

# Resettlement Plan

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Project No.: 45169-002  
April 2016

## KGZ: CAREC Corridor 3 (Bishkek–Osh Road) Improvement Project, Phase 4

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ТРАНСПОРТ ЖАНА ЖОЛДОР  
МИНИСТРЛИГИ



МИНИСТЕРСТВО ТРАНСПОРТА И  
ДОРОГ КЫРГЫЗСКОЙ  
РЕСПУБЛИКИ

ИНВЕСТИЦИЯЛЫК  
ДОЛБООРЛОРДУ ИШКЕ  
АШЫРУУ ТОБУ

ГРУППА РЕАЛИЗАЦИИ  
ИНВЕСТИЦИОННЫХ ПРОЕКТОВ

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MINISTRY OF TRANSPORT AND ROADS OF THE KYRGYZ REPUBLIC  
INVESTMENT PROJECTS IMPLEMENTATION GROUP

Чыгыш № 14-5/641  
Кириш № \_\_\_\_\_

күнү « 8 » 09 2016ж.

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Тема: ППИЗ по Проекту усовершенствования транспортного коридора ЦАРЭС-3  
автомобильная дорога Бишкек-Ош, Фаза 4, участок Бишкек-Кара-Балта.

Уважаемая г-жа Лим,

Настоящим направляем для публикации на сайте АБР проект ППИЗ по  
Проекту усовершенствования транспортного коридора ЦАРЭС-3 автомобильная  
дорога Бишкек-Ош, Фаза 4, участок Бишкек-Кара-Балта.

С уважением,

Директор

К. Мамаев



# THE KYRGYZ REPUBLIC



## MINISTRY OF TRANSPORT AND COMMUNICATION

### CAREC CORRIDOR 3 (BISHKEK-OSH ROAD) TA-8107KGZ IMPROVEMENT PROJECT PHASE 4 (45169-002) FOR KARA BALTA



### LAND ACQUISITION AND RESETTLEMENT PLAN BISHKEK – OSH PHASE 4 Bishkek April 2016

Date	Reviewed	Created by	Checked by	Approved by	Document Code
15/05/2016	26/08/2016	IPIG MOTC D. Veselinovic			

#### Funding Agency



Asian Development Bank

#### Implementing Agency

Investment Project Implementation  
Group, Ministry of Transport and  
Communication

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## **ABBREVIATIONS**

ADB	–	Asian Development Bank
AH	–	Affected household
DP	–	Displaced people
AVET	–	Agency of Vocational Education Training
CAREC	–	Central Asia Regional Economic Cooperation
COI	–	Corridor of impact
DMS	–	Detailed Measurement Survey
EA	–	Executing Agency
GAP	–	Gender Action Plan
GRG	–	Grievance Redress Group
GRM	–	Grievance Redress Mechanism
IOL	–	Inventory of Loss
IPIG	–	Investment Project Implementation Group
LAR	–	Land Acquisition and Resettlement
LARP	-	Land Acquisition and Resettlement Plan
LPC	–	Local Point of Contact
MOF	–	Ministry of Finance
MOTC	–	Ministry of Transport and Communications
RMS	–	Road Management Services (MOTC unit at Oblast level)
RMU	–	Road Maintenance Unit (lowest MOTC unit at Rayon level)
ROW	–	Right of Way
SES	–	Socio Economic Survey
TORs	–	Terms of Reference

## **CURRENCY EQUIVALENTS**

(As on September 30, 2015)

**USD 1 = KGS 68.8359**

## **ANEXES**

- Annex 4-1: Community Consultations Jayil Rayon  
List of participants\_Jayil\_20.04.2016
- Annex 4-2: Community Consultations Moskovskiy Rayon  
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- Annex 4-3: Community Consultations Sokoluk Rayon  
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- Annex 4-4: Project Information Brochure
- Annex 5-1: Decision on the GRG establishment
- Annex 5-2: Grievance Registration Logbook
- Annex 7-1: Decision on Cut-off-date
- Annex 7-2: Subsistence Basket Value for Chui Region

