	Total area of land to be acquired permanently (in hectares) Including:	94.2708
	a. Leased lands (natural pastureland, industrial, commercial lands)	70.9917
	b. Privately owned lands	23.2791
4	Total area of residential land to be acquired permanently (in ha)	0.184
5	Total area of commercial land to be acquired permanently (in ha)	1.2108
6	Total area of agricultural land to be acquired permanently (in ha)	77.8307
7	Total area of industrial land to be acquired permanently (in ha)	15.0453
8	Total number of affected households and legal entities	22
9	Total number of permanently affected legal entities	18
10	Total number of permanently affected households	4
11	Total number of affected structures (permanent)	3
12	Total number of households and legal entities who need to relocate their houses/business structures - 2 residential and 1 gas station/café	3
13	Total number of households who need to relocate their houses	2
14	Total number of and legal entities who need to relocate	1
15	Total number of APs	36
16	Total number of affected workers	5
17	Total number of vulnerable households	1

8. A total of 4 HHs are affected by the project implementation with the total number of members 13. The average HH size is 3.25. Two (2) HHs or 50% are headed by men, and 2 HHs or 50% by women. 2 of the displaced households reside in village shetpe, Mangistay rayon and 2 of them in Aktau³. In terms of ethnic composition, all of the affected HHs (100%) are Kazakhs.

³ The 2 households (Utesinov A.I. - 0.3252 ha and Shermagambetov Sh.K. - 0.1216 ha) own industrial land in Munaily rayon but actually reside in Aktau.

9. Heads of the affected households have a mean age of 56.2 years. Most are between 48–75 years old. One head of household is above 70 years old. In terms of marital status, 3 heads of households are married. 1 head of household is a widow. 2 heads of households (50%) have secondary education and 2 of them (50%) have higher education.
10. A number of consultations with APs have been conducted 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.
11. On 8 April 2014 consultations were again held in Shetpe, kosbylak with 2 permanently affected HH (Mukhanova Zh. and Ersyiltanova A.) whose houses are to be relocated to explain entitlements for compensation and grievance redress mechanism.
12. In June-July 2014, socioeconomic survey and individual consultations was held. Individual consultations with 22 affected parties (4 HH and 18 LE) were carried out in June-July 2014. On 30 June 2014, seven (7) individual consultations took place in Mangistay rayon with 7 affected land owners and leaseholders (2 HH, 5 LE). On 22 July 2014, 5 individual consultations were carried out with 5 affected land owners and leaseholders (5 LE) in Karakia rayon. On 23-24 July 2014, 10 individual consultations (2HH 8 LE) were held in Munaily rayon and Aktau.
13. During consultations Affected Parties were given information to whom they can address their complaints and questions at the rayon akimats and the JSC “NC KazAutoZhol”.
14. The efforts were therefore made to first seek resolution of the grievances at the local level through the designated Grievance Focal Points, officials at local community and rayon levels as well as in JSC “NC KazAutoZhol”. However, Issues requiring attention or action from the Committee of Roads will be forwarded to the Project Management Consultant which provides technical and supervision support for the Project. If the case remains unsolved, a complaint can be lodged to the court. Nevertheless, above mentioned 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.
15. Compensation and entitlements for this Project aims to assure that the APs maintain or improve their standard of living after the project. The table 2 below provides a summary

of the compensation entitlements for various categories of APs and degrees of impacts related to the Project.

Table 2. Entitlement and Compensation Framework

Asset	Specifications	Affected Persons	Compensation Entitlements
Permanent Loss			
Agricultural, residential and commercial land plots		Owners	Cash compensation at full replacement cost (considering fair market value, transition 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 Long-term/ Short term	Rental allowance in accordance with the compensation Entitlements Land for land compensation with plots of equal productivity to the plots lost.
		Squatters (if any)	Leased plot on State land; Displacement allowance option, equal to three months minimum monthly salary.
Agricultural land	Severe impact>10% of income/ productive land lost	Owners, leaseholders of cropped/ cultivated land	Additional cash compensation equivalent to one-year gross harvest
Buildings and structures	Residential houses and commercial buildings	Owners of permanent structures (including squatters)	Cash compensation at the market value for affected structures and other real assets at existing prices at the moment of acquisition with no deduction for depreciation or transaction costs. Compensation will include the value of affected connections to water supply or other public utilities. House for house swap (at the owner option): if replacement is of lower value, cash compensation for the difference; 3 months housing rental allowance
		Renters	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.
	Temporary structures (kiosks, stalls)	Owners of temporary/ movable structures	Approved site to relocate structure.
Structure renters		Renters with valid rental contract	Three months' rent at prevailing market rate and assistance in finding alternative accommodation

Business employment and	Temporary or permanent business/employment loss	Business owners (including those with no formal rights on the land) and their affected workers	<p>if permanent business loss, cash compensation equal to one year income (lost profit);</p> <p>if temporary business loss, cash compensation for the period of income loss;</p> <p>if permanent employment loss, 3 months average registered wages (if not registered, based on the official minimum wage in Kazakhstan);</p> <p>if temporary employment loss, average registered wage during disruption (if not registered, based on the official minimum wage in Kazakhstan);</p> <p>(note: Affected workers will be paid through their employers as per the Labor Code)</p>
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.
Community assets			Rehabilitation or replacement of affected structures to pre-project function.
Vulnerable population groups		Households at or below the poverty line, with 4 children under 18 or households headed by an elderly, disabled, widow/woman.	Enrollment in government social assistance program if not yet enrolled Priority in local employment for members of vulnerable household with provision for basic on-the-job training. Assistance equivalent to minimum living wage for 3 months.
Temporary Loss			
Land for civil works or borrow pits	Negotiated between owner and contractor	Leaseholders (long-term and short-term land lease)	Contractor pays cash compensation at local state rental rates for duration of temporary use plus income/crop/structure loss due to temporary land use, if any Land restored to original status at the end of rental. Contractor pays for making land management and legal documents. Environmental safeguard measures.
		State lands (permanent land users)	Land restored to original status at the end of rental. Environmental safeguard measures. Contractor pays for making land management and legal documents.
Land of public wildlife areas		State lands	Environmental safeguard measures. Safeguard measures for archeological and cultural monuments.

16. The JSC “NC KazAutoZhol” and Akimats of Mangistay, Munaily and Karakia rayons have been implementing the LAR related activities and after the approval/disclosure of this final LARP by ADB will fully implement it with support from PMC.
17. A budget of approximately KZT 60 082 750 million is needed for implementing this LARP. This includes the cost for compensation of losses, re-registration plots, relocation allowance, assistance to vulnerable household and external monitoring.
18. Approval of the final LARP is a condition to contract award, while commencement of civil works will be conditional to the full implementation of the LARP.

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.
3. The Government of Kazakhstan (GoK) has requested the ADB⁴ to provide financing for the Tranche 2 (hereinafter referred as Project), which, likewise the Tranche 1 focuses on upgrading the Aktau – Beineu road. The Project comprises reconstruction of 169.97 kilometers between the settlement of Shetpe and the city of Aktau and its construction supervision. The road will be reconstructed in accordance with the national highway categories. Technically, the road length can be divided into 2 sections:

- **Section 1** includes 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) up to the junction with the national highway from Zhanaozen and Turkmenistan to Aktau (km 719);
- **Section 2** includes the stretch between Zhetibay junction (km 719) westwards to Aktau urban periphery, at the junction at km 802.27.

Civil works are divided into four contract packages:

- Package 1 (km 632.3 – km 675);
 - Package 2 (km 675 – km 719);
 - Package 3 (km 719 – km 754);
 - Package 5 (km 754 – km 802.27).
4. This Land Acquisition and Resettlement Plan (LARP) was updated⁵ under (CAREC) Corridor 2 (Mangystau Oblast Section) Investment Program, Project 2 for Asian Development Bank. It aims to provide assessment of the Project impacts and plan needed compensation/rehabilitation measures. Its preparation involved: (i) detailed measurement surveys, (ii) asset valuation/documentary research on affected plots, (iii)

⁴ Loan Agreement 2967-KAZ for implementing the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program Tranche 2 (18 June 2013).

⁵ The preliminary LARP for Tranche 2 was prepared in November 2012.

consultation with rayon governments, and displaced parties; and (iv) a census /socio-economic survey of displaced persons (DPs). It should be noted that most LAR activities are already completed. This LARP consists of corrective actions to fill-in gaps in the previous work. This LARP fits relevant Kazakhstan legislation and the ADB's Safeguard Policy Statement of 2009 (SPS 2009).

5. The affected persons (APs) for this Project were originally identified based on the feasibility study for Beineu-Aktau Road section carried out by Kazakhstan Scientific Research and Design Institute "Dortrans" LLP in 2010 and final design for Shetpe-Zhetibai-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 Mangystay branch of Land State Scientific and Production Center for Land Management "GosNPTsZem"), 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 Joint Stock Company (JSC) "NC KazAutoZhol" (formerly named as Mangystau Oblast Department of Committee of Roads) along with the design documentation in January 2013. Based on above mentioned more precise road design (January 2013) revealed some changes in land owners/users. The effect of this on the AP's has been checked in the new socio-economic survey conducted by Project Management Consultant (PMC) for the Transhe 2 in June-July 2014.
6. The LARP has been updated after the supplementary census /socio-economic survey of displaced persons (DPs) and based on official data obtained from state institutions.

1.2 LAR-Related Conditionalities

7. Based on ADB policy and practice, the appraisal of the project and the draft LARP, signing of contract awards and civil works implementation are subject to the following conditions:
 - **Contract awards signing and LARP implementation:** i) approval of the final/implementation-ready LARP by ADB and the Government;
 - **Provision of no-objection to initiation of civil works:** i.) full implementation of the compensation program described in the LARP including the full delivery of compensation to the DPs and ii) satisfactory review by ADB and the Government of the LARP completion report.

1.3 The Project description

8. 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.

9. The Project comprises reconstruction of 169.97 kilometers between the settlement of Shetpe and the city of Aktau and its construction supervision. The road will be reconstructed in accordance with the national highway categories. Technically, the road length can be divided into 2 sections:

- **Section 1** includes 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) up to the junction with the national highway from Zhanaozen and Turkmenistan to Aktau (km 719);
- **Section 2** includes the stretch between Zhetibay junction (km 719) westwards to Aktau urban periphery, at the junction at km 802.27.

Civil works are divided into four contract packages:

Package 1 (km 632.3 – km 675);
Package 2 (km 675 – km 719);
Package 3 (km 719 – km 754);
Package 5 (km 754 – km 802.27).

10. Works involve the following:

Upgrading of section 1 (total length 85.44km) to Category II road between Shetpe bypass (km 632.3-km 644), and Zhetibay bypass (km 711-719). The section ends at junction on km 719. On the section is anticipated to construct the following:

- Construction of 5 cattle crossings for livestock;
- Construction of a bridge;
- Installation of 32 water pipes;
- Construction of 1 overpass

Section 2 (total length 83.891 km) involves the stretch between Zhetibay Junction end (km. 719) westwards to Aktau urban periphery, at the junction at km 802.27.

