

# Resettlement Framework

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April 2011

## UZB: Second Central Asia Regional Economic Cooperation Corridor 2 Road Investment Program

Prepared by the Republican Road Fund, Ministry of Finance, Uzbekistan

The resettlement framework 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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## **CURRENCY EQUIVALENTS**

(as of April 8, 2011)

Currency Unit – sum (SUM)

SUM1.00 = \$0.00059

\$1.00 = SUM1,684

## **NOTES**

- (i) In this report, "\$" refers to United States dollars (USD)
- (ii) Sum refers to Uzbekistan Sum

## ABBREVIATIONS

AB	Affected Business
AC	Asphaltic Concrete
ADB	Asian Development Bank
AIDS	Acquired Immune Deficiency Syndrome
APs	Affected Persons
CAREC	Central Asia Regional Economic Cooperation
CoM	Council of Ministers
CSS	Country Safeguard System
D/PLARC	District/Provincial Land Acquisition and Resettlement Commission
DI	Design Institute
DP	Displaced Person
EA	Executing Agency
EMA	External Monitoring Agency
EMP	Ethnic Minority Plan (See IPP)
FGD	Focus Group Discussions
GAP	Gender Action Plan
GFP	Grievance Focal Point
GRC	Grievance Redress Committee
Ha	Hectares
HH	Households
HIV	Human Immunodeficiency Virus
IA	Implementing Agency
IMA	Internal Monitoring Agency
IPP	Indigenous Peoples Plan
ISA	Initial Social Assessment
Km	Kilometer
LAR	Land Acquisition and Resettlement
LC	Land Code
MFF	Multi-Tranche Financing Facility
PMU	Project Management Unit
PSA	Poverty & Socio-Economic Assessment
RP	Resettlement Plan
RRF / RF	Republican Road Fund under Ministry of Finance of Uzbekistan
RU	Republic of Uzbekistan
SCLRGCS	State Committee on Land Resources, Geodesy, Cartography and State Cadastre
SES	Socio-Economic Survey
SPS	Safeguard Policy Statement
SRP	Short Resettlement Plan
TA	Technical Assistance

## GLOSSARY OF TERMS

<b>Affected Persons</b>	Term used to describe all people that are affected by the project impacts. In the context of a LARP it refers to those that are economically or physically displaced by the project. It is increasingly being replaced by the term “Displaced Person” following ADB Safeguard Policy 2009 – but is still in common use in the field.
<b>Compensation</b>	Means payment in cash or kind for an asset to be acquired or affected by a project at replacement cost at current market value.
<b>Cut-off-date</b>	Means the date after which people will NOT be considered eligible for compensation i.e. they are not included in the list of APs as defined by the census. Normally, the cut-off date is the date of the detailed measurement survey.
<b>Displaced Persons</b>	Sometimes referred to as Affected Persons (APs). 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 on access to legally designated parks and protected areas.
<b>Economic Displacement</b>	Loss of land, assets, access to assets, income sources, or means of livelihoods as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.
<b>Encroachers</b>	Mean those people who move into the project area after the cut-off date and are therefore not eligible for compensation or other rehabilitation measures provided by the project.
<b>Entitlement</b>	means the range of measures comprising cash or kind compensation, relocation cost, income rehabilitation assistance, transfer assistance, income substitution, and relocation which are due to /business restoration which are due to APs, depending on the type and degree nature of their losses, to restore their social and economic base.
<b>Inventory of losses</b>	Means the pre-appraisal inventory of assets as a preliminary record of affected or lost assets.
<b>Land acquisition</b>	Means the process whereby a person is compelled by a public agency to alienate all or part of the land s/he owns or possesses, to the ownership and possession of that agency, for public purposes, in return for fair compensation.
<b>Meaningful Consultation</b>	A process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues.
<b>Non-leased</b>	means those who have no recognizable rights or claims to the land that they are occupying and includes people using private or state land without permission, permit or grant i.e. those people without legal lease to land and/or structures occupied or used by them. ADB's policy explicitly states that such people cannot be denied compensation.
<b>Poor</b>	Official government statistics for share of people living under poverty line is not available. The method used to determine poverty, was based on the World Bank's under 2.15 \$ per person per month measure. This figure was calculated with respect to climate conditions and other set of factors. The local equivalent was calculated based on the official exchange rate.
<b>Physical Displacement</b>	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.
<b>Replacement cost</b>	Means the method of valuing assets to replace the loss at current market value, or its nearest equivalent, and is the amount of cash or kind needed to replace an asset in its existing condition, without deduction of transaction costs or for any material salvaged.
<b>Significant impact</b>	means 200 people or more will experience major impacts, which are defined as; (i) being physically displaced from housing, or (ii) losing ten per cent or more of their productive assets (income generating).
<b>Vulnerable</b>	means any people who might suffer disproportionately or face the risk of being marginalized from the effects of resettlement and includes; (i) female-headed households with dependents; (ii) disabled household heads; (iii) poor households (within the meaning given previously); (iv) landless; (v) elderly households with no means of support; (vi) households without security of tenure; (vii) ethnic minorities; and (viii) marginal farmers (with landholdings of five acres or less).

## I. INTRODUCTION

1. This section provides a general description of the project and its proposed components. It outlines any anticipated involuntary resettlement or land acquisition resulting from the components to be financed under the proposed project; and explains why the resettlement framework is required.

### A. General Project Description

2. This Resettlement Framework is prepared for the components of the Multi-Tranche Finance Facility for the Central Asia Regional Economic Cooperation Corridor 2 Road Investment Program 2 in Uzbekistan.

#### 1. Background

3. Uzbekistan is a key transit point for Central Asian countries looking to trade among themselves, as well as with the rest of Asia and Europe. Central Asia Regional Economic Cooperation (CAREC) has a strategy and action plan to develop six transport corridors, which will improve connectivity and cut transport costs.<sup>1</sup>

4. The proposed investment program (the second investment program) is an extension of the ongoing investment program (investment program I), which covered part of the A380 highway. The second investment program will target the Uzbekistan section of CAREC Corridor 2-one section of A373 highway and 2 sections of A380 highway, which connect Uzbekistan to Kyrgyz Republic Afghanistan, Kazakhstan, Tajikistan, and Turkmenistan. Another highway investment program in Kazakhstan (supported by the Asian Development Bank [ADB]) will connect Beyneu (a town on the border with Uzbekistan) with Uzbekistan's A380 highway and the port of Aktau in the Caspian Sea. All these highways, when completed, will provide Uzbekistan and other Central Asian countries direct access to the Caspian Sea, and thereafter to South Asia and the Black Sea (via road corridors being built in Armenia, Azerbaijan, and Georgia). The second investment program has strong links to CAREC Corridor 6, which reaches the Ring Road in Afghanistan and thereafter the Karachi port in Pakistan.

5. A National Road Development Program for 2011–2015<sup>2</sup> has been updated. It is consistent with the sector strategy and road map and is estimated to cost \$3.6 billion-of which \$1.6 billion is directed at the A380 highway. The second investment program will contribute to this program. Other investments cover rural and urban roads. The investment involves mainly reconstruction of existing networks, although some green field projects are also envisaged. Other "softer" infrastructure investments are also part of the plan, including improving institutional effectiveness, planning, project management, road safety, and asset management.

6. The proposed investment program will have an impact on sustainable economic development. The outcome will be better transport connectivity and efficiency, and institutional effectiveness.

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<sup>1</sup> ADB. 2008. *CAREC Transport and Trade Facilitation Strategy and Action Plan*. Manila.

<sup>2</sup> Resolution No. 1446 of the President of the Republic of Uzbekistan dated 21 December 2010.

## 2. The Second Investment Program

7. The second investment program will increase domestic and international trade. The outcome will be improved road connectivity, safety, and effective management of the Uzbekistan section of CAREC Corridor 2. The outputs will be (i) about 236 km of the reconstructed road section of CAREC Corridor 2; and (ii) implemented road system sustainability plans, which relate to road safety and asset management. The investment program will finance three separate projects. The outputs under each project will be as follows.

### 8. Project 1

- (i) **Road development.** The output will be about 74 km of the reconstructed road section of the A373 (between Km 116 and Km 190). The investment will upgrade the existing four-lane section with an international design within the existing right-of-way. The cost includes civil works and specialized consulting services, including experts to help with construction supervision and due diligence for, and preparation of, subsequent tranches.
- (ii) **Road sector sustainability.** The output will be improved road safety management, including (a) a developed national road infrastructure safety strategy and road safety checklist, guidelines, and measures improving road safety management; (b) a developed road safety action plan for all road sections under the first and second investment programs; (c) installed solar road signs for the A373 Kamchik Pass section; and (d) a developed and implemented road safety capacity development program for RRF and Uzavtoyul; and public awareness programs.

9. **Project 2.** The outputs will be the reconstructed section of about 87 km of the A380 highway (between Km 228 and Km 315), strengthened capacity of RRF to manage road assets, the piloting of the introduction of road-user charges on the reconstructed road section of project 1, and implementation of a road safety action plan for projects 1 and 2 of the second investment program.

10. **Project 3.** The outputs will be the reconstructed section of about 75 km of the A373/4R112 highway (between Km 0 and Km 75), updated road asset management plans, and an implemented road safety action plan. Improvement of cross-border facilities to shorten the processing time at Osh at the Kyrgyz Republic border is covered under the Japan Bank for International Cooperation funding.

## B. Potential Resettlement Impacts

11. There are a number of anticipated resettlement impacts on agricultural, business and residential land. However, the first priority in the design of road sections is to minimize impacts through good design.

### 1. Design Criteria

12. The Design Institute (DI) will design the proposed highway within the constraints of several criteria.

13. **International Standards.** According to the Resolution № PP-1103 of the President of the Republic (April 22, 2009), international roads of category 1, have to be adjusted to comply

with international standards and norms through construction and reconstruction of four lane roads. Additionally, all curves have to comprise a minimum 3,000m radius to reduce cornering forces.

14. **International Gas Pipeline.** The existing Uzbekistan international gas pipeline corridor is near the new alignment. It is a significant high-value asset. The new road alignment avoids the easement ensuring that it minimizes any expense or complications that may be encountered.

15. **Train Lines.** Design criteria indicate that level crossing at train lines must be between 90 and 110. There are two crossings on the proposed alignment. The designers have incorporated curves in the design (minimum radius 3000m) to ensure this criterion is achieved.

16. **Other Key Infrastructure.** The proposed road design tries to avoid all significant telecom, water supply, water canal, electricity, check-point and cell-phone infrastructure where possible. Where this has been impossible to avoid, plans are in-place for all assets to be restored to before-project status during construction.

17. **Existing Businesses and Households.** Where possible, businesses, households and temporary structures have been avoided in the designs provided by the DI. This follows existing Uzbekistan Law that requires the minimization of all impacts. Given the significant criteria that the DI has to consider already (pavement, corner radius, railway, gas pipeline), the design may not be able to avoid some impacts on private assets, therefore, these impacts if any will be the subject of this Land and Resettlement Plan (LARP).