## GLOSSARY

Ail Aymak	Administrative and territorial unit consisting of one or several villages where the local community executes local governance according to the Constitution and Laws of the Kyrgyz Republic.
Displaced Persons (DP)	'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.' (ADB SPS 2009)
Detailed Measurement Survey (DMS)	With the aid of the approved detailed engineering design, this activity involves the finalization and/or validation of the results of the inventory of losses (IOL), severity of impacts, and list of DPs. The final cost of resettlement can be determined following completion of the DMS.
Compensation	Payment in cash or in kind to replace losses of lands, housing, income and other assets caused by the Sub-Project. All compensation is based on the principle of replacement cost, which is the method of valuing assets to replace the loss at current market rates, plus any transaction costs such as administrative charges, taxes, registration and titling costs.
Cut-off Date	Means the date of issuance of the Government Decree No 182-p dated on 26 May, 2014, on suspension of all activities (constructions, reconstructions of any structures and allocation of land for any purpose) within 32 m from each side of the road. The APs will be informed of the cut-off date, and any people who settle in the project area after the cut-off date will not be entitled to compensation and assistance under the project.
Entitlements	Refers to a range of measures comprising compensation, income restoration support, transfer assistance, income substitution, relocation support, etc. which are due to the DPs, depending on the type and severity of their losses, to restore their economic and social base.
Eligibility	Means any person who has settled in the Project area before the cut-off date that suffers from (i) loss of shelter, (ii) loss of assets or ability to access such assets, permanently or temporarily, or (iii) loss of income sources or livelihood, regardless of relocation will be entitled to compensation and/or assistance.
Income Restoration	This is the re-establishment of sources of income and livelihood of the affected households.
Income Restoration Program	A program designed with various activities that aim to support affected persons to recover their income / livelihood to pre-Sub-Project levels. The program is designed to address the specific needs of the affected persons based on the SE survey and consultations.
Inventory of Losses (IOL)	This is the process where all fixed assets (i.e., lands used for residence, commerce, agriculture; dwelling units; kiosks, stalls and shops; secondary structures, such as fences, gates, trees etc. with commercial value and sources of income and livelihood inside the Project right-of-way (Project area) are identified, measured, their owners identified, their exact location determined, and their replacement costs calculated. Additionally, the severity of impact to the affected assets and the severity of impact to the livelihood and productive capacity of APs will be determined.
Land Acquisition	Refers to the process whereby an individual, household, firm or private institution is compelled by a public agency to alienate all or part of the land it owns or possesses to



	the ownership and possession of that agency for public purposes in return for compensation at replacement costs.
Rehabilitation	This refers to additional support provided to APs losing productive assets, incomes, employment or sources of living, to supplement payment of compensation for acquired assets, in order to achieve, at a minimum, full restoration of living standards and quality of life.
Relocation	This is the physical relocation of an AP from her/his pre-Sub-Project place of residence and/or business.
Replacement cost	The calculation of full replacement cost will be based on the following elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any.
Replacement Cost Study	This refers to the process involved in determining replacement costs of affected assets based on empirical data.
Resettlement	This includes all measures taken to mitigate all adverse impacts of a Sub-Project on AP property and/or livelihoods, including compensation, relocation (where relevant), and rehabilitation as needed.
Land Acquisition and Resettlement Plan (LARP)	This is a time-bound action plan with budget setting out compensation and resettlement strategies, objectives, entitlement, actions, responsibilities, monitoring and evaluation.
Severely Affected Household	This refers to affected households who will (i) lose 10% or more of their total productive land and/or assets, (ii) have to relocate; and/or (iii) lose 10% or more of their total income sources due to the Sub-Project.
Vulnerable Groups	These are distinct groups of people who might suffer disproportionately or face the risk of being further marginalized by the effects of resettlement and specifically include: (i) female headed households with dependents, (ii) disabled household heads, (iii) households falling under the generally accepted indicator for poverty, (iv) households children and the elderly who are landless and with no other means of support, and (v) landless households, (vi) indigenous people or ethnic minorities.