This section includes the followings:

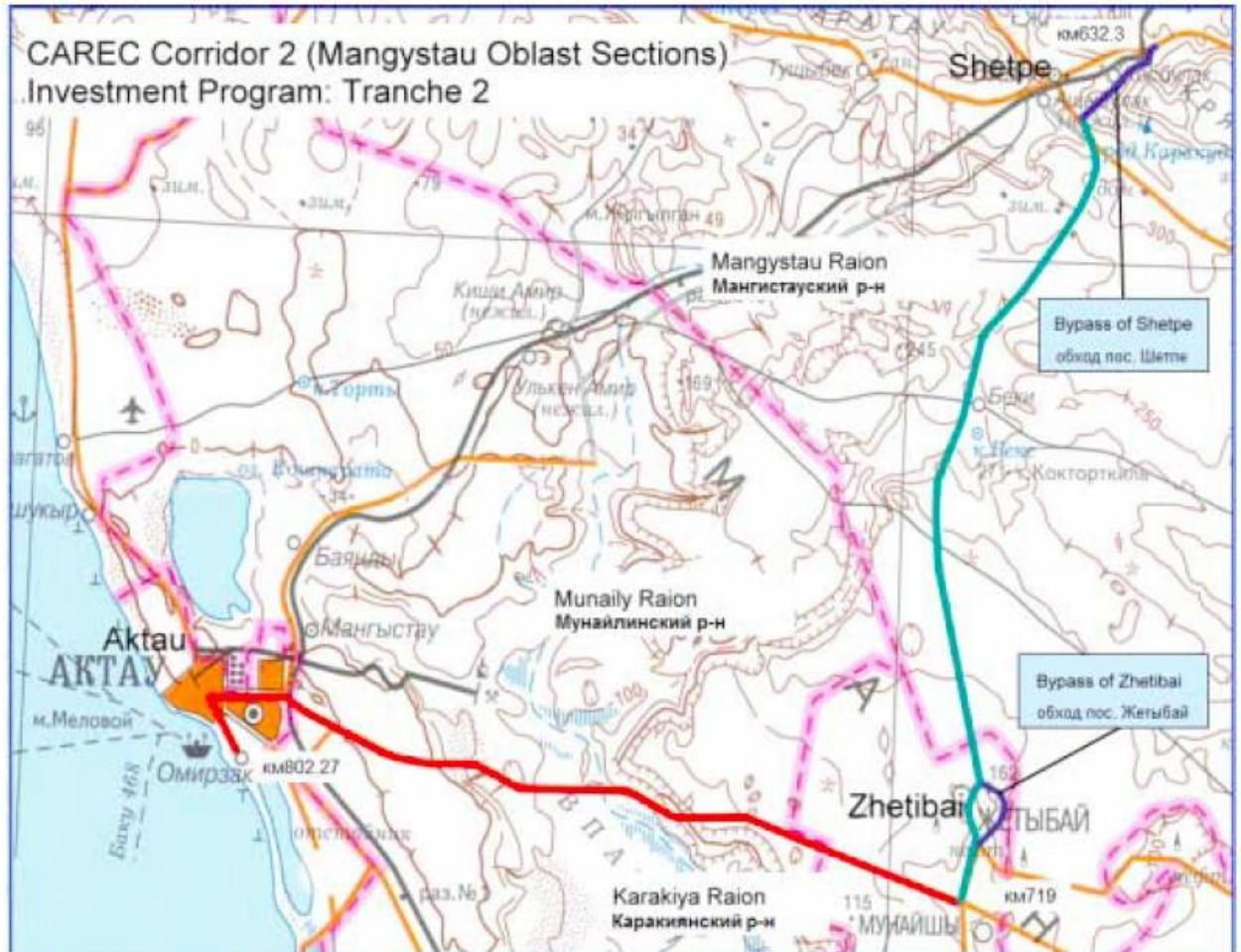
- Construction of 5 cattle crossings for livestock;
- Construction of 1 junction;
- Installation of 33 water pipes;
- Construction of a bridge on the river Ashiagar
- Construction of 1 overpass
- Railroad overpass

This section includes (km 719 - km. 786) the upgrading of an existing roads to technical category 1B (total length 68.296 km) with four lane carriageways, with dual carriageway and with widening of the roadbed (27.5 m) on the top. The Construction of a road junction at the intersection of two levels of roads "Aktau - Zhanaozen" and "Shetpe - Kuryk" on km.720 with four-lane carriageways passing through the top of the road "Shetpe - Kuryk."

The section (total length 15.595 km) belongs to category III passing urban periphery (km 786 - km 802.27) and involves repairing of carriageway and pavement.

11. 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



CHAPTER 2. IMPACT ASSESSMENT

2.1 Data Collection Methodology

12. The affected persons (APs) for this Project were originally identified based on the feasibility study for Beineu-Aktau Road section carried out by Kazakhstan Scientific Research and Design Institute “Dortrans” LLP in 2010 and final design for Shetpe-Zhetibai-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 Mangistay branch of Land State Scientific and Production Center for Land Management “GosNPTsZem”), 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 Joint Stock Company (JSC) “NC KazAutoZhol” (formerly named as Mangystau Oblast Department of Committee of Roads) along with the design documentation in January 2013. Based on above mentioned more precise road design (January 2013) revealed some changes in affected land plots and their owners/users. The effect of this on the AP's has been checked in the new socio-economic survey conducted by Project Management Consultant (PMC) for the Transhe 2, in June-July 2014. Information was collected also from various state agencies (mostly of statistical nature).
13. Overall, 22 of affected parties were identified (10 private owners, and 12 leaseholders). There are 4 affected HHs and 18 LEs on this section. A total of 3 structures are fully affected.
14. Mangistay, Karakia and Munaily rayon akimats committees chaired by the Deputy Akims were formed. From August to October 2013 by respective akimats were issued decrees on land acquisition for permanent use. Representatives from rayon akimats' departments on land relations surveyed the affected plots and met with the owners/lessees of these plots to inform them what area of their lands would be affected. Licensed valuers were engaged by the respective rayon akimats to estimate the values of the affected land plots based on the registered land use and land category. The evaluation of the impact of the project is presented in the following sections.

2.2 Land Losses

15. Assessment of data compiled from the valuation reports and state institutions revealed a total of 94.2708 ha of land is already acquired for permanent use. Most of the permanently affected lands 77.8307 ha (82.5%) are agricultural, 1.2108 ha (1.3%) are commercial, 0.184 ha (0.2%) of land is used for residential purposes and 15.0453 ha (16%) of land is used for industrial purposes. Most of the affected lands 70.9917 ha (75.3%) are leased on long-term basis (for 49 years). The remaining 23.2791ha (24.7%) are privately owned lands. However there may still be some temporary effects during construction which will be checked and monitored.

Table 3. Number of plots and area of permanently affected plots by land type and ownership status in Mangistay, Munaily and Karakia rayon

Land Type	Number of affected plots by ownership status		Total number of plots	Ownership status of affected plots in ha		Total (ha)
	Private Land	Leased Land		Private	Leased Land	
Residential Land	2	-	2	0.184	-	0.184
Agricultural Land	2	7	9	21.217	56.614	77.8307
Commercial Land	3	-	3	1.2108	-	1.2108
Industrial Land	3	5	8	0.6671	14.3782	15.0453
Total	10	12	22	23.2791	70.9917	94.2708

Table 4. Affected land by type of ownership/tenure status of displaced households/legal entities

Land Type	Private Owners	Leased Land	Total
Residential Land	2 HH	- HH	2 HH
	- LE	- LE	- LE
Agricultural land	HH	-HH	-HH
	2 LE	7 LE	9 LE
Commercial Land	HH	- HH	- HH
	3 LE	LE	3 LE
Industrial Land	2 HH	- HH	2 HH
	1 LE	5 LE	6 LE
Number of HH/LE	4 HH	- HH	4 HH
	6 LE	12 LE	18 LE
TOTAL 22			

2.3 Loss of agricultural lands

16. In total 77.8307 ha agricultural land is acquired by the project. Out of these 56.614 ha is leased on long term basis (for 49 years) by seven (7) affected peasant farms/legal entities. The 7 LEs lease agricultural land from 100 ha to 3106.5 ha. 2 LEs privately own 21.217 ha of agricultural land.

None of the land parcels are cultivated as the lands are with very limited agricultural productivity due to troubles of irrigation in the area. Almost all the agricultural lands in the oblast are used as natural pastureland for camels, lambs and cattle. Except for losing some portions of their natural pasturelands, LEs are not expected to incur any other losses. See table 5.

Table 5. LEs losing agricultural land

N	Owner	Location	Owner LE	Initial Land (ha)	Acquired area (ha)	Land Usage
Leased land on long term basis (for 49 years)						
1	Kyzylbaev K.N	Munaily rayon	LE - peasant farm	1200	1.1176	-
2	Meyrmanova U.	Munaily rayon	LE- peasant farm	3106.5	3.4743	-
3	Meyrmanov Zh.	Munaily rayon	LE- peasant farm	1000	8.5122	-
4	U.Karzhaubayeva	Munaily rayon	LE- peasant farm "Elaman"	1403	1.6852	-
5	"Baytubetov"	Munaily rayon	LE - peasant farm	1363.88	39.966	-
6	A. Kalmuratov	Munaily rayon	LE- peasant farm "Erik"	100	0.0205	-
7	Zhumakhanov N.	Mangistay rayon	LE- peasant farm "Kozha"	1500	1.8377	-
Sub-total			7 LEs	9673.38	56.6135	
Private land						
8	Tyretayev N.	Mangistay rayon	LE- Peasant farm "Simbat"	2000	0.0922	-
9	Tastemirov I.	Munaily rayon	LE- Peasant Farm "Madi"	1915.1	21.125	-
Sub-total			2 LEs	3915.1	21.2172	
Total			9LEs	13588.48	77.8307	

1 LE/peasant farm "Kozha" (Zhumakhanov N.) leased agricultural land on long-term basis (for 49 years) in Mangistay rayon, village Shetpe, voluntarily agreed (in writing) to provide a part of his leased land (1.8377 ha) for the project purposes without compensation. Letter (with signature) confirming that the LE (Zhumakhanov N.) does not require any compensation for the given land plot (1.8377 ha) is available (06.08.2014).

2.4 Loss of Trees and Perennial Plants

17. 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.

2.5 Loss of industrial land

18. In total 15.0453 ha industrial land is affected by the project. Out of affected 8 owners/leaseholders five (5) LEs lease industrial land from 10 to 4629.37 ha. 1 LE and 2 HHs privately own industrial land. See table 6.

Table 6. LEs and HHs losing industrial land

N	Owner	Location	LE	Initial Land (ha)	Acquired area (ha)	Land Usage
Leased land on long term basis (for 49 years)						
1	"Mangistau Road Building Materials Enterprises" JSC	Mangistay rayon	LE	24.0078	3.5978	Operating space, production site
2	"MMG" JSC	Karakia rayon	LE	4629.37	8.1721	User of mineral resources (oil production)
3	"Ulutas" JSC	Karakia rayon	LE	50	0.4726	Quarry
4	"Aktautas" JSC	Karakia rayon	LE	12.9	1.5194	Quarry
5	"KurykKurylysServis"	Munaily rayon	LE	10	0.6163	Power grid company
Sub-total			5 LEs	4726.2778	14.3782	
Private land						
6	Kydairbegenov Zh. "Bayterek"	Mangistay rayon	LE	5	0.2203	-
7	A.I. Utesinov	Munaily rayon	HH	1	0.3252	-
8	Shermagambetov Sh.K.	Munaily rayon	HH	1.5	0.1216	-
Sub-total			1 LE 2 HHs	7.5	0.6671	-
Total			6 LEs 2 HHs	4733.7778	15.0453	

Three (3) LEs leased industrial land on long-term basis (for 49 years) voluntarily agreed (in writing) to provide a part of their leased land for project purposes without compensation:

1. "Mangistau Road Building Materials Enterprises" JSC (3.5978 ha) – Mangistay rayon
2. "Ulutas" JSC (0.4726 ha) – Karakia rayon
3. "MMG" JSC (8.1721 ha) – Karakia rayon

These 3 LEs do not require any form of compensation (cash, land replacement) and gave their land plots for free for the state needs as they have large amount of land.

Letters (with signatures and stamps) confirming that these 3 LEs do not require any compensation and voluntarily gave part of their leased land plots are available.

2.6 Loss of commercial land

19. In total 1.2108 ha privately owned commercial land is affected by the project. The commercial land is owned by three (3) LEs. Out of the 3 commercial lands two (2) are unused, no structure is built. See table 7.

Table 7. LEs losing Commercial Land

N	Owner	Location	LE	Initial Land (ha)	Acquired area (ha)	Land Usage
Private land						
1	Tlegenov N. T.	Mangistay rayon	LE	0.015	0.0058	No structure
2	Otemyratova G.	Karakia rayon	LE	0.6	0.6	No structure
3	Mendiculova G.D.	Karakia rayon	LE	0.605	0.605	Gas station with café-bar "Gularsha"
Total			3 LEs	1.22	1.2108	

All these 3 LEs privately own commercial land. Out of these 3 owners 1 LE (Tlegenov N.T.) lost more than >10% of his commercial land. There is no structure built on the land plot and it is not used for commercial purposes by the owner (Tlegenov N.T.). By decision of Mangistay rayon akimat (№849, 06.08.2014) the owner LE (Tlegenov N.T.) will be provided with land plot equal in size (0.015 ha) to the land plot lost (0.015 ha) at location acceptable to him by 15 September 2014⁶. The letter confirming (with signature of the owner Tlegenov N.T.) that he has agreed with the offered compensation (land replacement) is available.

1 LE (Otemyratova G.) privately owned commercial land (0.6 ha) in Karakia rayon was already provided with a land plot of equal size (0.6 ha) to the land plot lost (0.6 ha). Similarly, no structure is built on her land plot and as in the previous case the land was not used for commercial purposes. The commercial land of 1 LE (Mendikulova G.D. - Gas station with café-bar "Gularsha") was evaluated by licensed valuation company LTD "valuation of property" in 18.10.2013 based on the market value (as of 18.10.2013). The owner Mendikulova G.D. according to the valuation was envisaged the compensation in amount of 27 360 784KZT.