## II. OBJECTIVES, POLICY FRAMEWORK, AND ENTITLEMENTS

18. This section lays out the principles and objectives governing the preparation and implementation of a resettlement plan and are consistent with the Asian Development Bank's Safeguard Policy Statement, 2009. It compares applicable national laws and regulations and the safeguard policy statement and delineates measures to fill gaps, if any. It describes the criteria for screening and selecting projects and/or components under each tranche, including measures to avoid and minimize involuntary resettlement.

### A. Objectives of the Resettlement Framework (RF)

19. This RF is a government document reflecting Uzbekistan's relevant laws and policies and ADB's specific requirements under ADB Safeguard Policy 2009. The RF provides a compensation/rehabilitation framework detailing agreed compensation/rehabilitation provisions which are shared by the government and the ADB. It also provides specific guidance on the particular ADB requirements for planning and implementing LAR under Multi-tranche Financing Facility (MFF) and uses ADB language and terminologies.

20. The LARF is intended to provide guidance for all aspects of land acquisition and identifies likely impacts of the investment. It describes anticipated groups of Displaced Persons (DP), clarifies land and resettlement principles and assesses the legal framework for land acquisition and resettlement in Uzbekistan. The RF describes standard procedures and methods of redress, and outlines steps that will be taken to plan, implement and monitor the impact of land acquisition and resettlement along the corridor.



21. This RF applies to all DPs with land status affected permanently or temporarily due to the corridor's reconstruction, including purchase and temporary use during construction. It also applies to people whose use of state land, sanctioned or not, changes as the result of the investment. The RF does not apply to State land that is transferred from one authority to another, or is used for reconstruction, unless third parties are adversely affected by the transfer or use.

22. Once this document is approved by ADB and the Government, it will become an element of the respective financing agreements between the Government and ADB.

## **B. ADB Processing Requirements**

23. ADB Safeguards Policy 2009 states: "For MFFs with potential involuntary resettlement impacts, the borrower/client will agree with ADB on a resettlement framework before ADB approves the MFF. The framework will clarify safeguard principles and requirements governing screening and categorization, social and environmental assessment, and preparation and implementation of safeguard plans of components, and projects to be prepared after MFF approval."

24. Based on ADB policy/practice, appraisal of the MFF and each tranche and approval of the implementation of tranche projects will require the preparation of the following:

- (i) A LARF will be prepared which is applicable to all tranches. The LARF will be reviewed, if necessary updated, and submitted for ADB approval at the start of the preparation of each tranche.
- (ii) An Initial Poverty and Social Assessment (IPSA) indicating, for each tranche, whether LAR impacts are likely to occur, type of impacts, likely magnitude, and whether there may be Indigenous Peoples (IP), as defined by ADB's Safeguard Policy Statement (June 2009) and its Safeguard Requirement 3: Indigenous People, affected; and,
- (iii) If LAR occurs, prepare a Resettlement Plan (LARP) following the requirements as stated in the approved RF of the Investment Program for each project under a tranche. The LARP(s) should be based on detailed design and commensurate to the severity of impacts. The LARP will include detailed compensation and administration budgets and implementation schedules linking LAR tasks to the initiation of civil works.
- (iv) Submit the LARP(s) for ADB review and approval prior to implementation.

25. Based on ADB policy & practice, the appraisal of the MFF and each specific tranche and approval of project implementation will be based on the following LAR-related conditions:

- (i) MFF/first tranche appraisal: Conditional on preparation/disclosure of a LARF for the whole MFF acceptable to ADB and of LARPs of the first tranche project activities, if it involves LAR.
- (ii) Following tranches appraisal: Conditional on review/update/disclosure of the LARF, and preparation/disclosure of LARPs consistent with the revised LARF for projects with LAR.
- (iii) Contract awards signing: Conditional to the preparation/disclosure of relevant updated LARP approved by ADB and reflecting final impacts, Displaced Person (DP) lists and compensation rates.

- (iv) Provision of notice to proceed to contractors: Conditional on full implementation of the LARP (full and final delivery of compensation/rehabilitation) for the relevant section of the project and submission of compliance report on LARP implementation. Such a condition will be clearly spelled out in the text of the civil works contract.

26. LARP implementation will be carried out with the support of the resettlement specialist from the Safeguard Team of the Program Management Unit (PMU). The supervision consultants team will also have international and local LAR capacity sufficient to cover all LAR planning and implementation needs throughout the Program implementation. The LARPs will be first approved by Road Fund and then will be endorsed by the Provincial and District LAR Commissions of the project areas.

### C. National Land, Compensation, and Resettlement Policies

27. This section describes National and Local Laws and the gaps with ADB Policy.

#### 1. Relevant Provisions for Involuntary Resettlement in Uzbekistan

28. There are no laws or legislation in Uzbekistan that specifically address matters related to involuntary resettlement. Rather land acquisition is governed by the following laws and resolutions:

- (i) **The Land Code** - approved by the Law of the Republic of Uzbekistan from 30.04.1998, taking the changes of 2003-2004 into account;
- (ii) **The Civil Code** of Republic of Uzbekistan from 1996, taking the changes of 2004-2008 into account;
- (iii) Law of the Republic of Uzbekistan on “**State Cadastre**” N171-II from 15.12.2000
- (iv) Law of the Republic of Uzbekistan on “**State land Cadastre**” N666-I from 28.08.1998 taking the changes of 2002-2004 into account
- (v) Cabinet of Ministers Resolution on “Approval of Regulation on the order of legalization of **seizure and allocation of land plots for non-agricultural needs** in the Republic of Uzbekistan” No. 248, 27 May 1992
- (vi) Cabinet of Ministers Resolution on “Approval of the Regulation on the order of adjudication of land disputes in the Republic of Uzbekistan” №246 from 25.05.1992;
- (vii) Cabinet of Minister Resolution on “Order of **realization into private property of objects of trade and public services** together with land plots, where they are located, and land plots into life inheritance tenure” №126 from 11.04.1995, taking the changes of CoM Resolution № 202 from 30.04.1999 into account;
- (viii) Cabinet of Minister Resolution “On approval of the **sizes of agricultural production losses compensation**, relating to land acquisition, for needs not connected with farming or forestry management” № 223 from 16.06.1995;
- (ix) Cabinet of Minister Resolution “On approval of the regulation on the order of identification of the **sizes of agricultural production losses compensation**, relating to land acquisition, for needs not connected with farming or forestry management” № 282 from 15.06.1992;
- (x) Resolution of the Cabinet of Ministers of the Republic of Uzbekistan #97 dated 29.05.2006 “On order of **compensation of citizens’ and legal entities’ losses** due to land plots acquisition for state and public needs”

29. Collectively, these regulations provide a sound basis for acquiring land for public purposes and for compensating land users according to the registered use of the land. They do not provide for cash compensation as land is a state owned asset. A brief account of legislation pertaining to compensation and the provision of land is given in Annex A.

## **2. ADB's Policy on Involuntary Resettlement**

30. The ADB policy on involuntary resettlement is detailed as "Safeguard 2" in the ADB Safeguard Policy Statement (SPS) of June 2009. It emphasizes ADB's efforts to assist DMCs to pursue environmentally sustainable and inclusive economic growth. In addition, ADB is committed to ensuring the social and environmental sustainability of the projects it supports.

31. In this context, the goal of the safeguards is to promote the sustainability of project outcomes by protecting the environment and people from projects' potential adverse impacts.

32. The objectives of ADB's safeguards are to:

- (i) avoid adverse impacts of projects on the environment and affected people, where possible;
- (ii) minimize, mitigate, and/or compensate for adverse project impacts on the environment and affected people when avoidance is not possible; and
- (iii) Help borrowers/clients to strengthen their safeguard systems and develop the capacity to manage environmental and social risks.

33. ADB Safeguard Requirement 2: "Involuntary Resettlement" is detailed in Appendix 2 of the SPS and included in Annex A of this LARP. The ADB is in the process of updating its *"Handbook on Resettlement – A Guide to Good Practice"* (2003) however the basic principles and practical implementation procedures are still valid.

34. The key principles of ADB's Involuntary Resettlement Policy and procedures relevant to the LARP are:<sup>3</sup>

- (i) Assess past and current involuntary resettlement risks
- (ii) Undertake meaningful consultation and participation of all DP's
- (iii) Pay particular attention to vulnerable groups especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples' ethnic minority, and those without legal lease to land
- (iv) Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns.
- (v) Support the social and cultural institutions of displaced persons and their host population.
- (vi) Improve, or at least restore, the livelihoods of all displaced persons through
  - (a) land-based resettlement strategies when affected livelihoods are land based where possible
  - (b) prompt replacement of assets with access to assets of equal or higher value,
  - (c) prompt compensation at full replacement cost for assets that cannot be restored, and

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<sup>3</sup> These are paraphrased and summarised for discussion. The full text of the ADB policy is in the Annex A.

- (d) Additional revenues and services through benefit sharing schemes where possible.
- (vii) Provide DP's with
  - (a) secured tenure to relocation land,
  - (b) better housing at resettlement sites with comparable access to employment and production opportunities
  - (c) integration of resettled persons economically and socially into their host communities, and
  - (d) extension of project benefits to host communities
- (viii) Provide DP's with transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities;
- (ix) Provide civic infrastructure and community services, as required.
- (x) Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards.
- (xi) Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated
- (xii) Ensure that displaced persons without leases to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
- (xiii) Prepare a resettlement plan elaborating displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- (xiv) Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.
- (xv) Pay compensation and provide other resettlement entitlements before physical or economic displacement.
- (xvi) Implement the resettlement plan under close supervision throughout project implementation.
- (xvii) Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons.

### **3. Comparison of Uzbek and ADB IR Laws, Regulations and Procedures**

35. The main variation between Uzbekistan laws/regulation and ADB Safeguards policy are outlined in Annex A. Any key differences have been filled in line with ADB policy, particularly in areas where practices are less subject to independent oversight.

36. Comparison of the Uzbekistan LAR Policy with the ADB Involuntary Resettlement Safeguard Policy indicates that key elements of the ADB Policy are present - particularly those related to valuation of immovable property. The ADB's principle of avoidance or minimization of resettlement is reflected in Uzbekistan Legislation.

37. The key policy difference regards DP's without lease or registration (businesses and structures). In order to remedy this, Uzbekistan has ensured that all land, businesses and structures will be registered prior to resettlement, at no cost to the DP, and then transferred or compensated under the relevant entitlement.

38. Overall, Uzbekistan's Country Safeguard System (CSS) on acquiring land and compensation of property is consistent with ADB's Social Safeguard Policy. The main area of concern is the implementation of laws in practice before and during construction – where differences are sometimes noted in the field. This is mainly an issue of information dissemination to those responsible for implementation at the district and province level. This needs to be addressed consistently in the information dissemination activities during RP preparation, and will be a core area for the monitoring activities during the RP update and implementation.