# 1 EXECUTIVE SUMMARY

## I. Project Background

1. The Bishkek – Osh Road, Improvement Project Phase 4 for Kara Balta (The Project), will improve national and regional connectivity by rehabilitating an estimated 52 km of crucial road sections between Bishkek and Kara Balta. The proposed project is consistent with the government’s priority of upgrading key corridors as stated in its draft Medium-Term Development Program (2012–2014) and is included in ADB’s draft Country Operations Business Plan (2012–2014) for the Kyrgyz Republic.

2. The Bishkek-Osh road represents about one third of the core international road corridor network in the Kyrgyz Republic, and links the country to Kazakhstan in the north, Uzbekistan and Tajikistan in the south, and the People’s Republic of China in the southeast. It crosses four of the seven provinces of the country and serves about 2 million people. It is the only direct ground link between the southern and northern parts of the country making it crucial for maintaining the country’s social, political, and economic integrity. The Bishkek-Osh road forms part of the Central Asia Regional Economic Cooperation (CAREC) Corridor 3, which runs from the west and south Siberian region of the Russian Federation through Kazakhstan, Kyrgyz Republic, Tajikistan, Afghanistan, and Uzbekistan to the Middle East and South Asia.

3. The section of the road discussed in this LARP, starts at the end of the administrative border of Bishkek City at km 9 of the Bishkek – Kara Balta road section and ends at km 61 of the Bishkek – Osh Road.

## II. Scope of Land Acquisition and Resettlement

4. The main objective of this LARP is to identify persons affected by the Project and to assist them to restore their livelihoods. The LARP complies with Kyrgyz Republic legislations and the requirements of ADB’s Safeguard Policy Statement (SPS).

5. The scope of the LARP includes: (i) description of the Project, (ii) profile of the DPs and affected communities, (iii) impact, (iv) information disclosure and public consultations with DPs, (v) grievance redress mechanism, (vi) legal framework, (vii) entitlements, assistance and benefits, (viii) resettlement budget and financing plan, (ix) the institutional arrangements (x) LARP implementation schedule, and (xi) monitoring of LARP implementation.

## III. Impact Summary

6. AH/DP Census Survey and DMS of all affected assets was carried out from 1 September to 30 November, 2015 and updated in March and April 2016.

7. The Census identified 284 project affected households, including owners and users of the lands/buildings, business owners, renters and employees with a total of 958 household members. Detailed information on different categories of affected households (AHs) and displaced persons (DPs) by impact type, are provided in the impact section. In total, under this Project:

- 114 AHs lose 114 land plots
- 64 AHs lose 97 fruit trees, 115 wood trees and 37 decorative trees
- 16 AHs lose 4 residential homes and 12 ancillary buildings
- 108 AHs lose 116 nonresidential buildings and 26 ancillary structures
- 73 AHs lose 19 gates and 54 fences
- 37 AHs lose 37 improvements on land
- 142 AHs lose 142 businesses and

- 85 AHs will lose 32 formal and 53 illegal workers.

The details are presented in the following paragraphs.

8. LARP identifies 114 affected land plots. From which:

- 36 are privately owned by 36 AHs
- 29 are leased to 29 AHs
- 49 are illegally used by 49 AHs

9. In total, four homes (250.5 m<sup>2</sup>) and 12 (225.9 m<sup>2</sup>) ancillary buildings will be demolished. Out of 142 non-residential buildings and structures, 116 (2,278 m<sup>2</sup>) are main business buildings and 26 (690 m<sup>2</sup>) are supporting business structures such as sheds, outdoor toilets, decorative poles, car repair man holes, wells etc. A total of 58 non-residential buildings and structures will be demolished, and 84 will be relocated to another location assigned by the local authorities. Those are metal containers which can be quickly and easily relocated. There are 19 gates, 54 fences and 37 improvements (such as paved patios, foot-paths etc.) on land affected by the Project.

10. Under this Project, 24 AHs will lose 23 fruit bearing trees and 74 fruit tree seedlings. In total, 160 kg of fruit will be lost. The owners will receive full compensation for the loss of fruits and for the seedlings. In addition, 19 AHs will lose 37 decorative trees and 21 AHs will lose 115 wood trees and saplings.