⁶ The letters confirming that respective rayon akimats are responsible for implementation of LAR related remaining activities; budget and time-bound implementation schedule considering the number of APs and acquired land area for each rayon are available.

The compensation for the owner (Mendikulova G.D.) will be paid till 10.08.2014 (N1224, 07.08.2014). The detailed information about Gas station with café-bar “Gularsha” valuation procedures and compensation see in paragraph 2.7 below.

2.7 Structure Losses

20. A total of 3 structures affected by the Project implementation. These structures are owned by 2 households and 1 legal entity. Structures affected include 2 houses (with extensions⁷) and one gas station with cafe-bar “Gularsha”⁸. See table 8.

Table 8. Affected structures

Use of Structure	Type of Material	Number of Structures	Total area (m2)	Number of Displaced HH and LEs
House	cement – concrete	1	0.1	1 HH
House	concrete and coquina limestone	1	0.084	1 HH
Gas station with café bar	concrete	1	132.2	1 LE
Total		3	132.384	2 HH 1 LE

Structure valuation

Valuation of houses

21. In 2013 to provide valuation of permanently affected assets relevant rayon akimats (Mangistay, Karakia) announced a tender for selection of independent valuation companies. 31.05.2013 agreement between Mangistay rayon akimat department on land relations and a licensed valuation company LTD “Mangistay Center of auction and property valuation” was signed. Valuation of 2 HH structures (houses) in Mangistay rayon was carried out by a licensed valuation company LTD “Mangistay Center of auction and property valuation” on 01.07.2013. The valuation reports were prepared and submitted to Mangistay rayon akimat on 15.07.2013. The valuation of the 2 structures was based on the market price as of 01.07.2013. For both houses the valuation comprises only structures value but not the land plot value. According to valuation for an owner Mukhanova Zh. (0.1 ha) was envisaged the compensation in amount of 7 732 400 KZT and for an owner Ersyltanova A. (0.084 ha) 5 249 300 KZT. 02.08.2013 Akim of Mangystau rayon issued a decree (№297) on land acquisition for permanent use for state needs. 16.08.2013 Mangistay rayon department on land relations notified the land owners. 10.06.2014 Mangistay rayon Maslikhat issued a decision (N18/156) on residential land acquisition owned by 2 HH (Mukhanova Zh., Esryltanova A.). In 10.06.2014 agreements on compensation between the owners (Mukhanova Zh. Ersyltanova A.) and Mangistay rayon akimat department on land relations were signed. 12.06.2014 Department of Justice registered the agreement on compensation between Ersultanova A. and Mangistay rayon department on land relations (13-198-022-224).

⁷ According to valuation reports both houses include extensions. The sizes of such extensions are included in the overall size of the respective house.

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.

17.06.2014 Department of Justice registered the agreement on compensation between Mukhanova Zh. and Mangistay rayon department on land relations (13-198-002-462). As the valuation of 2 houses excluded residential land plots value, on 20.06.2014 by Mangistay rayon department on land relations was made a decision to compensate both owners (Mukhanova Zh.- 0.1ha, Ersyultanova A.-0.084 ha) with plots of equal size to the plots lost, to provide transportation assistance to a new location and allow them to move salvage material. 20.06.2014 Head of rayon department on land relations Mr. Kozhaev E. informed Mukhanova Zh. and Ersyultanova A. about the decision. Both owners were provided with the copies of the decree. 30.06.2013 the owner Ersyultanova A. received cash compensation in amount of 5 249 300 KZT (N4632754/14-03). 01.07.2014 Owner Mukhanova Zh. received cash compensation in amount of 7 732 400 KZT (N 4632754/14-02).

Mangistay rayon akimat informed the both HHs (Ersyultanova A. Mukhanova Zh.) about their rights to vacate the houses within 3 months in the beginning of July 2014 (till the end of September 2014). By decision of Mangistay rayon akimat (№849, 06.08.2014), akimat will provide with alternative land plots and cover all expenses related to registration of these land plots for both HHs (Ersyultanova A.-0.084 ha. Mukhanova Zh.-0.1 ha) by 15 September 2014. Mangistay rayon akimat also will ensure transportation assistance to new location for these 2 HHs and allow them to move salvage material till the end of September 2014.⁹

22. One of the HH (Ersyultanova A.) already bought a new house in the same village Shetpe (Kosbylak) quite near to her old house and has improved her living conditions. The new house is rather bigger than the old one (11 rooms instead of 4 rooms), has connections to all public utilities (gas, electricity, water) and is comparably newly built. The owner Ersyultanova A. plans to move to the new house in August 2014 as the new house does not need any construction work and has all necessary conditions for living.

The second HH (Mukhanova Zh.) bought a land plot in the neighbor village Ashibulak and is going to build a new house. By words of the owner the new land plot is very near to her son's house so it's suitable place for her family for building a new house. By own desire of the owner (Mukhanova Zh.) she will live with her son's family till construction of the new house will be finished.

23. It must be mentioned that in July 2014 PMC consultants revised the coefficient of calculation for immovable property in Mangistay oblast to check the difference between the market value of affected structures in 2013 and an existing market price at the moment of payment in June-July 2014. The revision revealed that the average coefficient comprised 326.598 in April 2013 (the coefficient was used in the valuation of houses and is represented in the valuation reports) while the same average coefficient decreased to 239.576 in January-May 2014 (according to the law on valuation procedures in the RoK compensation amount must be determined by independent evaluators and paid within 6 months period after the valuation). Thus, in case of re-valuation of two affected houses in 2014 (after the expiration date of the valuation) the owners (Mukhanova A. Ersyultanova Zh.) would have received less compensation than were evaluated in 2013. Considering the above mentioned facts that both HHs already received compensation and in case of re-valuation of their houses the amount would be less than they have got, no additional corrective actions are planned in this regard.

Valuation of gas-station with café-bar "Gularsha"

24. In 19.08.2013 Karakia Rayon akimat issued a decree (N 170) on land acquisition for permanent use for state needs and notified the owner of gas station with café-bar

“Gularsha” (Mendikulova G.) about land acquisition. In the same month (August 2013) after the issuance of decree on land acquisition for permanent by Karakia rayon akimat use for state needs the owner Mendikulova G. stopped her business activity (operating of Gas station with café bar) in the particular place. In autumn 2013 to provide a valuation of permanently affected commercial structure (Gas station with café-bar “Gularsha”) Karakia rayon akimat announced a tender for selection of independent valuation company. In 18.10.2013 a licensed valuation company LTD “valuation of property” was hired by Karakia rayon akimat (agreement № AK 2735-ЮЛ). In 18.10.2013 the LTD “valuation of property” carried out the valuation of Gas station with café bar “Gularsha”. The valuation included the following:

The Land plot (0.605 ha) – 1 563 804 KZT.

Gas station with café-bar “Gularsha” (one-stored building, built in 2008) –16 344 687 KZT.

Fuel dispensing column – (TPK HAPA 4000 C 122 A- 2 pieces) – 946 878 KZT.

Tank – (PGC B-60 m.3 – 4 pieces) – 8 505 415 KZT.

In total 27 360 784 KZT based on market price (as of 18.10.2013).

In 13.11.2013 Rayon department on land relations sent a notice of valuation to the owner Mendikulova G. (Gas station with café bar “Gularsha”).

25. In 21.04.2014 Karakia rayon akimat made a correction (№ 108) in the issued decree (№ 170) about the prolongation of compensation payment to the owner Mendikulova G. According to the decree compensation was to be prolonged till 30.08.2014. In 24.04.2014 Karakia rayon akimat notified the owner Mendikulova G. that the compensation was determined in amount of 17 908 491 KZT. The compensation included the valuation of only land plot (0.6 ha) – 1 563 804 KZT and immovable property (Gas station with café bar) – 16 344 687 KZT but excluded movable property value (tanks, fuel dispensing columns) as according to national legislation compensation for movable property is not paid by the state.
26. 05.05.2014 The owner Mendikulova G. refused on offered compensation (17 908 491 KZT) and based on the Law of State Property of RoK, article 4 and Civil Code, articles 4, 5 has requested compensation in amount of 27 360 784 KZT (as it was represented in the valuation report). The owner Mendikulova G. stated her request as follows:
 - Cost for purchasing of alternative land plot of equal size (0.605 ha) – 4 053 500 KZT
 - Cost for developing design of new gas station with café-bar– 14 380 000 KZT
 - Cost for demolishing of movable property – 1 000 000
 - Lost profit – for the period of August 2013 – April 2014 – 2 980 897.91 KZT.
27. Thus, the compensation in amount of 27 360 784 KZT was acceptable for the owner and includes land plot, movable and immovable property, as well as lost profit. 05.06.2014 agreement on compensation between the owner Mendikulova G. and Karakia rayon akimat was signed. At this stage the money assigned for the compensation of the owner Mendikulova G. is in the treasury and she will be paid till 10 August 2014 (N1324, 07.08.2014).

2.8 Business and Employment Losses

28. 1 legal entity Mendikulova G. (Gas station with café bar “Gularsha”) lost her commercial structure and consequently lost her income from business activity. Five (5) workers were affected permanently by the disruption in the commercial operations of the business entity (Gas station with café bar “Gularsha”). Average income of these workers was reported to comprise about 63 000 KZT per month. But the affected LE possesses several branches of the Gas station “Gularsha” in Mangistay oblast. The affected workers were employed by the

same owner (Mendikulova. G.) for the other branch office. Thus, the workers did not lose the employment. See table 9.

Table 9. Computation of business income losses

Type of Business	Number of affected businesses	Number of Displaced HH and LE	Monthly income (in KZT)	Number of months	Degree of Impact (Permanent or Temporary)	Total Compensation (in KZT)
Gas station with café-bar	1	1LE	331 210 ¹⁰	9	permanent	2 980 897.91 ¹¹
TOTAL	1	1LE				2 980 897.91

¹⁰ The data is taken from the letter (05.05.2014) submitted by the owner Mendikulova G. to Karakia rayon akimat, where she confirms the lost profit in amount of 2 980 897.91 KZT for the period of August 2013 – April 2014 (9 months). The cost is included in the compensation amount. See above the paragraph 26.

¹¹ See the footnote 9.

2.9 Severely affected APs

29. 4 affected parties (3 LEs, 1 HH) lost more than >10% of their land. Out of these, 1 LE is privately owned commercial land, 1 HH is privately owned industrial land and 2 LEs are leased industrial land. It must be noted that these land parcels are unused, no structures are built. See table 10.

Table 10. HH and LE losing more than 10% of land

N	Land use right	Location	Owner HH/LE	Initial Land (ha)	Acquired area (ha)	Land Type	Percentage from total land holding (%)
Privately Owned Land							
1	Utesinov A.I.	Munaily Rayon	HH	1	0.3252	Industrial Land	32.52
2	Telegenov N. T.	Mangistay Rayon	LE	0.015	0.0058	Commercial Land without any structure	38.67
Leased Land							
3	Aktautas" JSC (Long term lease for 49 years)	Karakia Rayon	LE	12.9	1.5194	Industrial Land	11.78
4	"Managistau Road Building Materials Enterprises" JSC (Long term lease for 49 years – till 2054)	Mangistay Rayon	LE	24.0078	3.5978	Industrial Land	14.986
Total			1 HH 3 LEs		5.4482		

2.10 Relocation Impact

30. Affected two (2) households (Ersyltanova A. Mukhanova Zh.) and 1 legal Entity (Mendikulova G. gas station with café-bar "Gularsha") lost their primary structures (2 houses and Gas station with café bar) and need to relocate. The 2 HHs (Ersyltanova A. Mukhanova Zh.) were informed regarding their rights to vacate the houses within 3 months in the beginning of July 2014 (till the end of September 2014). Besides compensation of residential structures, for transportation of salvage material and transportation allowance will be provided to each affected Household (Ersyltanova A. Mukhanova Zh.). Mangistay rayon akimat will provide alternative land plots equal in size (Ersyltanova A.-0.084 ha, Mukhanova Zh.-0.1 ha) to the plots lost and cover all expenses related to registration of new land plots by 15 September 2014 (Mangistay rayon akimat - Decision №849, 06.08.2014).

2.11 Number of affected households, legal entities and DPs by category

31. Twenty-two parties (4 households and 18 legal entities) experienced various losses /impacts from the project. Out of 4 Households two (2) households lost ownership/access to

residential land and two (2) households partially lost ownership/access to their industrial land. While most of the displaced legal entities partially lost ownership/access to agricultural, commercial and industrial lands. The socio-economic survey revealed that 5 workers were affected. The estimated number of DPs, including the 5 workers from the affected business establishment is 36 persons. See table 11.