#### **4. Actions Made to Address the Gaps**

39. In February 2010, the RRF agreed to adopt a Land Acquisition and Resettlement Framework (LARF) for the Project that incorporates both Uzbekistan's laws and procedures and the Resettlement Policies of the ADB. The Framework applies to all persons whose private land status is affected permanently or temporarily due to the Project, including purchase and temporary use during construction. It also applies to people whose use of state land, sanctioned or not, changes as a result of the investment. The Framework does not apply to State land that is transferred from one authority to another, or used for reconstruction, unless third parties are adversely affected by the transfer or use.

40. The document ensures that: (a) compensation is provided at replacement cost for houses and buildings and at market value for all items, (b) non-leaseholder DPs are given livelihood rehabilitation, and (c) the provision of subsidies or allowances for DPs suffering business losses or severe impacts and DPs who are vulnerable.

41. This revised LARF has been prepared incorporating the changes and improved understanding gained during the preparation of LARF for Project 2 and 3 of the Investment Program I. It will also be adopted by the RRF and ADB for this Second investment program.

#### **5. Principles and Policies for ongoing Projects**

42. The ADB policy has no reference for valuing entitlements except for the general principle that DPs should be at least as well off after the project as before it. In other words, valuation of their property and assets should be at the replacement value. The Bank's practices also recognize this principle to ensure protection of interests and the well-being of the DPs.

43. The RF sets eligibility and entitlement provisions establishing compensation rates in accordance with guidelines from the Land Code of the RU.

44. The following principles for the compensation/rehabilitation of families affected by the Project should be followed, and communicated to all stakeholders:

- (i) The cut-off date for identifying affected lands, families and people should be identified very early in the project. This should be when the original project scoping takes place and when any affected people along the proposed project routes were informed.
- (ii) The route of the road minimizes the need for acquisition of houses or agricultural land.
- (iii) Where there will be permanent acquisition of land and buildings, identification, compensation and assistance will be provided prior to any construction commencing.

- (iv) All displaced persons will receive compensation, even if they are without lease or formal recognition. This includes any temporary residential structures, informal agricultural activities or temporary business use.
- (v) All construction through agricultural land will be timed to minimize any impacts on the income and activities of adjoining land parcels.
- (vi) All construction over public rights of way – footpaths, canals, driveways and roads will be undertaken rapidly and without undue delay to avoid inconvenience to business and residences.
- (vii) Detailed seminars and consultations will be available for all affected households to keep them informed of the process. Representatives of affected households will be invited to participate in the Hokimiyat valuation meetings.
- (viii) A defined grievance procedure has been established. When a land leaseholder or user does not agree with a decision regarding compensation or change of the land use (lease), it may not be exercised before the dispute is resolved judicially. In addition, any person who feels that they are in any way worse off can take their grievance to the highest level, at the cost of the project.
- (ix) Those people who face significant impacts (>10% of their land being resumed and/or physically displaced from housing) will receive additional support, assistance and compensation.
- (x) Vulnerable groups, including female-headed households, the poor, disabled, or families with significant numbers of elderly or disabled members will receive additional support, assistance and compensation to ensure that they are not severely affected.
- (xi) DP's may use and exercise their rights to a land plot and make necessary expenditures in compliance with its purpose after notification of acquisition for public needs until compensation is agreed. However, there will be no entitlement to additional compensation based on these improvements if made after the cut-off date.
- (xii) If a land plot becomes unviable due to acquisition then the whole land plot will be compensated.

## **D. Compensation and Valuation of Assets**

### **1. Entitlements to Compensation**

45. The following groups of affected persons (DPs) are included in the LARF:

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

### **2. Formalization of Lease/Registration**

46. To enable the Project to compensate unregistered land users under Uzbekistan laws, representatives from the District Cadastral Offices will advise affected land users to register or update the registration of their lands and structures. Under the LARP those who have unregistered land or structures will be registered free of charge prior to compensation. This will be facilitated by the RRF.

47. DP's who have already paid for registration after project identification, and feel that this was unjust, can elect to document their case to the grievance committee providing proof of date and amount charged. If found to contravene ADB policy, charges will be refunded by the relevant authority.

48. The assets/structures on the affected plots of land users without leases have been evaluated by exactly the same criteria as those with leases.

### **3. Calculation of Compensation**

49. This section details the entitlements for compensation and the details of the calculations used.

#### **a. Land**

50. Compensation for land will be on a "land for land" basis, with land being provided to owners by the District Hokimiyat following assessment by the LARC. Such land will be of equal value/productivity in a nearby location and with comparable associated services/ facilities, or compensation to provide such services. Transaction cost, registration fees, if any, will be borne by the relevant authority. In the case that all or parts of lease holding becomes unviable, unaffected portions of a plot will also be compensated

51. In the case where land is used by a DP that does not have a formal lease at the cut-off date, all land used (leased or unleased) will be combined under one lease without fees, taxes or charges. The land will then be compensated as per a normal leaseholder. The relevant authorities cannot charge lease and registration fees or evict potentially affected DPs following initial identification of the project, even if it is undertaken prior to the official survey.

52. Workers on land that will be acquired will be provided a cash compensation corresponding to their salary (in cash and in kind) for the remaining part of the agricultural year/or contractual period.

53. In the case of severe impact, where more than 10% of a DP's land (leased and unleased) is to be acquired, a severe impact allowance will be paid. This will be equal to the net income from an annual crop (crop, tree and fruit) production (inclusive of winter and summer crop in addition to standing crop compensation) and the waiving of taxes and fees. This is in addition to the agricultural compensation paid.

#### **b. Structures**

54. Buildings (registered or not) will be valued through calculating the real replacement cost based on cost of materials, type of construction, labor, transport and other construction costs. No deductions will be applied for depreciation or transaction costs. The cost of reconnection to lost water, electricity, gas and telephone connections will be included in the compensation (the new land sites are assumed to have similar services available). Salvaged materials will be allowed to be taken away by the DPs prior to demolition at no charge.

55. A detailed "per unit cost" table will be established that covers the initial valuation for all housing types in an area. At the minimum it will detail square meter costs for structures of different wall and roof types, finished and unfinished, improved and unimproved.

56. In the case of new sites, the full land preparation costs will be calculated to ensure the full cost for providing services and leases is understood by the relevant agencies.

57. For partial impacts (structure wall, fences etc), cash compensation at replacement rates will be paid to restore the remaining structure to its original state. Unaffected portions of a structure will also be compensated if they become unviable after impact occurs.

58. DP's who have tenants (ie. landlords) will receive compensation of income (cash or in kind) lost as a result of the permanent or temporary loss of the houses, buildings and structures for the remaining period of lease. The lease must be justified by a legal document. Landlords without a formal notarized lease will have to show other proof or evidence in order to claim compensation.

59. Tenants of structures that will be demolished or temporarily impacted will receive a new lease by their landlord or 3 months cash equivalent of existing lease to allow for a new lease to be found and signed. Tenants without a formal notarized lease will need to show other proof or evidence of their cash and in-kind payments, in order to claim compensation.

### **c. Agriculture**

60. Agricultural production will be calculated for all farms and subsistence households and provide values for crops, trees, orchards and gardens. For businesses and households calculations will be made for gardens and trees. Calculations will be made based on historical production combined with prevailing market rates. Where that is not available, average district values will be utilized.

61. Annual crops (whether or not on titled land) that cannot be harvested will be valued at full market rate as determined by purchase prices in the local market. Assessment will take account of more than 1 crop on a particular parcel in a year.

62. Compensation for trees will be done based on type and productivity. Fruit non-productive trees (young trees) will be compensated for seedlings and for plantation costs of the seedlings. Compensation for productive trees will be calculated based on the age of the tree and future loss of profit till the end of the tree's productivity period. Compensation for trees used for production of merchantable wood will be based on the price difference between the current status of the tree and the age when it reaches the merchantable wood period i.e. loss of future profit from this tree is compensated.

63. **Calculation Process.** Firstly, total crops and plantations will be identified for each farm. This defines total area of agricultural crops, perennial plants and crops repeated after harvest of a winter crops (wheat). The land that is to be alienated is calculated including the type of production it contains. Account should be made for when a second crop (for fodder) is undertaken after the wheat harvest (in June). It may be necessary to add revenue and profits derived from "re-seeding crops".

64. **Orchards.** are calculated based on average yields over the past three years; the area of removal; and, market prices of the year is determined by the average annual cost of crop harvest. Estimated payment is determined by multiplying the estimated period of fruiting on the average annual price of crop harvest. The period of longevity and fruiting of different tree species is identified from the "Handbook of norms and standards for advance planning



industries of agro-industrial complex" developed by the State Agriculture Committee of Uzbekistan (1986).

65. **Construction timber plantations.** are calculated by taking the difference between the market value cost of trees at the age of timber and the estimated cost for the current period surveyed. Average market value of wood at the age of commercial timber is defined as \$30 thousand Sum.

66. **Profitability.** Crop profit and costs are determined from the actual acreage in the current year and the average yield over the past three years. Output value is calculated for cotton and wheat on the basis of sticker purchase price approved by the Ministry of Finance of the Republic of Uzbekistan in the current year. For other agricultural products, prices are taken from prevailing markets in the area in the current year. The profit is calculated based on the cost of production and cost forecast. The economic performance of wheat is added to the cost and production and profits earned from re-sowing.

67. **Total Compensation.** The total land to be seized, together with the identified crops is combined with the profit data to provide a figure of average productivity for irrigated land. The total compensation is then determined for the harvest from these lands.

68. **Land Preparation.** The cost needed to prepare land to its current state of irrigation needs to be calculated so that that it can also be compensated. It can be determined based on the reference rates adopted by the Council of Ministers of the Republic of Karakalpakstan on 30 June 1995, depending on the yield of the land. The cost of compensation is calculated by multiplying the area of land seized by the base rate (bonitet value). To that value is added 4 years net income. Funds for the development of the land are transferred to the special accounts of the Council of Ministers of the Republic of Karakalpakstan. 10% of the funds are paid into a special account of the Ministry of Agriculture and Water Resources of the Republic of Uzbekistan.

69. **Pasture land** (ie non-irrigated) is calculated similarly to irrigated land and is based on rates for a specific area of pasture.

70. **Subsistence households** have small crop, garden and tree plantations. By questioning the owners of the household and measuring the crops, annual and perennial crops in the defined area to be seized, the gross harvest of agricultural crop production is calculated from the average yield for each crop (from district averages). The cost of production is calculated from market prices prevailing in the current year. Compensation for orchards and vineyards, and other fruit trees, and poplar is defined similarly as for farms.

#### **d. Businesses**

71. Compensation for the loss of business/income will be calculated based on estimated income - on the basis of tax declarations, imputed earnings or average income in this area – multiplied by the amount of time an independent valuer determines the business will be interrupted. The valuer will be appointed and paid for by the relevant authorities. The owner has the right to alter this amount if delay or hardship is encountered, through formal application to the grievance process.

72. Compensation for workers will be based on regular wage rates (including fixed by oral agreement with employer) multiplied by the amount of time an independent valuer determines

the business will be interrupted. The valuer will be appointed and paid for by the relevant authorities.