11. Due to the Project's impact, 142 businesses will be affected. Out of these, 18 are illegal businesses. The impact on businesses results in the loss of employment for 32 registered and 53 non-registered workers. All business losses and employment losses will be compensated as per the Project-specific entitlements.

12. There are 146 AHs with 506 people who will have a severe impact on their means of income and/or need to relocate.

13. The census found six AHs with members belonging to vulnerable groups. These AHs will receive a vulnerability allowance which is equal to six national minimum monthly salaries.

14. Compensation eligibility is limited by the 26 May 2014 cut-off date established for this Project, which is the same for all DPs regardless of their legal status. However, the DMS was completed in September 2015 and all DPs found in the corridor of impact were registered and considered for compensation.

#### **IV Socioeconomic Information and Profile of the Affected Population**

15. The socio-economic survey (SES) and census survey in the Project area were conducted between 17 August and 19 October, 2015 and updated in March and April 2016, during the finalization of the LARP. In total, 160 AHs were surveyed, out of which, 130 are households with DPs and 30 are households from the broader Project population which will not be economically or physically displaced. The SES included owners, renters and users of affected lands and buildings, owners of permanently and temporarily affected business and DPs who will permanently lose employment as well as persons who are not displaced.

16. In total, 160 households with 836 persons were covered by the SES study. The SES covered 104 households from Sokoluk, 49 households from Moskovsky rayon and 7 from Jayil.

17. The surveyed population lives in villages located along the Project road. Each village has basic facilities such as electricity, water, education, health and culture facilities. Generally, the Project populations are well educated with a negligible percentage of illiterate people. The main (self-reported) economic activities are businesses where more than half of the surveyed population (62%) gain their main income from business activities. The data on average monthly income varies greatly from 3,000 KGS to over 100,000 KGS.

18. The surveyed people stated better safety, travel convenience, reduction in vehicle operation costs, reduction of road accidents and travel time, improved access to markets, educational and social facilities, as the main Project benefits.

19. The main concerns stated were losses of assets and businesses, decrease in sales and production, the need to relocate somewhere else and relocate all belongings. Other concerns were higher vehicle speeds, more accidents, increased noise and air pollution, fewer car parking spaces and reduced business during road construction due to the temporary closure of the road.

## **V Information Disclosure, Consultations and Participation**

20. Public consultations with the affected persons were held during the LARP preparation and LARP finalization processes. The last wide public consultations were held from 20 and 22 April 2016, when 112 people (81 males and 31 female) participated. The consultation included information on the Project, relevant entitlements, compensation valuation methodology, grievance redress mechanisms and methodology and procedure of the measurement survey. The participants received a printed Project brochure, decree on the cut-off-day, decree on GRM, local and central level focal persons' details and documents necessary for the legalization of some assets. The list of participants with respective signatures is attached to the Public Consultations Minutes in Annexes 4-2, 4-2, and 4-3.

21. After the Kyrgyz Republic Government and ADB approvals, the implementation-ready LARP will be uploaded on the ADB and MoTC websites.

## **VI Grievance Redress Mechanism**

22. The LARP includes in its scope the establishment of a responsive, readily accessible and culturally appropriate grievance redress mechanism (GRM) capable of receiving and facilitating the resolution of affected persons' concerns and grievances related to the project. The GRM is a formalized way for the IPIG to identify and resolve concerns and DPs' grievances. It offers the DPs a forum to voice their concerns, seek clarifications to their queries, or register complaints related to the project's performance. The scope of the GRM addresses issues related to involuntary resettlement, social and environmental performance and information disclosure.

23. The Grievance Redress Groups are established at the local and central levels and will function for the duration of the project's implementation. The local level GRG is established at each of the three Rayons in the Project area. The GRG at the central level is established at the MoTC in Bishkek. The Local Person of Contact (LPC) is appointed at each Ayil-aymak (local authority) located along the project road.