Table 11. 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	2	2	5
- owned/leased/used by legal entities	0	0	0
A2. Agricultural land (permanent loss)			
-owned/leased/used by households	0	0	0
-owned/leased/used by legal entity	9	9	9
A3. Commercial land (permanent loss)			
-owned/leased/used by households	0	0	0
-owned/leased/used by legal entity	3	3	3
A4.) Industrial land (permanent loss)			
-owned/leased/used by households	2	2	2
-owned/leased/used by legal entity	6	6	6
Sub-total (A)	22	22	31
C. Business/Income Losses			
C1. Permanent business losses			
- owners (household)	-	-	
- owner (legal entity)	1	-	
C2. Wage workers/Employees from affected businesses	5	-	5
Sub-Total (B)	6	-	36
D. Permanent structure losses			
D1. Residential Structures	2	-	
- owners (households)			
D2. Commercial Structures			
- owners (households)	-		
- owners (legal entity)	1	-	
Sub-total (D)	3		
E. Total (A+B+C)		22	36

2.12 Vulnerable DPs

32. 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,

households headed by elderly or with a disable family members. The Households are entitled to the Targeted Social Assistance (TSA) program of the government. As of July 2014, the official subsistence minimum in Kazakhstan is 20 176 KZT per capita. The poverty line therefore is 8.070.4 KZT per capita. One household was identified as vulnerable during the socio-economic survey. 1 HH is headed by widow woman at the age of 75 years old. The

Table 12. Vulnerable households identified during the socio-economic survey

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

2.13 Temporary impacts

33. About 699.637¹² 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.

2.14 Perceived Impacts and Suggestions

34. When asked what they think about the impact of the project to them and their households, around 98% of the interviewed DPs mentioned that they are expecting positive impact on them as a result of road improvement. About 13.6% of respondents were interested in getting a job during implementation of construction works. None of the respondents provided suggestions. When asked about project outcomes 40.9% of respondents emphasized comfortable, safe and speed driving, while 31.8% mentioned access to improved road connection. See table 13.

Table 13. Suggestions from DPs on how to address adverse impact from the Project

Expected outcome	Number of DPs
Comfortable, safe and speed road	9
Availability of improved road	7
Improved access	4
Improved bus service	0
No answer / can't tell	2

¹² Data provided by JSC "NC KazAutoZhol" based on Beineu- Aktau road working project, tranche 2.

CHAPTER 3. SOCIO-ECONOMIC PROFILE

3.1 General Characteristics of Mangystau Oblast¹³

35. 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.

36. 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 international transport corridors - Transport Corridor Europe-Caucasus-Asia and North-South.

37. Total area of the oblast is 165.6 thousand sq. km. (as of January 1, 2014), which comprise 6.08% of Kazakhstan's territory. It is the least populated oblast of the country. Population of the oblast comprises 595.117 thousand people (295.429 thousand in urban area and 290.688 thousand in rural area) and population density per 1 sq. km. is 3.59. 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.

38. In year 2012, 10.471 newborns were registered in the Aktau town and Karakia, Munaily and Mangystau rayons together, which is by 672 newborns more than in year of 2011. The number of the deceased comprised 1.880 people in 2012, which is 30 deaths more than 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.

39. The population of Mangystau Oblast is reportedly composed of several ethnic groups (nationalities). Kazakhs are the largest permanent population (88.2%) 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 (0.7%) and Ukrainians (0.4%) represent smaller share of population. The share of all other nationalities in Mangisty Oblast comprises 2.5%, 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).

40. Average monthly salary in Mangystau Oblast in 2014 comprised 215.576 KZT. The highest average monthly salaries of employees for 2014 was registered in the areas of mining operations and industry (330.123 – 359.591 KZT), followed by transport and construction sector (285.683 – 220.070 KZT). The lowest average monthly salaries of employees for 2014 was registered in the agricultural sector, arts, education, healthcare and social services (55.415 – 98.042 KZT). In total 15272 people received pension in 2014 in average amount of 54.171 KZT.

¹³ Data provided in this sub-section is based on the information available from statistical information sources.

The average amount of social assistance per person per month established for 2012 is 19,966 KZT.

3.2 Profile of the Displaced Population

41. To obtain information on socio-economic profile and living conditions of the displaced households and further assess the impacts of land acquisition on the DPs, secondary data was obtained from state institutions and was conducted socio-economic survey of 4 HH and 18 LE. In about 40% of the cases the respondents answered only to a part of questions. Socio economic survey was conducted in June-July 2014 by PMC consultants, using questionnaires translated in Russian. English versions of the questionnaires for socio-economic survey/census form for the LARP is shown in Annex B.

42. A total 22 parties (4HH, 18LE) are affected by the project with the total number of 36 DPs. PMC consultants carried out socio-economic survey and completed the questionnaires. Results of the interviews are presented in this chapter.

3.3 Number and Size of Displaced Households

43. Four (4) surveyed households have 1-4 members. The average household size is 3.25. 18 respondents (leaders of peasant farms and managers of legal entities) refused to provide information regarding their families. See table 14.

Table 14. Size of the surveyed households

Household Size	Number	Percent
1	1	4.5%
4	3	13.7%
No data	18	81.8%
Total	22	100

3.4 Age, Marital Status and Education Level of Household Head

44. Heads of the affected households have a mean age of 56.2 years. Most are between 48-75 years old. One head of household is above 70 years old. In terms of marital status, 3 heads of households are married. 1 head of household is a widow. With regard to education, 2 household heads have higher education, 2 household heads have secondary education. See tables 15 and 16.

Table 15. Age profile of the heads of the surveyed 4 households

Age of Household Head	Men	Women	Total	
	Number	Number	Number	%
48	1	-	1	25%
50	-	1	1	25%
52	1	-	1	25%
75	-	1	1	25%
Total	2	2	4	100%

Table 16. Education profile of the 4 heads of surveyed households

Education	Men	Women	Total	
	Number	Number	Number	%
Higher	2	-	2	50%
Secondary	-	2	2	50%
Total	2	2	4	100%

3.5 Ethnic Composition

45. 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.

3.6 Household Income

46. Out of 4 interviewed households wages is the primary income for 3HHs. 1 HH income includes pension. 3 households have more than 1 income-earning member. Income reported varies not greatly. All the surveyed households earn about KZT 100.000 or more per month. Average data for all interviewed households is provided in the table 17.

Table 17. Reported monthly household income of surveyed households

Income Range (in KZT)	Number of HH	%
100.000 – 100.000	1	25
110.000 – 113.000	1	25
113.000 – 120.000	1	25
120.000 and above	1	25
Total	4	100

3.7 Living Conditions

47. A total of 3 structures are fully affected. These structures are owned by 2 households and 1 legal entity for residential (2 HH) and commercial (1LE) purposes. Affected structures include 2 houses and 1 gas station with café-bar. Thus, two (2) households, 1 legal entity need to relocate their structures. All the structures are single-storey buildings containing from 2 to 4 rooms. All structures are made of bricks and of coquina limestone. Both houses were built in 1968. All the structures are supplied with electricity and have access to gas. Commercial structure (Gas station with café bar "Gularsha") owned by 1LE is made of bricks and coquina limestone in 2004.

CHAPTER 4. OBJECTIVES, POLICY FRAMEWORK, AND ENTITLEMENTS

48. The Land Acquisition and Resettlement Policy Framework (LARF) for the Project agreed between the Government and ADB defines the eligibility for compensation and rehabilitation assistance, and details the entitlements for each impact type, as well as procedures for valuation, compensation, complaints consideration, consultations and disclosure and monitoring/evaluation. It combines existing legal framework and procedures for land acquisition in Kazakhstan and international good practice as embodied in the policies of ADB.

4.1 Kazakhstan Legal Framework and Practice

49. 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.

4.2 Hierarchy of Legal Acts in Kazakhstan

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

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

4.3 Constitution of the Republic of Kazakhstan

51. The Constitution¹⁴ 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.

4.4 The Land Code

52. The Land Code of the Republic of Kazakhstan (RK Code No. 464-IV of 12 June 2014) establishes the foundations, conditions and limits for modifying or terminating ownership of land and land-use rights, describes the rights and responsibilities of landowners and land users, and regulates land relations. It also establishes conditions for granting to citizens and legal entities temporary or permanent use rights to State-owned land (Article 35).

53. 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

¹⁴ 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 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.

(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).

54. 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).
55. 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).
56. 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). Upon termination of land ownership or land use right the value of the land granted for individual housing construction, for individual part-time farm (except field plots) on which an individual house is located, is defined by the cost of the land, not exceeding market cost (Article 96 as well as Article 67.2 of the 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).
57. 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 № 1154¹⁵), 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.

¹⁵ Press-release from December 3, 2011 to the Decree of the Government of the Republic of Kazakhstan from October 10, 2011 № 1154 On introduction of changes and additions to the Decree of the Government of the Republic of Kazakhstan from September 2, 2003 № 890 "On establishment of base rates for the land plots, when they are transferred to private property, leased by the state or state land-user, as well as payment for selling the right to lease the land plots"; <http://www.auzr.kz/en/news-list/784--03-2011>

58. 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.
59. 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).
60. 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).
61. 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.

4.5 Law on State Property

62. 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:
- the purpose and grounds for compulsory acquisition for state needs;
 - the location, size, cadastre number of land plot;
 - the property owner or private land user;
 - the date of compulsory acquisition, but not earlier than three months from the date of official publication of the decree;
 - place of application for land owner or land user for conciliation procedures (Article 63.2).
63. The Decree shall be published in national or local mass media, within three working days from the date of adoption (Article 63.5)
64. 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).
65. 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).
66. 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 6.1). 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).
67. 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).
68. The agreement for purchase of land plot or other real property in connection with the seizure of land plot for state needs shall include:
- 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;
 - 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;
 - 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;
 - 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;
 - The composition of the property alienated for state needs;
 - The list of people whose rights in respect to the alienated property will be terminated or limited;
 - the procedure for financing the government expenditures for the acquisition of property for state needs (Article 65.6).
69. 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).
70. 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)¹⁶. The cost of the real property located in the land plot, is determined in an amount not exceeding its market

¹⁶ This gap with the ADB policy regarding compensation at replacement rate is addressed in the Kazakhstan constitutional provision regarding international treaties.

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).

4.6 Law on Housing Relations

71. The Law of the Republic of Kazakhstan on Housing Relations (№ 94-І dated July 03, 2014) 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).
72. 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.

4.7 Labor Code

73. According to the Labor Code (№ 195-V dated April 17, 2014), 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).

4.8 Land Acquisition Process

74. 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.
- 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;
 - 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;
 - Based on the tentative alignment, registered owners/leaseholders are notified initially that their land will be acquired;
 - The detailed design is prepared which firms up the alignment and assessment of land acquisition requirements, including detailed maps and individual land holdings to be affected, ownership data from the cadastre and estimated compensation for acquisition and losses;
 - Once the final alignment is agreed with local officials, the agency that requires the land requests the appropriate Akimat(s) to issue a resolution on the land acquisition;
 - 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;
 - 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;
 - 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;
 - If agreement cannot be reached, the government agency requiring the land will initiate a court appeal for expropriation after the 1 year from the notification of the land owners/users.
 - 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.
75. 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.

4.9 ADB's Provisions on Involuntary Resettlement under the SPS (2009)¹⁷

76. 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.

¹⁷ ADB. Safeguard Policy Statement, 2009, Manila

- 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 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. 10 Comparison of ADB Resettlement Policy and Kazakhstan's Legislation

- 77. 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.
- 78. Table 18 below summarizes the differences between the Kazakhstan national legislation/regulations related to involuntary land acquisition and the ADB involuntary resettlement safeguards:

Table18. 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 ¹⁸ .
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. 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.	Objective focuses on restoring livelihood and standards of living for DPs, regardless of tenure or legal status. Physically displaced persons (regardless of their legal status on the land) are provided with: <ul style="list-style-type: none"> 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; 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: <ul style="list-style-type: none"> 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.

¹⁸ 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)

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.
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79. 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.

4.11 Actions to Address the Gaps¹⁹

80. For this project, differences between the national legislation and practice and ADB resettlement safeguards will be reconciled by: (a) provide compensation (cash, land replacement) to all land owners (4 LEs /2 HHs) and leaseholders (8LEs), (b) provide relocation allowance for 2 HHs (Mukhanova Zh. Ersylytanova A.), (c) provide assistance to 1 vulnerable HH (Mukhanova Zh.) in amount of minimum living wage for 3 months ($19.966 \times 3 = 59.898$ KZT)²⁰ and assist in enrolment in the Targeted Social Assistance (TSA) program of the government.

4.12 Policy Framework and Entitlements

Entitlements to Compensation

81. The following groups of DPs are included in the LARF and will be addressed in the LARP for this road section:

- All DPs losing land either with legal title, lease holding land rights;
- Owners of buildings, and
- DPs losing business.