73. Unregistered businesses will be first registered by the relevant authority at no cost to the DP. They will then be subject to compensation as per registered businesses.

74. All business owners will receive the full replacement cost of buildings destroyed.

#### **e. Community Assets**

75. The LARP has to take account of the costs involved in replacing community infrastructure. This includes re-establishing or constructing intersections with existing roads; water, gas, electricity, irrigation and telephone infrastructure; civic buildings and community facilities (wells etc).

76. Community structures will be fully replaced or rehabilitated to maintain their pre-project functions. In the case of community infrastructure for elderly or children, additional safety measures will be put in place.

### **4. The Valuation Process**

77. **Asset Valuation.** Initial asset (buildings, crops, trees, businesses) valuation has been undertaken by the Safeguards team. It will be verified and certified first by the RF Social and Land Acquisition sub-Unit and then by the District LARC. If the DP agrees with the valuation, then this will be used as the basis of negotiation between the owners and the local authorities. If the DP disagrees with the valuation, Uzbek Law (Cabinet of Ministers Resolution N97 dated May 2006) allows for them to utilize an independent valuer at their own cost. In conformance with ADB requirements, this cost will now be paid by the RRF.

78. **Land for Land.** The District LARC decides on the assignment of alternative land plots. Associated infrastructure requirements - service roads, drainage, sanitation, water supply, irrigation and electricity facilities – will be provided as part of site-preparation costs. All relocation activities will be carried out with the consent and cooperation of the displaced people. The local authority will be instrumental in carrying out resettlement activities as scheduled. Where a project is considered significant, then an External Monitoring Agency will be appointed and actively participate in all discussions with DP's.

79. **Unviable Land.** In some cases the business, residence or farm becomes unviable due to significant land acquisition. In these cases the DP will be contacted in the first instance to assess their views. Farmers and businesses are well able to assess this impact. Those with housing plots are already vulnerable. The remaining land may be used to supplement adjacent DP's losing less land. The District LARC is responsible for negotiating with groups of DP's on the best way to reallocate lands. DP's may also develop their own methods for reallocating land and present this to the LARC.

80. The process for undertaking the land-for-land re-allocation should include the following steps:

- (i) Identification of all physically and economically displaced households, their leased land and connected services. Also identification of lands that are used but remain unleased.

- (ii) Draft outline of the process to combine all the land a DP uses (leased and unleased) into one “lease”, so that they are eligible for “land for land” compensation.
- (iii) Preliminary identification of appropriate land parcels for “land for land” reallocation prior to discussions with DP’s.
- (iv) Conduct o discussions with all DP’s (farmers, households and businesses) regarding alternatives for where they may be moved. Note that this must only be undertaken with the supervision of the EMA if included in the project.
- (v) Preparation of a draft “*implementable* land re-allocation plan” outlining proposed new land parcels for each DP; any voluntary land contributions from farmers; land preparation requirements (cost and locations of water, gas, roads etc); associated maps and, a draft agreement for each DP (containing lease number, total land size, new location and services/facilities to be provided) signed by the LARC, DP and EMA. Note that this plan should be fully implementable, subject only to final detailed design of the project.

## 5. Entitlements Matrix

81. Table 1 outlines the complete entitlements matrix for the project.

**Table 1: Entitlement Matrix**

Type of Loss	Specification	Affected People	Compensation Entitlements
Permanent loss of Arable Land	All land losses independent of impact severity	Farmer or Household	Land for land compensation with plots of equal value/productivity, comparable location and services ( or compensation to provide such services) to plots lost with registration and transfer charges if any to be borne by the project;  Unaffected portions of a plot will also be compensated if they become unviable after impact occurs.
		Unregistered Land User	All land used (leased or unleased) combined under one lease without fees, taxes or charges.  Land for land compensation as per leaseholder.
		Agricultural workers losing their contract	Cash indemnity corresponding to their salary (in cash and in kind) for the remaining part of the agricultural year/or contractual period.
	Additional provisions for severe impacts (> 10% of land loss)	Farmer or household	1 severe impact allowance equal to the net income from annual crop (crop, tree and fruit) production (inclusive of winter and summer crop in addition to standing crop compensation) and the waiving of taxes and fees
Residential/ Commercial Land		Household or Business	Land for land compensation through provision of a plot comparable in value/location to the plot lost including services (or compensation to provide such services) to plots lost with registration and transfer charges if any to be borne by the project;  Unaffected portions of a plot will also be compensated if they become unviable after impact occurs.
		Unregistered land user (household / business)	All land used (leased or unleased) combined under one lease without fees, taxes or charges.  Land for land compensation as per leaseholder.
Housing and	Full or partial	Owners	Cash compensation at full replacement rate for affected

Type of Loss	Specification	Affected People	Compensation Entitlements
Structures	loss of structures	(with/without house or building registration)	<p>structure/fixed assets free of salvageable materials, depreciation and transaction costs. Salvageable material will be allowed to be taken away by owner at no cost.</p> <p>Cost of replacing existing water, electricity, gas and phone connections will be included in the compensation.</p> <p>For partial impacts (structure wall, fences etc), cash compensation at replacement rates to restore remaining structure.</p> <p>Unaffected portions of the structure will also be compensated if they become unviable after impact occurs</p>
		Landlords	<p>Compensation of income (cash or in kind) lost as a result of the loss of the tenancy of houses, buildings and structures for the remaining period of lease justified by legal document.</p> <p>Landlords without formal notarized lease to show other burden of proof or evidence in order to claim compensation</p>
		Tenant	<p>New lease by landlord or 3 months cash equivalent of existing lease to allow for a new lease to be found and signed.</p> <p>Tenant without formal notarized lease to show other burden of proof or evidence in order to claim compensation</p>
Standing Crops	Crops affected	All DPs (including non-leased land owners)	Cash compensation equivalent to the gross income from the crop calculated at the market value of the total annual produce from affected land.
Trees	Trees affected	All DPs (including non-leased land owners)	The full cost of seedling, cost of preparation of a garden and lost profit at annual income multiplied by the number of years of fruiting remaining.
Business/ Employment	Permanent loss of business or employment	Registered Business Owner	<p>Independent valuer (paid by relevant authority) to determine business interruption and profit/loss to establish business</p> <p>For permanent loss, cash compensation equal to 6 month's income or the period of interruption, whichever period is greater.</p> <p>Compensation is estimated on the basis of tax declarations, imputed earnings or Average income in this area.</p>
		Unregistered Business Owner	Business is registered at no cost (fees, charges) to DP, then as per Registered Business Owner
		Worker/employees	Indemnity for lost wages (including fixed by oral agreement with employer) paid for the amount of work time interruption. The time is established by the independent valuer.
		Tenants of affected buildings	<p>Compensation for lost rent paid in advance plus cash compensation equal to the amount of work time interruption. The time is established by the independent valuer.</p> <p>Compensation is estimated on the basis of tax declarations, imputed earnings or average income in this area.</p>
Livelihood		Vulnerable DP	1 additional allowance equal to 3 months of minimum

Type of Loss	Specification	Affected People	Compensation Entitlements
		(female headed , or disabled member) or below poverty line (in 2010 is set at 3,440 Sum per person per day based on World Bank studies)	wage per family member.  Priority for employment in project-related jobs, training opportunities, self-employment and wage employment assistance
Relocation	Transport Cost / transitional livelihood costs	All DPs affected by relocation	Provision of adequate cash compensation to cover transport expenses to new locations – to be justified by the independent valuation following detailed relocation planning.
		House owners and tenants who are employed	Will receive up to 3 months' salary (based on wage receipts or agreements) to allow time off for work to relocate when impacts are severe.
Community assets	Loss or damage to public infrastructure and utilities		Rehabilitation/replacement of affected structures/utilities (i.e. mosques, footbridges, roads, schools, health centers, etc.) to pre-Program level

### III. SOCIO-ECONOMIC INFORMATION

82. This section describes the methodologies to be used for socioeconomic surveys, censuses, inventories of losses, and assessments of land losses. The aim of the surveys is to conduct the social safeguards due-diligence activities for the projects including social and poverty impacts assessment.

#### A. Activities

##### 1. Initial Field Visit

83. An initial scoping field visit will be undertaken with the safeguard team, road engineer and design institute to assess the complete road alignments. Standard ADB screening checklists for resettlement, environment, gender and IP's will be completed and assessed.

##### 2. Assumptions and Definitions

84. The following will be defined for the project, in order to develop a considered survey approach.

- (i) Project Area of Influence
- (ii) Project Service Area
- (iii) Cut Off Date
- (iv) Affected People
- (v) Vulnerable groups
- (vi) Relevant Policies
- (vii) Background Data

##### 3. Survey Approach

85. A detailed survey approach will be developed with associated costs, and submitted to ADB for approval prior to fielding. It will include all relevant information that will be collected, and

the methodology and expected outputs. Questionnaires and survey methods will be fully defined.

## **B. Surveys to be Conducted**

86. The following surveys will be undertaken during the preparation of the PSA and the LARP's.

### **1. Household Survey**

87. A statistically significant (90% confidence) number of households will be surveyed to assess socio-economic information, health and gender issues, and their potential use of the proposed project. Survey teams will be selected in the field and trained. Payment of surveyors will be based upon correctly entered surveys (to be checked by random quality reviews). The household surveys will be administered based on random sampling across each Mahalla in each of the selected Rayons.

### **2. DP Census**

88. The census of displaced persons will include the same questions as the household survey, with additional detailed questions regarding income, production and assets. Questions will also relate to gender (female-headed households, elderly and disability), ethnicity and health/education. A minimum of 25% (preferably 100%) of DP's will have the household survey administered.

89. The survey will be undertaken primarily by the local and international social safeguards specialist with some assistance from local surveyors. Displaced households will be confirmed once receipt of the draft final alignment (including chainage marks and corridor widths) and drawings from the Road Fund.

### **3. Road User Survey**

90. The aim of the Road User survey is to assess the impacts of the proposed project; confirm project assumptions; and provide baseline data for monitoring. The survey will include questions relating to road use, time, comfort, willingness to pay and suggestions for improvement. The survey will be undertaken by a small group of surveyors from the project area. They will be trained in the administration of the survey prior to implementation.

91. The surveys will cover the users and drivers of buses, cars/taxis, trucks and private vehicles. Bus users will be interviewed on the buses, by the surveyor travelling with them. Buses will include both local and regional buses. To accommodate different travel patterns, buses will be surveyed on a weekday and a weekend. Hire cars/taxis will be interviewed at recognized taxi collection points on the edges of key towns in the areas of influence. Similarly, trucks will be surveyed at recognized truck collection points and recognized truck stops. Private vehicle users will be interviewed during the household survey if a household indicates that it has a private car.

### **4. In-depth Interviews**

92. In order to quickly gather additional data and information to supplement the household surveys, groups of people will be invited to attend in-depth group interviews. Participants will

include representatives from local government, women's groups, businesses, transport associations, hospitals and major educational institutions. Any potential baseline data, and issues and impacts will be noted.