Table 19 below provides the entitlements for various categories of DPs and degrees of impacts related to the project.

Table 19. Entitlement and compensation matrix

¹⁹ More detailed info about corrective actions, dates and responsible body see in the chapter 10, paragraph 10.4 .

²⁰ Minimum living wage is 19.966 KZT per month

Asset	Specifications	Affected Persons	Compensation Entitlements
Permanent Loss			
Agricultural, residential and commercial land plots		Owners	Cash compensation at full replacement cost (considering fair market value, transition 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 Long-term/ Short term	Rental allowance in accordance with the compensation Entitlements Land for land compensation with plots of equal productivity to the plots lost.
		Squatters (if any)	Leased plot on State land; Displacement allowance option, equal to three months minimum monthly salary.
Agricultural land	Severe impact >10% of income/ productive land lost	Owners, leaseholders of cropped/ cultivated land	Additional cash compensation equivalent to one-year gross harvest
Buildings and structures	Residential houses and commercial buildings	Owners of permanent structures (including squatters)	Cash compensation at the market value for affected structures and other real assets at existing prices at the moment of acquisition with no deduction for depreciation or transaction costs. Compensation will include the value of affected connections to water supply or other public utilities. House for house swap (at the owner option): if replacement is of lower value, cash compensation for the difference; 3 months housing rental allowance
		Renters	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.
	Temporary structures (kiosks, stalls)	Owners of temporary/ movable structures	Approved site to relocate structure.
Structure renters		Renters with valid rental contract	Three months' rent at prevailing market rate and assistance in finding alternative accommodation
Business and employment	Temporary or permanent business/ employment loss	Business owners (including those with no formal rights on the land) and their affected workers	if permanent business loss, cash compensation equal to one year income (lost profit); if temporary business loss, cash compensation for the period of income loss;

			<p>if permanent employment loss, 3 months average registered wages (if not registered, based on the official minimum wage in Kazakhstan);</p> <p>if temporary employment loss, average registered wage during disruption (if not registered, based on the official minimum wage in Kazakhstan);</p> <p>(note: Affected workers will be paid through their employers as per the Labor Code)</p>
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.
Community assets			Rehabilitation or replacement of affected structures to pre-project function.
Vulnerable population groups		Households at or below the poverty line, with 4 children under 18 or households headed by an elderly, disabled, widow/woman.	Enrollment in government social assistance program if not yet enrolled Priority in local employment for members of vulnerable household with provision for basic on-the-job training. Assistance equivalent to minimum living wage for 3 months.
Temporary Loss			
Land for civil works or borrow pits	Negotiated between owner and contractor	Leaseholders (long-term and short-term land lease)	Contractor pays cash compensation at local state rental rates for duration of temporary use plus income/crop/structure loss due to temporary land use, if any Land restored to original status at the end of rental. Contractor pays for making land management and legal documents. Environmental safeguard measures.
		State lands (permanent land users)	Land restored to original status at the end of rental. Environmental safeguard measures. Contractor pays for making land management and legal documents.
Land of public wildlife areas		State lands	Environmental safeguard measures. Safeguard measures for archeological and cultural monuments.

82. 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.
- c) 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.
- d) 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.
- e) 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 in case of need (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.
- f) Vulnerable people²¹ (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.

²¹ Definition of vulnerable DPs is based on the Law on Targeted Social Assistance (N246 II dated 17 July 2001).

- g) 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.
83. For unexpected adverse effects during the project implementation, JSC “NC KazAutoZhol” will undertake measures in accordance with the objectives of the LARP to restore the socio- economic and living conditions of DPs.
84. Mostly, all LAR related activities including compensation of 2 HHs²² were already paid through bank transfer to the account of 2 HH²² based on free from fees or processing charges. The same principle will be used for 1 LE compensation payment. Expenses related to registration of right of ownership with respect to new land plots and documentation requirements shall be covered by respective rayon akimats.

²² See Due Diligence Report for Tranche 2, (August 2014).

CHAPTER 5. CONSULTATIONS AND DISCLOSURE

5.1 Consultations

85. Initial public consultations regarding the proposed Project were carried out during design preparation.²³ 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.
86. On 19 July 2011 another Public Consultation Meeting was carried out in the Conference Room of the JSC “NC KazAutoZhol” 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.
87. 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 JSC “NC KazAutoZhol” specialists, consultant on social and resettlement issues and consultant on environmental issues also took part in the consultation.
88. DPs participated actively in the discussion. Questions and comments revolved around details of the project activities, including schedule of construction activities, eligibilities

²³ 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

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 JSC “NC KazAutoZhol” consultant on social and resettlement issues and consultant on environmental issues responded to the questions.

89. On 8 April 2014 consultations were carried out in Shetpe, kosbylak with the 2 permanently affected HH (Mukhanova Zh. and Ersyltanova A.) whose houses are to be relocated. The questions revolved around the details of the compensation, relocation, complaints if any, grievance redress mechanism.
90. In June-July 2014, socio-economic survey and individual consultations have been held. On 30 June 2014, seven (7) individual consultations took place in Mangistay rayon with 7 affected land owners and leaseholders (2 HH 5 LE). On 22 July 2014, 5 individual consultations were carried out with 5 affected land owners and leaseholders (5 LE) in Karakia rayon. On 23-24 July 2014, 10 individual consultations (2 HH 8 LE) were held in Munaily rayon and Aktau.

Table 20. 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 JSO “KazAutoZhol” 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 JSC “KazAutoZhol”, 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 JSC “KazAutoZhol” 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 JSC "KazAutoZhol", 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.
8 April 2014	Mangistay Rayon Kosbulak, building 2, apt.1-2	PMC consultants, 2HH	The questions revolved around the details of the compensation payments, relocation, complaints if any, grievance redress options
30 June 2014	Mangistay rayon	PMC consultant, JSC "KazAutoZhol" representatives and 7 affected land owners and leaseholders (2 HH 5 LE)	The aim of the consultations was to inform APs about eligibilities and entitlements, to identify possible complaints, explain grievance redress mechanism and schedule of project implementation. Also land registration related issues.
22 July 2014	Karakia rayon	PMC consultants, JSC "KazAutoZhol" representatives and 5 affected land owners and leaseholders (5 LE)	The aim of the consultations was to inform APs about eligibilities and entitlements, to identify possible complaints, explain grievance redress mechanism and schedule of project implementation.
23-24 July 2014	Munaily rayon, Aktau	PMC consultants, , JSC "KazAutoZhol" representatives and 10 affected parties (2 HH 8 LE)	The aim of the consultations was to inform APs about eligibilities and entitlements, to identify possible complaints, explain grievance redress mechanism.

Consultations Feedback

In June-July 2014 during the socio-economic survey PMC international and national consultants on social and resettlement issues carried out consultations with displaced persons (DPs) to identify level of satisfaction with land acquisition and compensation process. The consultations were undertaken in an atmosphere free of coercion. All DPs participated actively in the interviews, were quite open and freely shared their opinions, concerns and attitudes towards the project. The particular attention was paid to female headed households and women. In general the consultations revealed that DPs are well informed about the project as several meetings already had been carried out in 2011-2012. DPs were aware of engineering details for the road, anticipated impacts and benefits and grievance focal points at community and rayon level. In general DPs were motivated to build the road as it will provide efficient and safe transportation for the movement of passengers and freight in the region. They emphasized that the road will improve their living conditions too. Mostly DPs expressed their positive expectations towards the project and some of them even readiness to volunteer the part of their leased lands for the project without compensation²⁴. None of them expressed complaints regarding compensation. At this stage questions and comments revolved around details of land re-registration

²⁴ See chapter 2, paragraph 2.5

procedures and duration, responsible agencies for it and the schedule of construction activities, PMC consultants responded to the questions²⁵.

5.2 Disclosure

91. Information brochure that summarizes DPs' entitlements, procedures, grievance redress and related information was prepared in Russian language and distributed with DPs and in community / rayon akimats (brochure is presented in Annex C).
92. The complete LARP document will be translated into the Russian and Kazakh languages and disclosed on the website of the Committee of Roads. Copies will be distributed to the JSC "NC KazAutoZhol", Mangistay, Munaily and Karakia rayons. The LARP in English will likewise be submitted for uploading to the ADB website.

²⁵ Information about DPs' perceived impacts and suggestions see in chapter 2, paragraph 2.14.

CHAPTER 6. GRIEVANCE REDRESS PROCEDURE

93. 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

94. A grievance mechanism is 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 provided to the JSC “NC KazAutoZhol”, Akimats of affected villages, Munaily, Karakia, Mangystau Rayons, as well as Mangystau Oblast. The officials 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 were therefore made to first seek resolution of these grievances at the local level through the designated Grievance Focal Points, officials at local community and rayon levels as well as in JSC “NC KazAutoZhol”.

95. The Grievance resolution process:

- i. First, complaints resolution will be attempted at the CSC level, which will be required to designate 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 JSC “NC KazAutoZhol” 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 JSC “NC KazAutoZhol” 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 JSC “NC KazAutoZhol” in written.
- ii. Second, complaints resolution will be attempted at the JSC “NC KazAutoZhol” level, which already designated a Grievance Focal Point to receive complaints, consult with CSC and DPs will search for possibilities to resolve the complaint within one-week period. At the end of one-week period Grievance Focal Point of JSC “NC KazAutoZhol” shall inform aggrieved parties about the development of their grievance and decision made with respect to their case.
- iii. If the complaint remains unresolved after being considered at the JSC “NC KazAutoZhol” level, DPs may take their complaints to the head of Akimat of respective rayon. Designated person (Grievance Focal Point) in Rayon Akimat (Munaily, Karakia and Mangystau Rayon) receives the complaint, registers it and attempts to resolve it with involvement of the JSC “NC KazAutoZhol”, 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.
- iv. Forth, complaints resolution will be attempted at the Akimat of Mangystau Oblast / CoR level. Designated person (Grievance Focal Point) in Akimat of Mangystau Oblast / CoR 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 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 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.

96. 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 JSC “KazAutoZhol” for resolution.
JSC “NC KazAutoZhol”	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 (Munaily, Karakia, Mangystau rayons, as relevant) for resolution.
Akimat of 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 for resolution.
Akimat of Mangystau Oblast / CoR	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

97. Complaints can be received through the staff of the CSC, JSC “NC KazAutoZhol” or Akimats of Munaily, Karakia and Mangystau rayons. Grievance focal points have been designated at JSC “NC KazAutoZhol”, respective rayon akimats and CoR of the levels to receive, help to resolve, report or forward complaints received from APs and the general public. The following are the Grievance Focal Points designated for the project:

- 1) Mr. Krykbaev Nurzhan Nazimbekovich Deputy director of JSC “NC KazAutoZhol”
Telephone: 8 7292 605852; E_mail: mouad@mail.ru
- 2) Mr. Bekov Kidirberdi Andirovich Vice akim of Karakya Rayon
Telephone: 8-72937 – 2-13-07

- 3) Sarbalayev Abzal Berdibaevich Vice Akim of Mangystau Rayon
Telephone: 8-72931 – 2-11-87
- 4) Ondabaev Kalnias Ondabaevich Vice akim of Munaily rayon
Telephone: 8 7292 466204 Mrs.
- 5) Asel Karymbaeva Committee of Roads of Ministry of Transport and Communication
Telephone: 8 71 72 24 26 11
- 6) Focal Point of CSC (to be nominated)

98. APs 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.
99. The CSC, JSC “NC KazAutoZhol”, 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 JSC “NC KazAutoZhol” progress reports to be submitted to ADB. The reports and the process of dispute resolution will be observed/monitored by the PMC.

6.3. Disclosure of the Grievance Process

100. The grievance resolution process for the LARP disseminated through information brochure and distributed during the individual consultations. The information on grievance resolution process is available at the JSC “NC KazAutoZhol”.

CHAPTER 7. COMPENICATION AND LIVELIHOOD RESTORATION STRATEGY

7.1 Compensation of Houses/residential structures

101. Two houses (Mukhanova Zh.-0.1ha, Ersyltanova A.-0.084) are permanently affected by the project. Both residential structure owners (Ersyltanova A., Mukhanova Zh.) have been compensated in cash, estimated by the independent valuation company based on market price in the area (as of 01.07.2013). These owners will be provided with alternative, suitable land plots for them and rayon akimat will cover all expenses related to registration of the new plots by 15 September 2014.