## **5. Focus Group Discussions**

93. Following the analysis of the survey data, specific issues may require further assessment. Focus Group Discussions (FGD's) will be formed of representatives of households that are poor, female headed or include disabled members or ethnic minorities, in order to undertake more detailed discussions. A high level of sensitivity will be used whilst inviting and interviewing these representatives to avoid stigmatization, and encourage free responses. Women will also have separate FGD sessions to allow them to express their own issues.

## **C. Survey/Census Analysis**

94. Entry of survey data will be undertaken by the survey team members or a dedicated data entry team. Data from the surveys will be entered within 48 hours of collection. Analysis will be undertaken by the Project team – particularly the national and international social safeguards specialists utilizing standard spreadsheet and statistical software. The complete database will be maintained for delivery as part of the project so that it can be utilized for ongoing M&E during and after implementation. Income information will be kept confidential by the EA and social safeguards teams.

## **D. Gender and Indigenous Persons**

95. Based on the initial reconnaissance, a Gender Action Plan (GAP) and/or Indigenous People Plan (IPP) will be prepared using the collected data, and following ADB guidelines.

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

96. This section outlines the mechanisms that will be adopted for conducting meaningful consultation with affected persons and for enabling their informed participation in preparing, implementing, and monitoring the resettlement plan. It will outline institutional responsibilities and describe disclosure arrangements, such as the information to be disseminated and the method of dissemination.

## **A. Consultation and Participation**

97. The Project will promote meaningful public and stakeholders' participation in consultations and focus groups. It should begin early in the project cycle and continue throughout the LARP preparation. Plans should be in place for it to continue through the LARP update and implementation. The process should provided timely disclosure of relevant information to stakeholders through a project brochure, with follow up through Focus Group Discussions (FGD's) and face to face meetings to ensure it is fully understood. Meetings should be undertaken at all levels, so that power differentials do not create feelings of coercion and intimidation. Particular attention should be paid to the poorer DP's in the process so that they are more comfortable with the process and feel included.

98. The key objectives of the consultations are to: (a) identify and help address DP concerns related to the preparation and implementation of the LARP; (b) determine DP preferences for the type and delivery of compensation; (c) minimize DP apprehensions and ensure

transparency in LARP activities; and, (d) help avoid unnecessary and costly project development delays.

## **B. Project Stakeholders**

99. The projects will have a number of stakeholders, all of whom will have some involvement in the LARP process and mitigation of impacts. These will be identified early in the RP process and targeted through a series of consultations. They include:

- (i) Displaced Persons, businesses and institutions.
- (ii) Local officials from District and Province Hokimiyat and include cadastral, road, environment, economic and rural committee members.
- (iii) Land and resettlement Committee members (LARC).
- (iv) Women's Groups at district and mahalla level.
- (v) Transport representatives – taxi, bus and truck drivers, owners and companies.
- (vi) Representatives from education and medical centers who will benefit from the improved road.
- (vii) Commercial representatives – businesses, chambers of commerce.

100. **Women and Vulnerable Groups.** will be fully included in the consultation and implementation process. They will have representation at meetings at Province, District and mahalla level; women and ethnic minorities will have separate meetings during FGD's and the census process; and their numerous concerns and ideas will be reflected in the LARP recommendations and the updated GAP.

## **C. Information and Consultation Mechanisms**

101. A number of mechanisms will be used to undertake information dissemination and meaningful public consultation. These include:

102. **Public Consultations.** These are the formal public information campaigns undertaken in the Province Hokimiyat. They include environmental, social and resettlement presentations. The meeting is widely advertised in the media. Attendance is normally Government agencies, informed and mobile DP's and concerned citizens. Due to the distance from project sites, many of the poorer DP's may find it difficult or impossible to attend. An attendance list for all consultations will be recorded.

103. **Socio-Economic Survey.** The household survey conducted for the Poverty and Socio-economic Assessment (PSA) will include a brief overview of the project and elicit comments on impacts. Each respondent will be provided with contact details for any follow up questions. This will ensure that the basic project concept is made widely known throughout the project affected areas.

104. **Project Census.** Like the PSA survey, the project census will also use an information exchange with DP's. A more detailed outline of the project will be provided to DP's at the beginning of each survey in the form of the Public Information Brochure, and a verbal Q&A with the interviewer.

105. **Public Information Brochure.** A 10-page, Public Information Brochure will need to be developed outlining details of the project, its locations, potential impacts, agreed entitlements



and compensation for DP's, the project implementation timeline, the grievance redress mechanism and answers to frequently asked questions. It will be updated as part of LARP preparations and distributed to every affected household/business during the DP census. It will be available at the FGD's for other interested parties. It will be updated as the project progresses, incorporating new questions and more details on the implementation process. The current Public Information brochure is contained in Annex C

106. **In-Depth Interviews.** Are a follow-up from the official public consultations and are targeted at specific groups of stakeholders who may not have attended. They also target stakeholders who may not be aware that they are and should be involved in the project, and who would otherwise not be involved in the formal consultation or census process. They will include trucking/transport association representatives, women's groups, education and medical institutions, and chambers of commerce. The interviews will mainly assess these groups' views on the potential project impacts (positive and negative), mitigation measures and suggestions for improvement.

107. **Focus Group Discussions.** Are a follow-up from the DP census, and focused directly at the DP's – in particular the less powerful and poorer DP's who may not have the resources to attend the official public consultations due to distance, time and cost. The FGD format will include a detailed presentation of the LARP process, separate discussions with women (using a female interviewer and female translator), confirmation of census figures and entitlements, and a detailed Q&A session. The sessions are normally conducted in the local community (to reduce distance travelled) and where possible, without outside influence (from Hokimiyat, rural committee members or nearby farmer/landlords) so as to reduce any feelings of intimidation or coercion.

#### **D. Further Information Disclosure**

108. Further information disclosure will occur once approval of the LARP has been obtained by the RRF and the ADB.

109. The updated Project Information Booklet and summary LARP (translated into Uzbek) will be distributed to each DP to provide additional information on the implementation arrangement, payment schedule, and assistance provided to specific groups and complaints resolution options.

110. The full LARP (translated to Uzbek) will be distributed to each Mahalla for display and reference by all DP's. An index sheets outlining each DP, their GPS coordinates, maps, assets and entitlements will also be on available for review. All DP's will be informed of this, so that they understand that they will be able to provide comments or grievances through the normal channels.

111. The full LARP (translated to Uzbek and English) will be disclosed on the RRF PMU and ADB website.

112. In conjunction with the detailed engineering design, and following Loan negotiations, the Safeguards Team will update and finalize the LARP. They will need to undertake a final visit to the field to ascertain correct alignments and corridor widths, and confirm the details of the LARP – including asset impacts, entitlements and grievances. Details of the updated implementation timeline, procedures and activities; entitlement matrix; and, grievance procedures will be

provided at that time to each DP. The updated LARP (in English) will be disclosed on the RRF and ADB website, and prior to any resettlement activities.

113. **Women and Vulnerable DP's.** During LARP implementation, the PMU will assign a staff to:

- (i) Inform in advance the DPs, including women-headed households and vulnerable groups, to begin moving at least 180 days prior to demolition of their structures;
- (ii) Ensure that all resettlement payments are made prior to the announcement
- (iii) That all resettlement procedures have been undertaken prior to construction commencing;
- (iv) Persuade housewives to be with their husband when receiving payment for compensation and assistance from the Hokimiyat;
- (v) Involve women of affected households and vulnerable groups in the locality in addressing the unanticipated social and environmental impacts during Project implementation through the GAP.
- (vi) With the consent of the DPs, ensure that the names of both spouses will be reflected in the re-registration of the transferred land leases.

## V. COMPENSATION, INCOME RESTORATION, AND RELOCATION

114. This section describes the measures proposed for income restoration, including compensation and special measures to help vulnerable households improve their living standards. It explains measures to provide replacement land, if planned; and describes support to be provided for host populations.

### A. Special Assistance to Vulnerable Groups

115. This section briefly describes programs for restoring and enhancing income of vulnerable groups, particularly women and the disabled.

116. **Severe Impact Allowance.** For farmers and houses with crops/gardens, a severe impact allowance will be paid if more than 10% of their land is acquired. This will be equal to 1 year's crop value (from crop, fruit or construction tree) whether or not the standing crop has been harvested and paid.

117. **Livelihood Allowance.** For those DP's who are vulnerable – female-headed, poor, or face significant hardship due to elderly or disabled family members – an allowance of three times UZB official minimum wage will be paid. This equates to 135,645 Sum per household member. Poor has been defined for this project as an income of less than 3,440 per person per day based on World Bank poverty studies in Uzbekistan.

118. These DP's will also receive priority consideration for employment in project-related jobs, training opportunities, self-employment and wage employment assistance

119. **Relocation Allowance.** All DP's who will have to move from their house will receive a relocation allowance based on where the DP is moving, to allow self-relocation. Compensation payable is based on the amount assessed by an independent valuer paid for by the relevant authority, and at no cost to the DP. This will be assessed following detailed land re-allocation planning. If costs exceed valuation, then the DP can claim further assistance through the grievance procedure.

120. **Salary Support during relocation.** All DP's who are house owners or tenants who are employed and facing relocation, will receive up to 3 months' salary (based on wage receipts or agreements) to allow time off for work to relocate when impacts are severe. This will be based on documents from employer or wage receipts and based on the time assessed by the independent valuer. If lost income exceeds valuation, then the DP can claim further assistance through the grievance procedure

121. **Maintenance of Social Capital.** The LARC will relocate all DP's within the immediate area so as to maintain kinship groups and other forms of social capital.

## **B. Opportunities to derive Development Benefits**

122. The LARP will outline a subcomponent to minimize road externalities on gender and the local community and target them as beneficiaries of the road development. Consulting services under this subcomponent will support capacity development for the Road Fund and the local communities living along the Investment Program road. Activities may include, but not be limited to:

123. **Priority Work Placement.** All DP's and project stakeholders, such as herders will receive priority entitlement to work in construction crews and for rehabilitation efforts (such as tree replanting). These standards will be incorporated in construction contracts and details included in progress reports. Construction contracts will ensure that there is at least 30% representation of women in manual labor jobs, and that adequate programs are in place to train women in specialised machinery and supervisory roles.

124. **Tree Planting.** The support of tree planting groups by DP's to replant lost trees along corridors, fence lines and canals. Funding would assist with seedling preparation, planting and maintenance.

125. **Community Road side facilities.** Small scale support funding for women's groups to build and maintain (through charges) roadside toilet, water facilities. Areas could also include shaded areas suitable for market stalls to sell produce; a combined canteen/magazine/public toilet/shower/Paynet shop.

126. **Small scale vocational training** – particularly for women and the poor – activities would include sewing workshop, hair-cutting, auto-mechanic and a tree nursery.

127. **Dedicated community meeting building** and shaded area to be constructed.

## **C. Relocation**

128. The District LARC is responsible for assessing options for relocation of land plots, structures and farmland. The "jigsaw" can be complex, particularly as most of the land adjoins desert areas that take a long time to return to agriculture.