Table 21. Affected residential structures

Purpose of land plot use	Number of plots	Area acquired, in ha	Total compensation (in KZT)
Residential	1	0.1	7.732.400
Residential	1	0.084	5.249.300
Total	1	1.084	12.981.700

7.2 Compensation for privately-owned lands

102. 10 privately owned lands were permanently acquired for the project. Out of these 10 privately owned lands, 2 residential land owners (2 HHs) were already compensated in June-July 2014. Commercial land of 1 LE (Mendikulova G. - gas station with café bar "Gularsha") was evaluated by the independent valuation company based on market price in the area (as of 18.10.2013) and is to be compensated till 10 August 2014. 1LE (Otemuratova G.-Karakia rayon) was compensated with the land of equal size to the plot lost (0.6 ha). The registration process of the land plot for the owner (Otemyratova G.) is to be completed on 1 September 2014 (Decision N1324 Karakia rayon akimat, 07.08.2014).

1 LE (Tlegenov N.T.- Mangistay rayon) will be provided with land plot equal in size (0.015 ha) to the land plot lost (0.015 ha) at location acceptable to him by 15 September 2014. Letter confirming (with signature of the owner Tlegenov N.T., 06.08.2014) that he has agreed with the offered compensation (land replacement) is available. The other 5 private land owners will be compensated in form of land replacement:

Mangistay rayon till 15 September 2014:

1. Kydairbegenov Zh. "Bayterek" - 0.2203 ha
2. Tyretayev N. "Simbat" - 0.0922 ha

Munaily rayon till 01.11.2014:

3. Utesinov A.I. - 0.3252 ha
4. Shermagambetov Sh.K. - 0.1216 ha
5. Tastemirov I."Madi" - 21.125 ha

7.3 Compensation for Leased / Used Lands

103. 12 Long-term (for 49 years) leaseholders are affected by the project. In total 70.9917 hectares are leased by 12 legal entities. None of them were compensated for losses or offered alternative. Mangistay (№ 849, 06.08.2014), Karakia (№1334, 07.08.2014) and Munaily (№ 01-13/3903, 07.08.2014) rayon akimats provided with the letters confirming that all leaseholders in each rayon will be compensated with alternative land plots to the plots lost and set the dates for the actions.²⁶

Munaily rayon till 01.11.2014:

1. Meyrmanova U. - 3.4743 ha
2. Kalmuratov A. "Erik" - 0.0205 ha
3. Meyrmanov Zh. - 8.5122 ha
4. Kyzylbayev K.N. - 1.1176
5. "KurykKurylysServis" LLP - 0.6163 ha
6. "Baytubetov" peasant farm - 39.966 ha
7. Karzhaubayeva U. - 1.6852 ha

Karakia rayon till 25 September 2014:

8. "Aktautas" JSC - 1.5194 ha

Out of these 12 leaseholders, 4 LEs voluntarily agreed (in writing) to provide a part of their leased land for project purposes without compensation:

1. "Mangistau Road- Building Materials Enterprises" JSC (3.5978 ha)-Mangistay rayon
2. Zhumakhanov N. "Kozha" (1.8377 ha) - Mangistay rayon
3. "Ulutas" JSC (0.4726 ha) –Karakia rayon
4. "MMG" JSC (8.1721 ha)- Karakia rayon

7.4 Compensation for Trees and Plants

104. No impacts on the trees and perennial crops were not 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 taken for the Project purposes were verified.

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

105. Compensation affected land users of agricultural, residential and commercial lands will not consider expenses incurred for land development, mortgage and obligations to third parties.

²⁶ See chapter 10, paragraph 10.4

7.6 Compensation for Business Losses

106. One (1) legal entity (Mendikulova G.) lost her commercial structure and consequently lost her income from her business activities. The owner (Mendikulova G.) will be paid till 10 August 2014.

Table 22. Computation of business income losses

Type of Business	Number of affected businesses	Number of Displaced HH and LE	Monthly income (in KZT)	Number of months	Degree of Impact (Permanent or Temporary)	Total Compensation (in KZT)
Gas station with café-bar "Gularsha"	1	1LE	331 210 ²⁷	9	permanent	2 980 897.91 ²⁸
TOTAL	1	1LE				2 980 897.91

7.7 Compensation for lost jobs of workers of affected businesses

107. Five (5) workers were affected permanently by the disruption in the commercial operations of 1 business entity (1LE). Average income of these workers was reported to comprise about 63.000 KZT per month. But the affected LE possesses several branches of the Gas station "Gularsha" in Mangistay oblast. The affected workers were employed by the same owner (Mendikulova. G.) for the other branch office. Thus, the workers did not lose the employment.

7.8 Relocation and Livelihood Restoration Allowances

108. Two (2) households, 1 legal entity lost their lands and structures and need to be relocated. These 2 households (Ersyltanova A., Mukhanova Zh.) and 1 legal entity (Mendikulova G.) will be provided with support in relocation. Relocation allowance includes the cost of labor and vehicle rent to transport the salvage material.

7.9 Support to vulnerable HHs

109. One HH (Mukhanova Zh.) was identified as vulnerable household in Mangistay rayon. The HH is headed by widow woman at the age of 75. Mangistay rayon akimat department on social programs will provide the vulnerable HH (Mukhanova Zh.) assistance equivalent to minimum living wage for 3 months (19.966 KZTx3=59.898KZT) and assist in enrolment in the Targeted Social Assistance (TSA) program of the government till IV quarter 2014. The latter confirming the decision is available (N220, 06.08.2014).

²⁷ The data is taken from the letter (05.05.2014) submitted by the owner Mendikulova G. to Karakia rayon akimat, where she confirms the lost profit in amount of 2 980 897.91 KZT for the period of August 2013 – April 2014 (9 months). The cost is included in the compensation amount. See above the paragraph 26.

²⁸ See the footnote 9.

CHAPTER 8. INSTITUTIONAL FRAMEWORK

110. The timely and effective implementation of the LARP will require the involvement of several agencies and units. This chapter describes the roles of these units.

8.1 Committee of Roads

111. The Committee of Roads (COR) through its Project Director has overall responsibility for LAR preparation, implementation and financing, with the assistance of the Project Management Consultants (PMC). In particular, the CoR will:

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

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

8.2 JSC “NC KazAutoZhol”

113. The JSC “KazAutoZhol” has overall responsibility for day-to-day project implementation, including day-to-day implementation of LAR activities. A focal point on LAR issues designated within the JSC “NC KazAutoZhol” (Krykbaev Nurzhan Nazimbekovich Deputy director of JSC “NC KazAutoZhol”) to coordinate the preparation and implementation of the final LARP for the Project. The focal point on LAR issues report to the Director of JSC “NC KazAutoZhol and is tasked to:

- 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.);
- Maintain regular coordination and communication with relevant state agencies at the Mangystau Oblast (e.g. local branch of GosNPTsZem, Justice Department), and Rayon Akimats;
- Follow up and provide support to respective Akimats during drafting and adoption of the decree on land/property acquisition for project purposes;
- Follow up and provide support to respective Akimats during notification of DPs on upcoming land/property acquisition;

- Provide support during census, socio-economic survey of the DPs and valuation of the land / property to be taken;
- Prepare documents for negotiation of compensation with the DPs;
- Prepare documents for formalizing agreements with DPs and processing of compensation payments;
- Conduct regular consultations and exchange of information with DPs on the implementation of the LARP;
- Disclose the LARP and the information brochures;
- Plan and manage LARP implementation and the distribution of compensation;
- Follow up with expropriation cases;
- Facilitate conduct of field surveys, and re-registration of the remaining portions of the DPs land plots;
- Coordinate with the appropriate state agencies to provide all needed documentation and ensure prompt allocation of LAR budgets to the DPs;
- Assist in receiving, recording, resolving and reporting of grievances related to land / property acquisition process and other issues related to the project and coordinate with the CSC and rayon akimats and oblast akimat;
- Ensure proper internal monitoring;
- Monitor/supervise the temporary land acquisitions done by contractors engaged for the Subproject;
- Prepare regular reports on the progress of LARP-related activities.

114. JSC “NC KazAutoZhol” 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

115. Although JSC “NC KazAutoZhol” will take the central role in implementing the LARP, the 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 for land owners and leaseholders. Along with it respective rayon akimats will cover expenses related to re-registration of land plots from local/rayon budgets.

Mangistay rayon akiamt

15 September 2014

Karakia rayon akimat

25 September 2014

Munaily rayon akimat

01 November 2014

8.4 Project Management Consultant

116. The PMC (taking into account its international experience in implementation of assignments including LAR activities) will assist the JSC “NC KazAutoZhol” in carrying out the duties related to finalization, implementation, supervision, monitoring and evaluation of LAR activities. In particular, the PMC will assist CoR to:

- Finalize the draft LARP after the issuance of the akimat decree on land acquisition;

- Design and supervise the consultations, disclosure, DMS and census/socioeconomic survey related to the finalization of the LARP;
- 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);
- Ensure complete relocation or reconstruction of affected structures/businesses before civil works commencement and payment of appropriate compensation before displacing the DPs;
- Monitor LARP implementation process, provide data and support to JSC “NC KazAutoZhol” during preparation of quarterly monitoring reports on LARP implementation and monitoring activities;
- Present to the JSC “NC KazAutoZhol” the issues and bottlenecks that arise during LARP implementation and monitoring, and provide recommendations and suggestions on solution of such issues;
- Control the activities of Contractors and Sub-contractors, including implementation of mitigation measures, temporary land acquisition, etc.;
- Provide advice to JSC “NC KazAutoZhol” on LAR issues and grievance redress;
- Study, communicate to JSC “NC KazAutoZhol” and implement immediate remediation in case of any non-compliance with the LARP;

8.5 Construction Supervision Consultant

117. The CSC will assist the JSC “NC KazAutoZhol” 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 and provide details in the monthly progress reports. 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.

8.6 Other Agencies and Institutions

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

- 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;
- Local Courts. The court system will be involved in LAR process in case the agreement is not reached between JSC “NC KazAutoZhol” / 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 / JSC “NC KazAutoZhol” shall rely on the court system, which based on due legal process will review the expropriation cases, carry out a hearing and decide whether the land / property can be expropriated and at what price;

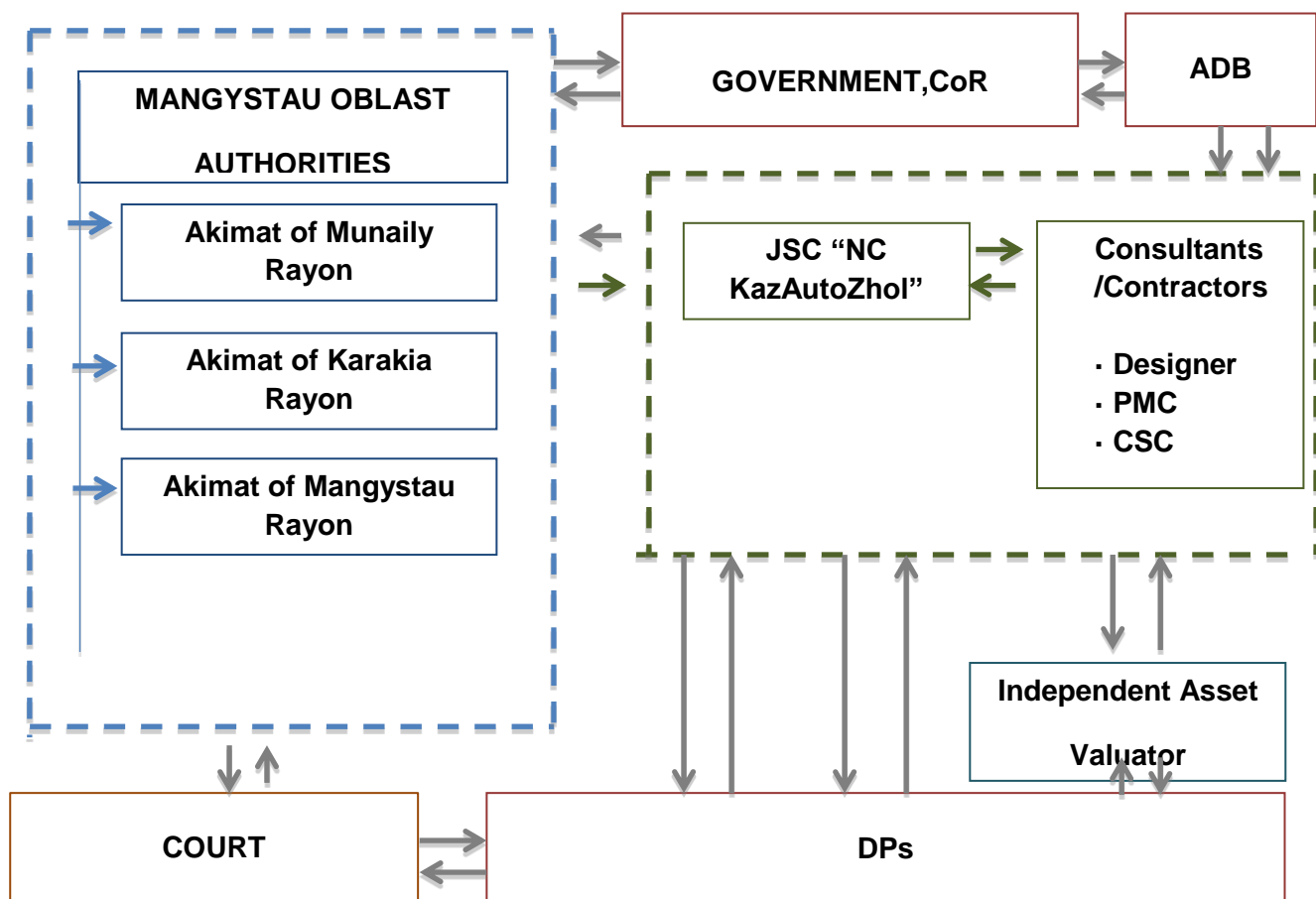
- Independent Asset Valuators. These will be accredited / licensed private firms hired by Akimats / JSC “NC KazAutoZhol” to evaluate the affected assets subject to acquisition / expropriation.