129. Early assistance to the LARC must be provided by the Project to ensure that land is identified and prepared. Alternatives that can be considered include utilizing unused alienated land from some plots to supplement land of adjacent plots, so that they return to full capacity. Farmers may also be able to relinquish some adjacent land to the state so that it could be used to house nearby displaced households.

130. The over-riding principle of the process is that DP's will remain in very near locality to their current land, so that they retain their systems of social capital.

131. Farmers and households should be actively involved in the planning and consideration of alternatives to the District LARC (DLARC). This can be facilitated through the extensive public consultation process. In particular, the focus group discussions with communities should encourage the idea of proactively developing potential alternatives for relocation.

132. The final LARP should ensure the following are in place prior to reallocation starting:

133. **Final Alignment.** After receiving the final project corridors the process for replacement land's selection and identification can be started. The district's land acquisition and resettlement committee (LARC) with technical guidance from the Engineering and Safeguard Team of PMU will select and identify the replacement lands with equal value/ productivity in a nearby location and with comparable associated facilities/ services. The selection and identification process is subject to evaluation by the independent external monitoring agency (EMA) if applicable.

134. **Safeguard Team establishment.** The PMU ensures the safeguard team is appointed and staffed with adequate background, skill and experience to ensure the quality of preparation and implementation of LARP documents.

135. **DP registration.** Formalization of DP's identification need be given to each displaced household. This can be in form of special cards or a letter issued by the responsible agencies (District LARC and Road Fund).

136. **External Monitoring Agency.** The EA is responsible for the selection of an independent monitoring agency (EMA) if applicable. The EMA must be selected from among qualified organizations / persons in Uzbekistan.

137. **Cadastral Specialist.** A cadastral specialist may be required to work with and provide support to district cadastral offices. It is suggested that the proposed specialist work closely with the PMU safeguard team, the DLARC and the appointed EMA. This specialist would assist the district LARC with a more timely completion of the task.

138. The Land Reallocation should include the following process:

- (i) Identification of all physically and economically displaced households, their leased land and connected services. Also identification of lands that are used but remain unleased.
- (ii) Draft outline of the process to combine all the land a DP uses (leased and unleased) into one "lease", so that they are eligible for "land for land" compensation.
- (iii) Preliminary identification of appropriate land parcels for "land for land" reallocation prior to discussions with DP's.
- (iv) Conduct of discussions with all DP's (farmers, households and businesses) regarding alternatives for where they may be moved. Note that this must only be undertaken with the supervision of the EMA.
- (v) Preparation of a draft "land re-allocation plan" outlining proposed new land parcels for each DP; any voluntary land contributions from farmers; land preparation requirements (cost and locations of water, gas, roads etc); associated maps and, a draft agreement for each DP (containing lease number,

total land size, new location and services/facilities to be provided) signed by the LARC, DP and EMA (if required). Note that this plan should be fully implemented, subject only to final detailed design of the project.

## **VI. GRIEVANCE REDRESS MECHANISMS**

139. This section describes mechanisms to receive and facilitate the resolution of affected persons' concerns and grievances.

### **A. General Principles**

140. ADB requires that a grievance redress mechanism is established and maintained. It should be designed to efficiently receive and facilitate the resolution of affected peoples' concerns and grievances about project levels social and environmental issues. The grievance redress mechanism should be scaled to the risks and impacts of the project. It should address affected people's concerns and complaints promptly, using an understandable and transparent process that is gender responsive, culturally appropriate, and readily accessible to all segments of the affected people.

141. The grievance redress process should be widely disseminated to all DP's during project consultations, FGDs and the LARP census. It will be contained in the Information Brochure handed to each affected household / business during the census.

### **B. Grievance Coordination**

142. A Grievance Focal Point (GFP) will be established at each District to coordinate and address all complaints and concerns arising from the project. The contact details will be provided to all DP's.

143. The GFP will be assisted and supported by members of the Provincial Land and Resettlement Committee (PLARC) who will maintain a register of complaints, keep track of their status and report to the Director of RFF PIU. They will track complaints received, actions taken and the status of resolution. Complaint forms will be distributed to the heads of local Mahalla's and the District GFP to facilitate recording of complaints.

### **C. Grievance Procedures**

144. Displaced persons should be informed that they should ask any questions or discuss grievances with their community head or the District GFP by phone or in person; or to project staff visiting the area.

145. If these questions/grievances are not answered within 1 week, DP should submit its grievance in writing (using the assistance of the local community leader or school if necessary). DP's should also be told that national and international project staff will also assist them with writing a grievance if necessary.

146. Written complaints can be faxed, sent or delivered to the Grievance Focal Points where they will be registered as being received. The District GFP will have 15 days to deliver a resolution to the DP<sup>4</sup>.

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<sup>4</sup> Law of the Republic of Uzbekistan on Citizen Right 13.12.2002 N 446-II.

147. In the event that a satisfactory answer cannot be provided, the DP may lodge the complaint with the Land Acquisition and Resettlement Committee (LARC) of the Provincial Hokimiyat and should receive a reply within 15 days.

148. Affected Persons will have the right to take the dispute to the District court of law if they do not accept the Provincial Hokimiyat's decision. All court costs (preparation and representation) will be paid for by the project – no matter the outcome.

149. Table 2 outlines a summary of the grievance resolution process.

**Table 2: Grievance Resolution Process**

<b>Stages in Response Handling</b>	<b>Required Activities</b>
Mahalla Head or District GFD	Verbally responds to questions and or complaints.  If no response within 1 week, or response is unsatisfactory, DP prepares a grievance in writing (utilise standard forms where possible).
District GFD	Registers the written complaint and attempts to solve it. If complaint is not resolved in 15 days, it is passed by the GFD to the Province LARC for resolution.
Regional Land and Resettlement Committee (LARC)	Registers the written complaint and attempts to resolve it with the DP within 15 days.  If a solution is not reached, the LARC refers it to the RRF PIU
Regional Road Fund PIU	Assists in the activities of the GFD and LARC in the resolution of complaints.  Makes a decision within 15 days.  In the event that the District and Province are not able to resolve the dispute within the elapsed time, the RRF PIU will have a further 2 weeks to resolve the issue.  If the decision is still unacceptable to the DP, they may take it before the District Court, or to other institutions to follow the Uzbekistan Law on Citizen Right, and or to ADB.
District Court of Law	The District court hears the case and makes a final decision that is binding on all parties.

## **VII. INSTITUTIONAL ARRANGEMENTS AND IMPLEMENTATION**

150. This section provides a comprehensive assessment of institutional capacity and resource capability for preparing, implementing, and monitoring resettlement activities, and describes additional measures necessary to enhance institutional capacity. It describes the organizational procedures for delivering entitlements; and describes the implementation process, including how resettlement preparation, approval, and implementation will be linked to contract awards and the start of the project's civil works.

151. The main institutions that will be involved in LAR activities are Republican Road Fund/Road Fund as executing agency (EA), Safeguard Team, Design Institute (DI), Project Consultants (PC), Provincial (Province) and District (District ) and municipal towns authorities, Goskomzemgeocadastre (State Committee on Land Resources, Geodesy, Cartography and State Cadastre (SCLRGCS) at district level.

## **A. Institutional Arrangement**

### **1. Republican Road Fund (Road Fund) – PMU**

152. The Road Fund will have overall responsibility for all aspects of the program. The Program Management Unit (PMU) within Road Fund will be responsible for the day to day management of the Program including cross-agency coordination, and via the Safeguard Team (ST) for LAR implementation and monitoring the compensation and disbursement.

153. The Safeguard Team (ST) under PMU will be directly involved in all LAR related planning, implementation, inter-agency coordination, monitoring and reporting. They will receive supports from the Project Appraisal Consultants (PAC) of the Program and benefit from inputs from the Design Institute (DI), district/municipal executive powers and SCLRGCS as appropriate. The Safeguard Team in collaboration with the DI will review the LARPs.

154. If required, an NGO or impact assessment or valuation teams will be hired for on-site impact surveys or monitoring assistance.

### **2. Design Institute (DI)**

155. The Design Institute will be in charge of elaborating the design and construction documents for the project. It will collaborate and work closely with the PMU/ Safeguard Team and PAC to:

- (i) look for measures and alternatives to avoid and minimize land acquisition and resettlement impacts;
- (ii) assemble all documents required for compensation;
- (iii) carry out topographic surveys of the expropriated land and replacement lands;
- (iv) elaborate layouts indicating the location of the worksites and the permanent infrastructures and the perimeter of the required surfaces differentiating the land use patterns in the areas being occupied to serve as a base for the selection of compensation land;
- (v) Conduct land marking and pegging of the land assigned for temporary use and permanent occupation of acquired land.

### **3. Regional and District State Committee on Land Resources, Geodesy, Cartography and State Cadastre**

156. This is a permanent committee at Provincial and District level. However it plays an enhanced role throughout implementation. It is responsible for:

- (i) identifying land losses incurred by land owners and land users plus agricultural output losses;
- (ii) determining the degree and area of land restitution, including removal and temporary storage of productive soil layer;

- (iii) determining the need for protective sanitary and water protection zones around constructions;
- (iv) preparing proposals on allocation of land plots of equal value under land for land;
- (v) investigating alternatives to acquiring currently used land through developing unused land;
- (vi) approving the Implementation Act and the attached plan;
- (vii) Amending government edicts on land use and land ownership as well as other cadastre documents.

#### **4. Province/District Governments**

157. Local government agencies involved in the LARP review and implementation are Province (Province) and District (District) Executive Authorities who will form the Province Commission on Land Acquisition and District Evaluation Commissions. These will form a provincial land acquisition and resettlement committee (PLARC) which will undertake the following: (i) outline locations of constructions and structures affected by the project; (ii) select land for construction sites; (iii) prepare and approve legislation for the right (lease) to use land plots and; (iv) approves the Act for the right to use the land plot.

158. In addition to permanent members, the Commission may include representatives of Road Fund, as well as affected legal entities and individuals.

159. The PLARC will also estimate losses of land owners and land users in accordance with ADB specifications in addition to losses resulting from land acquisition based on data provided by the Design institute. The Commission will prepare Acts for the right to specific plots of land specifying the acquired land area and losses and allowances as determined under the LARF entitlement matrix.

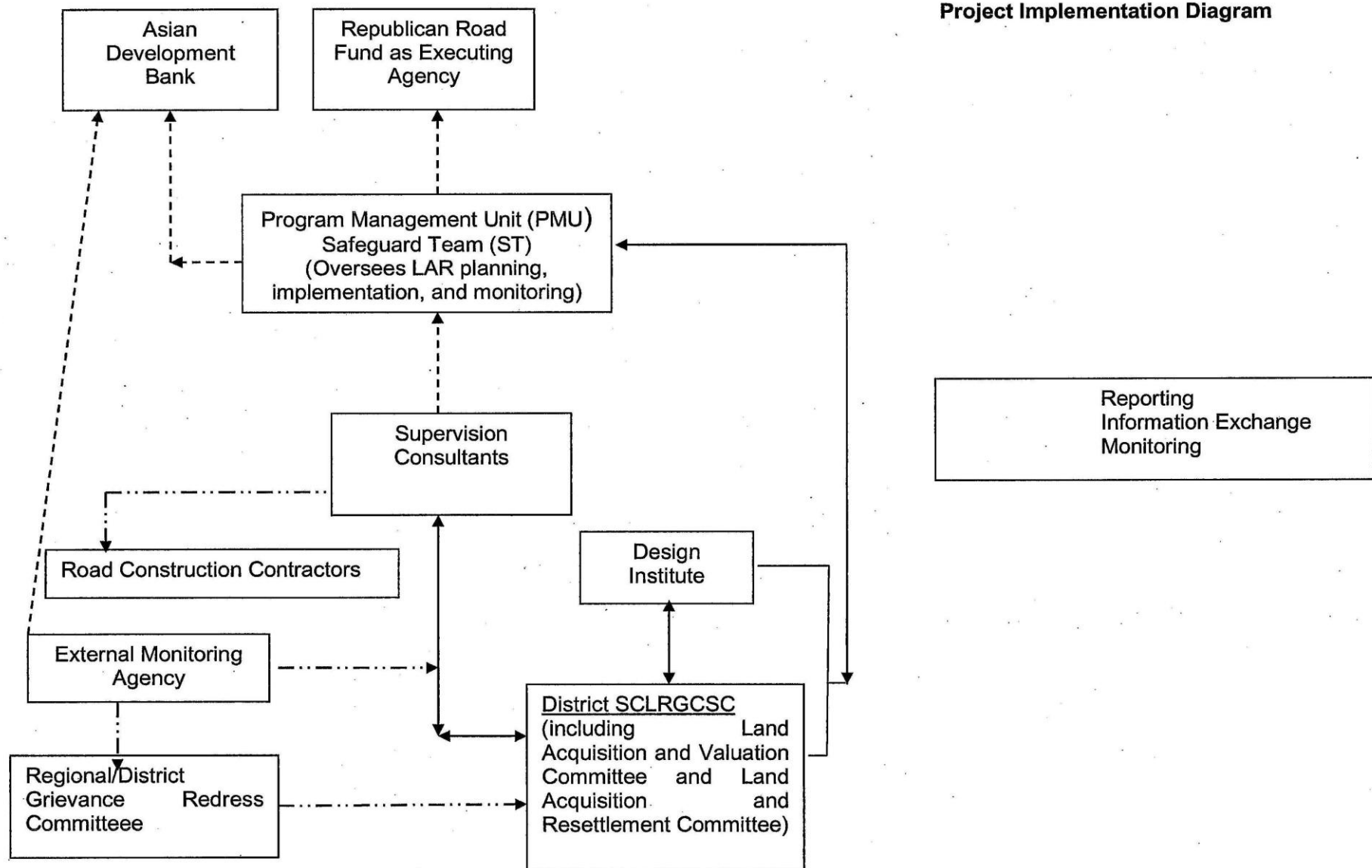
160. It is proposed that Land Acquisition and Valuation Committee as part of the PLARC composed of the following members:

- (i) Road Fund PMU
- (ii) Provincial/District Department of Uzavtoyul (state joint stock company)
- (iii) Provincial/District Department f SCLRGCS
- (iv) Provincial/District Department of Agriculture and Water Resources
- (v) Provincial/District of Environmental Protection
- (vi) Organizations to which the alienated land has been transferred for use (Road Fund as EA, PMU/ST and DI).
- (vii) Makhalas leaders, NGO, Dehkan Association (as relevant)
- (viii) Representatives of the affected people

161. All affected legal parties and individual persons (or their legal representatives) will have representation on the committee. Besides state organizations and structures, NGO's, Farmer's and Dehkan Associations (FDEA) and Mahalla authorities will be involved in resettlement activities to ensure the legal rights and interests of land users who are subject to land acquisition and resettlement.

162. Some members of the PLARC will form a Grievance Redress Committees (GRC) and will be established at provincial and district level. It comprises members of the PMU/ ST, leaders of affected Mahallas and local government/ Hokimiyat.





## **B. Implementation Activities**

163. This section includes a detailed, time bound, implementation schedule for all key resettlement and rehabilitation activities synchronized with the project schedule of civil works construction.

### **1. Pre-Resettlement Activities**

164. The PMU will undertake a brief verification of the LARP based on the alignment finalized by the detailed design. Any modifications to the LARP will be made, and verified with the PMU and the ADB prior to any LAR activities commencing.

165. The revised LARP will have to include the full details of all land and resettlement arrangements, including verification of asset viability by the DP's. It is expected that this can take place prior to loan approval by ADB.

166. The Design Institute in charge of elaborating the design and construction documents for the road construction subproject will assist the PMU to:

- (i) assemble all required documents;
- (ii) carry out topographic surveys of the expropriated and compensation lands;
- (iii) elaborate layouts indicating the location of the worksites and the permanent infrastructures and the perimeter of the required surfaces;
- (iv) establish layouts of the lands proposed as option for compensation;
- (v) Conduct the land marking and the pegging of the lands assigned for temporary use and permanent occupation and of the compensation lands.

### **2. Resettlement Implementation Phase**

167. The DP's will sign a document signifying their satisfaction on the compliance of LARP on the agreement. The PMU Social/Resettlement Specialist will guide the RRF in preparing a pro-forma document to be used for the settlement of obligation in the purchase of affected land and/or materials for all structures.

168. Disbursement of cash will follow the approval of budgets for cash compensation. The LARP Team will inform the DPs of the schedule of fund release. They will also advise the DPs to produce acceptable legal documents pertaining to their identification for claiming the compensation. It is the main responsibility of RRF to ensure that all the compensations and entitlements have been paid to and settled with DPs prior to their resettlement.

169. All resettlement activities will be completed prior to clearing the construction sites. The RRF will initiate the following steps in releasing the cash compensation and entitlements to DPs:

- (i) The Resettlement Team will advise the DPs of the fund release schedules.
- (ii) The Resettlement Team shall then advise the DPs to produce the necessary legal documents for their identification in claiming the compensation and entitlements due to them.
- (iii) The Resettlement Team will arrange for receipt of the resettlement compensation from the Ministry of Finance and disburse it directly to DPs on presentation of identification.

- (iv) The Resettlement Team will arrange for district Hokimiyat to issue new lease directly to DPs on presentation of identification.
- (v) The Resettlement Team will require the DPs to sign a document indicating the receipt of their compensation and entitlements.
- (vi) The DP's will then begin their process of rebuilding and relocation.
- (vii) The Resettlement Team will require the DPs to sign a document indicating completion of their LAR activities, indicating that they have no further claims.
- (viii) This will be summarized by the RRF and forwarded to ADB as part of no-objections for commencement of construction.

170. As a condition to approve the civil works contract award both the LARP in English and in Russian and the information booklet will be updated, re-approved by ADB and re-disclosed to the affected communities.

### **3. Post Resettlement Implementation Phase**

171. The compliance record based on monitoring the implementation of resettlement plan should be prepared by an external monitoring party assigned by RRF or if the compliance record prepared by the Safeguard Team, it should be done in close coordination with ADB. This compliance record should be submitted to ADB, because this record will be the basis for RRF to request ADB for "no objection" for the mobilization of construction contractors. The details of Monitoring and Evaluation are discussed in Section IX. ADB will also conduct a review mission to ensure that there are no adverse involuntary resettlement effects.

## **VIII. BUDGET AND FINANCING**

172. This section provides identifies funding sources and responsibilities for allocating, approving, and delivering funds, including contingency arrangements.

173. In order to ensure that sufficient funds are available for implementing LAR, the Road Fund will have to allocate 100% of the cost of compensation at replacement cost and expected allowances estimated in each LARP plus contingencies before LARP implementation. As the EA, Road Fund will be responsible for timely allocating the funds to implement the LARPs.

174. The EA will be responsible for including LAR funds for project activities in each fiscal years government budget. The budget for LARPs will be disbursed by RRF via the Province LAR committee to the District LAR Committee which will in turn distribute the compensation to DPs.

175. The EA will be responsible to allocate adequate budget for the Safeguard Team to conduct their tasks and responsibilities during the Program's activities.

## **IX. MONITORING AND REPORTING**

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

## **A. Objectives**

177. The primary objective of monitoring is to identify as early as possible the activities achieved and the cause(s) of constraints so that the arrangements in the LARP implementation can be adjusted. Monitoring is important because LARP implementation is often the critical path for any project where civil works is involved, due to issues on land acquisition, compensation and resettlement that may cause delay in civil works. The early identification of the causes of delay will enable the RRF (with support from the supervision consultants), to prepare the mitigating measures during LARP implementation.

178. LARP implementation will be monitored internally and externally. Internal monitoring (IM) will be carried out by both the Safeguards Team of the PMU and the Supervision Consultant (SC), in conjunction with the District Hokimiyat. External monitoring (EM) will be assigned to an Independent Monitoring Agency (IMA) hired by the RRF and approved by ADB from among local consultants or NGOs. The IMA will be mobilized prior to LARP implementation.

## **B. Internal Monitoring**

179. All activities in LARP are time bounded. Internal monitoring (IM) will be carried out by the PMU Safeguards Team with the assistance of the supervision consultant safeguard team and the LARC in the District Hokimiyat. Process indicators will relate to implementation outputs and deliverables. These will be collected directly from the field, and will be reported monthly to the PMU to assess the LARP implementation progress and adjust the work plan if necessary. These reports will be quarterly consolidated in the supervision reports for ADB.

180. Specific IM benchmarks will be:

- (i) Information campaign and consultation with DPs;
- (ii) Status of land acquisition and payments on land compensation;
- (iii) Compensation for affected structures and other assets;
- (iv) Relocation of DPs;
- (v) Payments for loss of income;
- (vi) Selection and distribution of replacement land areas;
- (vii) Income restoration activities; and
- (viii) Ensure the gender mitigation measures are adhered to during the internal monitoring and reporting process.

181. The above information will be collected by the Project Supervision consultants who will monitor the day-to-day resettlement activities of the project through the following instruments:

- (i) review of census information for all DPs
- (ii) consultation and informal interviews with DPs
- (iii) key informant interviews; and
- (iv) Public community meetings.

182. Upon the completion of civil works, the PMU will prepare a post-LARP implementation evaluation report that will assess both the permanent and temporary land acquisition activities and impacts of the Project focusing on the restoration of impacted lands and conditions of DPs especially those who were identified as vulnerable.

183. In addition, the PMU will update the RF and particularly the Uzbekistan/ADB safeguards policy matrix, with a view to aligning Uzbekistan's CSS and reducing LARP reporting requirements.