8.7 ADB

119. 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.

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

Figure 2
LARP Implementation Arrangement



CHAPTER 9. RESETTLEMENT BUDGET AND FINANCING

121. The GoK / CoR is responsible for all land acquisition costs associated with the implementation of the LARP. A budget of 60 082 850 KZT is allocated for all LARP implementation activities from oblast and republic budget for CAREC Corridor 2 (Mangystau Oblast Section) Investment Program Tranche 2. This includes the cost for compensation of losses, registration and re-registration of land plots, assistance to vulnerable HH, relocation allowance, external monitoring. The budget breakdown is shown in Table 23.

Table 23. Land acquisition and resettlement budget

N	Particulars/Items	Number of HHs & LEs	Quantity	Estimated Budget (KZT)
1	Compensation for privately owned land a. agricultural land b. commercial land c. industrial land d. residential land Total	2 LE 1 LE 2 HHs, 1 LE 2 HH 4 LE²⁹ 4 HH	21.2172 ha 0.0058 ha 0.6671 ha 0.184 ha 22.0741 ha	Land replacement
2	Compensation for leased Land a. agricultural land b. commercial land c. industrial land Total	6 LE - 2 LE 8 LE³⁰	54.7758 ha - 2.1357 ha 56.9115 ha	Land replacement
3	Compensation for Gas station with café-bar “Gularsha” including land plot, structure and lost profit (for 9 months)	1LE	0.605 ha	27.360.784
4	Re-registration of plots Total	4 HHs 17 LEs 21	93.6658 ha 2.200 000	
5	Relocation allowance of housing	2 HHs	0.184 ha	530.000

²⁹ 1 LE (Otemyratova G.) was provided with alternative land of equal size and is not included in the section 1, but as the provided land plot needs to be registered she is included in the section 4 of the budget.

³⁰ 4 LEs who voluntarily give the part of their land plots to state needs (in writing) are not included in the section 2. The above mentioned 4 LEs are included in the section 4 of the budget as their modified land plots need to be registered.

N	Particulars/Items	Number of HHs & LEs	Quantity	Estimated Budget (KZT)
6	Assistance to vulnerable DPs	1 HH	3 months	59.898
7	External Monitoring	company	1.5 month	25.000.000
	Total			54 620 682
	Contingencies (10%)			5 462 068
	Total + Contingencies			60 082 750

CHAPTER 10. IMPLEMENTATION SCHEDULE

10.1 General

122. The time for implementation of resettlement plan is scheduled as per the overall project implementation. Mostly activities related to land acquisition and resettlement are already implemented. Compensation is paid to 2HHs and will be paid to 1 LE till 10 August 2014. However, the LARP states several important corrective measures that should be addressed in order to start civil works. The schedule is subject to modification depending on the progress of the project activities. JSC “NC KazAutoZhol” will ensure proper implementation of LAR activities.

123. Contractor(s) for the civil works for Tranche 2 is expected to mobilize in December 2014. The LARP needs to be fully implemented and evaluated not later than November 2014. In best case scenario implementation is expected to take about 2-3 months from the finalization of land acquisition documents, compensation payments, re-registration of plots and 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

124. Focal points of LAR issues are already designated for the LARP implementation. Valuation of affected assets carried out by the licensed property valuator, following which the final LARP is prepared and sent to ADB and GoK for approval. Upon the approval, the final LARP should be disclosed.

10.3 LARP Implementation Phase

125. 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 JSC “NC KazAutoZhol” 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 to oversee the LARP implementation activities and develop compliance report.

126. Table 24 shows the activities involved in the LARP preparation, finalization and implementation and the agencies/units involved.

Table 24. LARP preparation, finalization and implementation process

No.	Work Description	Responsible Agency
A. LARP Preparation		
A1	Akimats decrees and notification of DPs	Akimats of Munaily, Karakia and Mangystau Rayons
A2	Detailed surveys (census, socio-economic survey and valuation)	JSC “NC KazAutoZhol” (with support of PMC, licensed valuator)
A3	Public consultations	PMC, Akimats, JSC “NC KazAutoZhol”,

A4	Final LARP drafting	JSC “NC KazAutoZhol” (with support of PMC)
A5	Final LARP review / approval / disclosure	CoR / ADB
A6	No objection to signing of civil works contract	ADB
B. LARP Implementation		
B1	Allocation of LAR funds, including those for relocation	Akimats
B2	Preparation of relocation plots / structures / houses	Akimats, JSC “NC KazAutoZhol”
B3	Registration of new plots / structures / houses	Akimats
B4	Processing of compensation payments to DPs	Akimats
B5	Demolishing/ relocation of affected structures / assets	Contractor(s), Akimats
B6	External Monitoring	EMA
B7	Preparation of compliance report	EMA
B8	Review of compliance report and issuance of Notice to Proceed for civil works is issued	ADB

10.4 Corrective actions

N	Corrective Action	Data	Responsible agency
1	Cash compensation for gas station with café-bar "Gularsha" in amount of 27 360 784 KZT	10.08.2014	Karakia rayon akimat
2	Private land owners to be compensated with alternative land plots in of equal value to the plot lost or cash compensation 4 LEs /2 HHs	15 .09. 2014 25.09.2014 01.11.2014	Mangistay rayon akimat Karakia rayon akimat Munaily rayon akimat
3	Leased land owners to be compensated with alternative land plots of equal value to the plot lost 8 LEs	15 .09. 2014 25.09.2014 01.11.2014	Mangistay rayon akimat Karakia rayon akimat Munaily rayon akimat
5	Renegotiation of existing agreements on leased land for 12 leaseholders and sign new agreements	15 .09. 2014 25.09.2014 01.11.2014	Mangistay rayon akimat Karakia rayon akimat Munaily rayon akimat
6	Relocation allowance for 2 HHs (Mukhanova Zh. Ersyltanova A.).	30.09.2014	Mangistay rayon akimat
7	Assistance to vulnerable HH (Mukhanova Zh.) in amount of minimum living wage for 3 months and assist in enrolment in the Targeted Social Assistance (TSA) program of the government.	IV quarter 2014	Mangistay rayon akimat
8	External monitoring	IV quarter 2014	CoR
9	Monitor temporary land use and ensure that in case the additional land plots are required for temporary use for construction activities, the Contractor obtains relevant agreements allowing use of such lands. After completion of civil works these lands shall be restored to their original conditions by Contractor and rent fees shall be fully paid to the owners		JSC "NC KazAutoZhol" with support from CSC, the Contractor
10	Monitor grievance redress process, ensure continuous liaison with Grievance Focal Points from Akimats as well as CoR,		JSC "NC KazAutoZhol", CSC
11	Information on ongoing and planned works of the project will be disseminated in affected communities		JSC "NC KazAutoZhol", CSC

Table 25. Schedule for LARP Implementation

Milestones/Activities	2014											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
A. Final LARP Prep., Approval and Disclosure												
A1. Final LARP drafting												
A2. Detailed surveys (census, socio-economic survey)												
A3. Final LARP review / approval / disclosure												
A4. 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. Demolishing/ relocation of affected assets												
B7. Monitoring												
B8. Preparation of compliance report												
B9. Review of compliance report and issuance of Notice to Proceed for civil works												
Start of civil works												
Compensaiton of temporary impacts during civil works												

CHAPTER 11. MONITORING AND EVALUATION

127. The LARP implementation will be subject to 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 External Monitoring

128. Since the LARP implementation for the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program, Tranche 2 is expected to be completed within 2-3 months the EMA will be required to prepare LARP Compliance Report once the LARP activities have been fully implemented.

129. 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.

130. The EMA will:

- Recommend on the organization and implementation of internal monitoring of resettlement, including a system of monitoring indicators, timelines and procedures, reporting forms, etc.;
- Analyze and prepare recommendations on the list of persons who incur damages and may be eligible to compensation;
- Analyze the payment of compensations, procedures for approving payment of compensations and recommend on their compliance with the ADB resettlement policy;
- Participate (as an observer) in consultation meetings on land acquisition;
- Monitor the timely allocation of funds for compensation and recommend on required adjustment measures, if needed;
- Monitor the acquisition timelines and terms of temporary land acquisition (if any) and recommend adjustments, if needed;

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

131. The PMC will take over regular six monthly monitoring of LARP specifically during the construction phase and submit reports to ADB and CoR with two weeks of the final month of the reporting period.

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

Mangistay Rayon														
№	Owner	Adress/Location	Cadastral number	Initial land (ha)	Land to be acquired (ha)	% expropriation (ha)	Ownership /Tenure Status	Owner HH/LE	Land type	Land Usage	Land to be acquired permanently/temporarily	date of valuation	sum of compensation	mark "+" if it is market price
1	Yersultanova Altyn	App.1, building 2, Kosbulak microdistr., Shetpe village	13-198-002-224	0,084	0,084	100%	Private	HH	Residential Land	Residential land	Permanent	01.07.2013	5 249 300 KZT 34 600 USD	+
2	Zhaniyash Mukhanova	App.2, building 2, Kosbulak microdistr., Shetpe village	13-198-002-462	0,1	0,1	100%	Private	HH	Residential land	Residential land	Permanent	01.07.2013	7 732 400 KZT 50 900 USD	+
3	Kydairbegenov Zh. "Bayterek"	28-10-151, Aktau	13-198-002-158	5	0,2203	4,41%	Private	LE	Industrial Land	Industrial Land	Permanent	N/A	No compensation yet	N/A
4	Tyretayev Nurlan LLP "Simbat", 87015667080	Jhetybay	13-198-023-011	2000	0,0922	0,005%	Private	LE	Peasant Farm	Agricultural land "Simbat" Not Used	Permanent	N/A	No compensation yet	N/A
5	Tlegenov Nurlan Tlegenovich	unnumb., Ashybulak mikrdistrict, Shetpe v.	13-198-002-738	0,015	0,0058	38,67%	Private	LE	Commercial Land	No structure	Permanent	N/A	Land swop	N/A
6	Zhumakhanov Nauryz "Kozha"	Zhanaorpa mikrd, Shetpe v., 87013235444	13-198-019-033	1500	1,8377	0,12%	Leased land (for 49 years)	LE	Peasant Farm "Kozha"	Agricultural land	Permanent	N/A	Voluntarily gave the part of land to state needs	N/A
7	"Mangistau Road Building Materials Enterprises" JSC , Bisenov Muhtar	Mangistau station, 87015127901	13-198-002-800	24,0078	3,5978	14,986%	Leased land (till 2054)	LE	Industrial Land	Operating space, production site	Permanent	N/A	Voluntarily gave the part of land to state needs	N/A

Munaily Rayon

№	Owner	Address/Location	Cadastral number	Initial Land (ha)	Land to be acquired (ha)	% expropriation (ha)	Ownership / Tenure Status	Owner HH/LE	Land type	Land Usage	Land to be acquired permanently/temporarily	date of valuation	sum of compensation	mark "+" if it is market price
1	A.I. Utesinov	29-23-85 app., Aktau, 87075957292	13-203-084-3396	1	0,3252	32,52%	Private	HH	Industrial Land	-	Permanenent	N/A	No Compensation	N/A
2	Sh.K. Shermagambetov	11-20-30 app., Aktau	13-203-099-033	1,5	0,1216	8,11%	Private	HH	Industrial Land	-	Permanenent	N/A	No Compensation	N/A
3	Unzila Meyrmanova	12-44-56 app., Aktau, 87017775857	13-203-007-198	3106,5	3,4743	0,11%	Leased Land (for 49 years)	Peasant Farm	Agricultural Land	-	Permanenent	N/A	No Compensation	N/A
4	Azamat Kalmuratov - "Erik" peasant farm	11-23-82 app., Aktau, 87014635658	13-203-007-340	100	0,0205	0,02%	Leased Land (for 49 years)	Peasant Farm	Agricultural Land	-	Permanenent	N/A	No Compensation	N/A
5	Zh. Meyrmanov	12-44-56 app., Aktau	13-203-011-076	1000	8,5122	0,85%	Leased Land for 49 years)	Peasant Farm	Agricultural Land	-	Permanenent	N/A	No Compensation	N/A
6	K.N. Kyzylbayev	23 building, Kurzhymanuly str., Zhetybai v., Karakia raion	13-203-011-075	1200	1,1176	0,09%	Leased Land (for 49 years)	Peasant Farm	Agricultural Land	-	Permanenent	N/A	No Compensation	N/A
7	U.Karzhaubayeva - "Elaman" peasant farm	57 building, Sagynysh str., Kyzyltobe rural district, Munayly raion	13-203-011-043	1403	1,6852	0,12%	Leased Land (for 49 years)	Peasant Farm	Agricultural Land	-	Permanenent	N/A	No Compensation	N/A
8	"KurykKurylysServis" LLP	Aktau, near the buildings of "Mangistau Distribution Power Grid Company" JSC	N/A	10	0,6163	6,16%	Leased Land (for 49years)	LE	Industrial Land	-	Permanenent	N/A	No Compensation	N/A
9	I.Tastemirov - «Madi» Peasant Farm	230-2 building, Zhanakurylys microdist., Zhetybay v., Karakia raion, 87018200258	13-203-011-008	1915,1	21,1250	1,10%	Private	Peasant Farm	Agricultural Land	-	Permanenent	N/A	No Compensation	N/A
10	Serik Baytubetov peasant farm "Torla"	151-1 building, Zhanakurylys microdist., Zhetybay v., Karakia raion, 87783048528	13-203-011-135	1363,88	39,9660	2,93%	Leased Land (for 49years)	Peasant Farm	Agricultural Land	-	Permanenent	N/A	No Compensation	N/A

Karakya Rayon

№	Owner	Adress/Location	Cadastral number	Initial land (ha)	Land to be acquired (ha)	% expropriation (ha)	Ownership /Tenure Status	Owner HH/LE	Land type	Land Usage	Land to be acquired permanently/temporarily	date of valuation	sum of compensation	mark "+" if it is market price
1	Mendiculova Gulzira Dukenbayevna	Building 85, Tolky housing estate, 29 micridistrict, Aktau, 87015331510	13-197-008-376	0,605	0,605	100%	Private	LE	Commercial Land	Gas station with café-bar "Gularsha" cafe-bar	Permanent	18.10.2013	27 360 784 KZT 177 818 USD	+
2	“MMG” JSC, Nuranov Bek Mirzabekovich	2 Mic. Aktau, Orda, 713. 212-427	13-197-004 - 585	4629,4	8,1721	0,18%	Leased Land (for 49 years)	LE	Industrial Land	User of mineral resources oil production	Permanent	N/A	Voluntarily returned the part of land	N/A
3	“Ulutas” JSC, Tuyakov Zhanabay Elemesovich	87015202293	13-197-006-957	50	0,4726	0,95%	Leased Land (for 49 years)	LE	Industrial Land	Quarry	Permanent	N/A	Voluntarily returned the part of land	N/A
4	“Aktautas” JSC	Serik Sabyrbaev 87015267770	13-197-004-573	12,9	1,5194	11,78%	Leased Land (for 49 years)	LE	Industrial Land	Quarry	Permanent	N/A	No compensation	N/A
5	Otemyratova Guljzan	App.62, Building 1, microdistrict 28, 33-08-70	13-197-007-035	0,6	0,6	100%	Private	LE	Commercial Land	For building gas station	Permanent	16.04.2013	Land swap	N/A

ANNEX B. CENSUS / SOCIO-ECONOMIC QUESTIONNAIRE

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

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

9. What is your land holding status?

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

10. How many years do you use this land? _____

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

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

12. Major crops and trees planted in the affected land

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

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

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

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

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

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

Yes No

16. (For APs with no sufficient remaining land or alternative land to continue) Will you need assistance from government in finding an alternative land?

Yes No

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

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

18. Do you employ or hire workers to help you in the affected livelihood/business? Yes (permanent or temporary?) No

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

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

20. (For business owners only) Affected livelihood activities

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

21. Primary and secondary structures within the affected land

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

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

1. Yes
2. No

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

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

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

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

25. Assets owned by the household

[illegible]

26. Number of family members who generate income

Household member	Source of income	Monthly income, in KZT

27. Family Expenditure (Monthly):

Item of Expenditure	Amount in KZT
Food	
Clothing	
Water	
Firewood/Gas/Electricity	
Dwelling house and other accommodation	
Fuel for vehicles/Boats/Agricultural Equipment	
Medical/health	
Education	
Equipment/inputs (household utensils)	
Communication/Transportation	
Debt payment/Interest	
Smoking	
Alcohol	
Maintenance cost of household structures and equipments	
Entertainment	
Other (specify)	
Total	

28. Information on Family Income (Monthly):

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

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

- 1 employment from the construction/civil works ☐
- 2 skills training (specify kind of training) ☐
- 3 micro-finance/soft loan (specify business) ☐

4 others (specify)

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

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

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

Thank you!

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

The Project

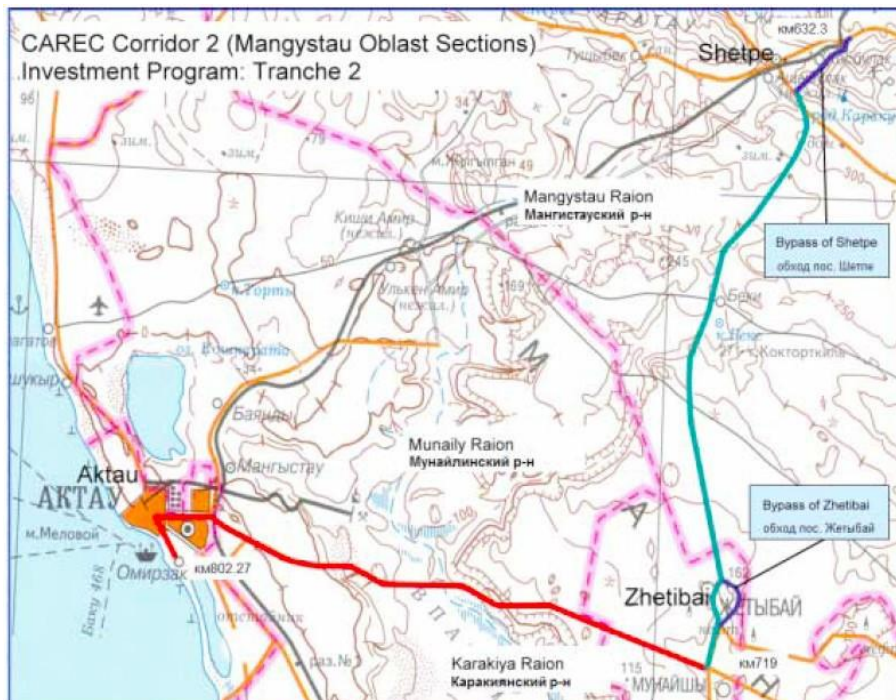
The Republic of Kazakhstan (RoK) acting through the Committee of Roads proposed to undertake the Tranche 2 of the MFF for the CAREC Corridor 2 (Mangystau Oblast Section) Investment Program. The Government of Kazakhstan (GoK) has requested the ADB to provide financing for the Tranche 2 (hereinafter referred 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 Implementing Agency (IA) being the Committee of Roads (CoR). JSC "KazAutoZhol" is 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 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, commercial structure) 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	Specifications	Affected Persons	Compensation Entitlements
Permanent Loss			
Agricultural, residential and commercial land plots		Owners	Cash compensation at full replacement cost (considering fair market value, transition 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 Long-term/ Short term	Rental allowance in accordance with the compensation Entitlements Land for land compensation with plots of equal productivity to the plots lost.
		Squatters (if any)	Leased plot on State land; Displacement allowance option, equal to three months minimum monthly salary.
Agricultural land	Severe impact >10% of income/ productive land lost	Owners, leaseholders of cropped/ cultivated land	Additional cash compensation equivalent to one-year gross harvest
Buildings and structures	Residential houses and commercial buildings	Owners of permanent structures (including squatters)	Cash compensation at the market value for affected structures and other real assets at existing prices at the moment of acquisition with no deduction for depreciation or transaction costs. Compensation will include the value of affected connections to water supply or other public utilities. House for house swap (at the owner option): if replacement is of lower value, cash compensation for the difference; 3 months housing rental allowance
		Renters	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.
	Temporary structures (kiosks, stalls)	Owners of temporary/ movable structures	Approved site to relocate structure.
Structure renters		Renters with valid rental contract	Three months' rent at prevailing market rate and assistance in finding alternative accommodation
Business and employment	Temporary or permanent business/	Business owners (including those with no formal	if permanent business loss, cash compensation equal to one year income (lost profit);

	employment loss	rights on the land) and their affected workers	<p>if temporary business loss, cash compensation for the period of income loss;</p> <p>if permanent employment loss, 3 months average registered wages (if not registered, based on the official minimum wage in Kazakhstan);</p> <p>if temporary employment loss, average registered wage during disruption (if not registered, based on the official minimum wage in Kazakhstan);</p> <p>(note: Affected workers will be paid through their employers as per the Labor Code)</p>
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.
Community assets			Rehabilitation or replacement of affected structures to pre-project function.
Vulnerable population groups		Households at or below the poverty line, with 4 children under 18 or households headed by an elderly, disabled, widow/woman.	Enrollment in government social assistance program if not yet enrolled Priority in local employment for members of vulnerable household with provision for basic on-the-job training. Assistance equivalent to minimum living wage for 3 months.
Temporary Loss			
Land for civil works or borrow pits	Negotiated between owner and contractor	Leaseholders (long-term and short-term land lease)	Contractor pays cash compensation at local state rental rates for duration of temporary use plus income/crop/structure loss due to temporary land use, if any Land restored to original status at the end of rental. Contractor pays for making land management and legal documents. Environmental safeguard measures.
		State lands (permanent land users)	Land restored to original status at the end of rental. Environmental safeguard measures. Contractor pays for making land management and legal documents.
Land of public wildlife areas		State lands	Environmental safeguard measures. Safeguard measures for archeological and cultural monuments.

Valuation and Compensation payment

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

-
- For the 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.
 - 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 JSC “NC KazAutoZhol” for review and resolution.
- (ii) Second, complaints resolution will be attempted at the JSC “NC KazAutoZhol” level. The Grievance Focal Points of JSC “NC KazAutoZhol” 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). JSC “NC KazAutoZhol” 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.
- (iv) Forth, complaints resolution will be attempted at the Akimat of Mangystau Oblast CoR level. Designated person in Akimat of Mangystau Oblast / CoR 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 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 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 Munaily, Karakia and Mangystau Rayons, Mangystau Oblast). Grievance focal points are 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:

Mr. Krykbaev Nurzhan Nazimbekovich

Deputy director of JSC “KazAutoZhol”
Telephone: 8 7292 605852
E- mail: mouad@mail.ru

Mr. Bekov Kidirberdi Andirovich

Vice akim of Karakya Rayon
Telephone: 8-72937 – 2-13-07

Sarbalayev Abzal Berdibaevich

Vice Akim of Mangystau Rayon
Telephone: 8-72931 – 2-11-87

Ondabaev Kalnias Ondabaevich

Vice akim of Munaily rayon
Telephone: 8 7292 466204

Mrs. Asel Karymbaeva

Committee of Roads of Ministry of Transport and Communication
8 71 72 24 26 11

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, JSC “kazAutoZhol” 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:

- Akimats adopt decrees on land and property acquisition for state needs, notifies DPs, and allocate appropriate funds;
- JSC “kazAutoZhol”, 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;
- JSC “kazAutoZhol” prepares the final implementation-ready LARP;
- ADB and GoK (through CoR) review and approve the LARP;

-
- ADB and CoR disclose the final LARP on the web and to DPs;
 - GoK designated entity implements the LARP, pay compensation, register new land plots and structures. JSC “kazAutoZhol” conducts internal monitoring of final LARP implementation;
 - If agreement is not reached with the DP, GoK designated entity files for expropriation procedures;
 - JSC “kazAutoZhol” designated entity demolishes and relocates affected structures / assets;
 - Independent monitor reports on final LARP completion;
 - ADB issues no objection for commencement of civil works;
 - Contractor implements civil works.