### **C. External Monitoring**

184. To ensure that negotiated settlements in the Project comply with ADB SPS 2009 requirements, the PMU will hire an external monitor to document the negotiation and settlement processes. The EM will observe the consultations conducted with DPs and the compensation payments negotiations. The EM will verify if the consultations are conducted in a free and transparent manner and that the compensation provided is based on replacement costs of land and other assets affected. They will submit a report on the observations and the evaluation. The EM will come from an independent organization, such as an academic or research institute, a nongovernment organization or consulting firm with experience in resettlement monitoring and evaluation.

185. External monitoring (EM) will be carried out on an ongoing basis, and its results communicated to the PMU and ADB by quarterly reports. Indicators for EM tasks include:

- (i) Review and verify internal monitoring reports prepared by PMU,
- (ii) Review of the socio-economic and census and inventory of losses baseline information of pre-displaced persons;
- (iii) Identification and selection of impact indicators;
- (iv) Impact assessment through formal and informal surveys with the affected persons;
- (v) Consult DPs, officials, community leaders for preparing review report;
- (vi) Assess the resettlement efficiency, effectiveness, impact and sustainability, drawing lessons for future resettlement policy formulation and planning;
- (vii) Ensure the gender mitigation measures are implemented.

186. The EMA will also assess the situation of affected vulnerable groups such as female-headed households, disabled/elderly, the landless and families below the poverty line. The following will be considered as the basic indicators in monitoring and evaluating the project:

- (i) Socio-economic conditions of DPs in the post-resettlement period;
- (ii) Communications and reactions from DPs on entitlements, compensation, options, alternative developments and relocation timetables etc.
- (iii) Changes in housing and income levels;
- (iv) Rehabilitation of squatters, severely affected people, and different vulnerable groups;
- (v) Valuation of property;
- (vi) Ability to replace lost assets;
- (vii) Disbursement of compensation and other entitlements;
- (viii) Level of satisfaction of DPs in the post resettlement period;
- (ix) Quality and frequency of consultation and disclosure; and
- (x) Conduct of grievance procedures

187. Internal and external monitoring and reporting will continue until all LAR activities have been completed. External monitoring reports will be disclosed on the Project/ADB website.

## ANNEX A

### Detailed Comparison of Uzbekistan and ADB Policy Pertaining to Land Acquisition and Resettlement

ADB Resettlement Policy	Uzbekistan Law	Remarks/Resolution
DP's should be involved in meaningful consultations	DP's are involved in discussions with Oblast and Government officials but the Laws do not exactly required a meaningful public consultation	This LARP provides for meaningful consultation and extensive information dissemination.
Preference will be given to land-based compensation strategies for displaced persons whose livelihoods are land-based.	Since the Land is owned by state, Land code does not recognize individual ownership of land,therefore the practice is land to land compensation.	No different/conform
Lack of title should not be a bar to compensation or rehabilitation. secured tenure to relocation land.  Untitled land owners are eligible for compensation for improvements to the land, at full replacement cost.	People apply for registration for a particular land use.  Untitled land use is ineligible for compensation	Land users without lease will receive either rehabilitation assistance equal to the land improvements they have undertaken after they register it accordingly at Project cost; or,  A lease for equivalent land similar to that that was without lease.
All houses/buildings are compensated for damage or demolition caused by a project irrespective of the status of formal title.	All houses/buildings/shops which are registered under Land Code are valued at the respective regional / district level.  Unregistered buildings are not liable for compensation	All buildings compensated at current replacement cost (not market value).  Unregistered buildings will be registered by the relevant authority at no cost to the DP, prior to compensation as long as the building had been built prior to the cut off date
Prompt replacement of assets with better housing at resettlement sites with comparable access to employment and production opportunities.  Pay compensation and provide other resettlement entitlements before physical or economic displacement.	Buildings are compensated at replacement value.  Payments are not made during construction	All buildings are compensated at current replacement cost (not market value).  100% of payments to be made prior to resettlement.  Resettlement to be completed prior to construction beginning on those sections.
Crop losses compensation to be provided to landowners and sharecroppers/lease tenants whether registered or not.	Construction waits for harvest. If unable to wait then crops are compensated. No compensation unless titled land	All land without lease will be registered at no cost to allow compensation to be paid.  Leased and non-leased land used by owners at cut-off date will receive full compensation for all losses of trees and standing crops.

ADB Resettlement Policy	Uzbekistan Law	Remarks/Resolution
DPs should be compensated for all their losses at replacement cost. .	A commission will assess value of agricultural land; loss of crop/tree income; and market value for lands appropriated	All losses are at replacement cost – in the case of crops, trees, it will be based on prevailing market rates.
DPs should be timely compensated.	Compensation will occur prior to construction of works	In compliance. All LAR activities, compensation, finalization of relocation, construction of replacement assets will occur prior to construction.
The DPs should be compensated and/or assisted, so that their economic or social future is generally as favorable as it would have been without the Project.	RU law has social policies for all citizens. No specific policy directed at DP's	ADB Policy is followed using livelihood allowances and income/social restoration activities
Pay particular attention to 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	All DP's are treated equally under Uzbek Law	The LARP and GAP will include schemes and benefits targeted at vulnerable groups.
Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns.	Resettlement has a standard mechanism to address grievances.	Conforms.
Support the social and cultural institutions of displaced persons and their host population. Provide civic infrastructure and community services, as required.	Social and cultural institutions are provided for under RU planning	The LARP will ensure that kinship groups, social facilities and cultural institutions are maintained throughout LARP implementation.
Provide DP's with transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities.	No specific policy. Covered under RU social policies	The proactive policy of the ADB will be followed where possible with activities contained in the GAP.
Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards.	RU policy relates to compensation only. Living standard improvement applies to all citizens. DP's are not specifically targeted	. ADB policy is to ensure that all DP's are brought up to minimum standards through the project. This relates to land, housing and livelihood.
Develop procedures in a transparent, consistent, and equitable manner.  Ensure coercion or power differentials do not adversely	Uzbekistan policy ensures that all negotiations are conducted in an equitable and transparent manner	conforms.  Monitoring will ensure that these policies are followed.  An External Monitor is required for

ADB Resettlement Policy	Uzbekistan Law	Remarks/Resolution
impact DP's negotiations or grievances		projects with significant impacts (>200 people losing primary residence or more than 10% of productive assets).
<p>Retain qualified and experienced external experts or qualified NGOs to verify monitoring information for projects with significant impacts and risks.</p> <p>Implement the resettlement plan under close supervision throughout project implementation.</p>	All monitoring to be undertaken by PMU safeguards team as well as by safeguard team in the Construction Supervision Consultants	<p>If project has significant impacts (&gt;200 people displaced), external monitoring will be incorporated to verify LARP progress.</p> <p>PMU Safeguards Team will provide close supervision of LARP throughout implementation.</p>
If a project has significant adverse impacts (>200 persons permanently resettled) a detailed management plan to restore the livelihood of affected persons to at least pre-project level or better will be prepared	Normal involuntary resettlement processes apply. No difference with significant adverse impacts	A full LARP with detailed management plans will be developed if project impacts are severe.
If the approved project is based on FS, the borrower/client will prepare a supplementary resettlement plan, or a revised resettlement plan, and will submit it to ADB for review before any contracts are awarded.	No updated LARP is normally required. No additional plans are required	LARP will be updated upon final design and incorporation of final field review and submitted to ADB prior to resettlement occurring.
Project implementation in areas where there is resettlement will not proceed until detailed planning documents are formulated, disclosed and approved, and fully implemented.	Physical construction cannot take place prior to full LAR being completed	Conforms.
Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons.	No monitoring of livelihoods of DP is undertaken	LARP includes a detailed monitoring plan
DP's will not be subject to any fees (registration, title) or transfer costs due to the project or LAR activities	Untitled/unregistered owners receive no compensation or are charged fees to register land prior to IR	<p>ADB Policy is followed.</p> <p>Any DP's charged fees for their registration of their illegal building as long as the building constructed before the cut off date will be reimbursed</p>
DP's will not be subject to any fees (valuation) for their property due to the project or LAR activities	<p>Law indicates that Rayon LARC responsible for setting unit costs and valuations at their own cost.</p> <p>If DP does not agree, DP to pay for an independent valuation.</p>	<p>Rayon LARC will determine valuation based on unit costs.</p> <p>If DP's disagree with valuation, the relevant authority will pay for an independent valuation.</p>



## **ANNEX B**

### **OUTLINE OF A RESETTLEMENT PLAN**

#### **A. Executive Summary**

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

- (i) Project Scope
- (ii) Key Survey Findings
- (iii) Entitlements
- (iv) Recommended Actions

#### **B. Project Description**

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

- (i) General Description
- (ii) Project Components
- (iii) Project Area
- (iv) Alternatives Considered

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

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

#### **D. Socioeconomic Information and Profile**

4. This section outlines the results of the social impact assessment, the census survey, and other studies, with information and/or data disaggregated by gender, vulnerability, and other social groupings, including: define, identify, and enumerate the people and communities to be affected; describe the likely impacts of land and asset acquisition on the people and communities affected taking social, cultural, and economic parameters into account; discuss the project's impacts on the poor, indigenous and/or ethnic minorities, and other vulnerable groups; and identify gender and resettlement impacts, and the socioeconomic situation, impacts, needs, and priorities of women.

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

5. This section: identifies project stakeholders, especially primary stakeholders; describes the consultation and participation mechanisms to be used during the different stages of the project cycle; describes the activities undertaken to disseminate project and resettlement information during project design and preparation for engaging stakeholders; summarizes the

results of consultations with affected persons (including host communities), and discusses how concerns raised and recommendations made were addressed in the resettlement plan; confirms disclosure of the draft resettlement plan to affected persons and includes arrangements to disclose any subsequent plans; and describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for consultation with affected persons during project implementation.

## **F. Grievance Redress Mechanisms**

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

## **G. Legal Framework**

7. This section:

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

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

8. This section:

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

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

9. This section:

- (i) describes options for relocating housing and other structures, including replacement housing, replacement cash compensation, and/or self-selection (ensure that gender concerns and support to vulnerable groups are identified);
- (ii) describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs;

- (iii) provides timetables for site preparation and transfer;
- (iv) describes the legal arrangements to regularize tenure and transfer leases to resettled persons;
- (v) outlines measures to assist displaced persons with their transfer and establishment at new sites;
- (vi) describes plans to provide civic infrastructure; and
- (vii) explains how integration with host populations will be carried out.

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

10. This section:

- (i) identifies livelihood risks and prepare disaggregated tables based on demographic data and livelihood sources;
- (ii) describes income restoration programs, including multiple options for restoring all types of livelihoods (examples include project benefit sharing, revenue sharing arrangements, joint stock for equity contributions such as land, discuss sustainability and safety nets);
  - (a) outlines measures to provide social safety net through social insurance and/or project special funds;
- (iii) describes special measures to support vulnerable groups;
- (iv) explains gender considerations; and
- (v) describes training programs.

## **K. Resettlement Budget and Financing Plan**

11. This section:

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

## **L. Institutional Arrangements**

12. This section:

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

- (iv) describes how women's groups will be involved in resettlement planning and management,

**M. Implementation Schedule**

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

**N. Monitoring and Reporting**

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