24. The establishment and development of the GRM for this Project, was formalized through the following steps:

- (i) MOTC Order No 148 from July 10, 2013 instructing establishment of the GRM;
- (ii) MOTC Order No 135 from May 26, 2014 to update the GRM and activate the GRGs
- (iii) MOTC Orders No 25 and 28 dated 29 January, 2016 to update the GRM and update the list of GRG members.

25. Information about the GRM, including the ADB AM, was distributed to all DPs prior to consultations and to all consultations participants.

## **VII Legal Framework of the Kyrgyz Republic**

26. The legal framework provides for the relevant laws and legislations of the Kyrgyz Republic and the ADB Safeguard Policy Statement 2009. The Financing Agreement between the Kyrgyz Republic and Asian Development Bank dated 17 January 2014 enforcing LAR requirements under ADB SPS 2009, has been enforced through its ratification by the Law of the Kyrgyz Republic on 13 June 2015. One of the provisions in the Financing Agreement requires that:

“Without limiting the application of the Involuntary Resettlement Safeguards of ADB SPS 2009 or the LARP, the Beneficiary shall cause MOTC to ensure that no physical or economic displacement takes place in connection with the Project until: (a) compensation and other entitlements have been provided to affected people in accordance with the LARP; and (b) a comprehensive income and livelihood restoration program has been implemented.”

27. Objectives of ADB SPS 2009 policy are to avoid or if not possible to avoid, minimize resettlement impacts, restore livelihoods and improve living standards of affected households, especially of poor and vulnerable households. The detailed Kyrgyz Republic laws and regulations and ADB SPS 2009 requirements are presented in Chapter 6 of this LARP. Compensation of lost assets will be based on the replacement cost principle.

## VIII Entitlements, Assistance and Benefits

28. Compensation eligibility is limited by the cut-off date, which is taken as the date of the Prime Minister’s Decree issued on 26 May, 2014. (Annex 7-1). The Decree was officially forwarded to all officials at the project Rayons and to each Ail aymak (local authority) in the Project area who informed the population residing or having business activities in the RoW along the proposed Project road. The Decree was also displayed on the information board at each of these offices. The DPs who moved into the Project area after the cut-off date, will not be entitled to compensation and/or assistance envisaged by this Project.

29. According to the adopted Project Specific Entitlement Matrix, which is based on the Kyrgyz Republic laws and the requirements of ADB’s SPS (2009), DPs eligible for compensation and/or at least rehabilitation are: (i) all DPs losing land covered by the legal title; (ii) owners of buildings, crops, plants, or other objects attached to the land regardless of their legal title; (iii) DPs losing their businesses, income, and salaries regardless of their legal status. A Project-specific Entitlement Matrix, relevant to the Project impacts is provided in Table E-1 below.

**Table E-1: Project-Specific Entitlement Matrix**

Type of Loss	Application	Definition of DPs (Displaced People)	Compensation Entitlements
1. Land Loss	AHs losing their rights to land	Owner/ Legalizable owner	Compensation at market value including cost for re-registration of the remaining land plot (where applicable).
		Leaseholder (municipal/state)	New lease or compensation for loss of right-to-use land.
		Non-legalizable AHs	No compensation for land will be paid.
2. Loss of Buildings	All AHs regardless of their legal status	Owner/ Legalizable owner/	Compensation at full replacement cost free of depreciation and salvaged materials, + transaction costs including cost for registration of the remaining land plot and building attached to it (where applicable).
		Non-legalizable AHs	Compensation will be paid for the loss of structures full replacement cost free of depreciation + transaction costs and salvaged materials.
3. Common Property Loss	Municipal/State assets	Municipal/State assets	No compensation for land. Restoration of lost asset(s) and reinstatement of services in agreement with the municipal/state agency.



4. Tree Losses	Productive trees loss	All AHs irrespective of legal status. (including owners subject to obtaining legal status and residents having no residency status)	Compensation for productive trees based on the net annual harvest from the tree(s) for the number of years taken for replacement tree(s) to reach comparable production.
	Unproductive trees loss		Compensation for wood trees based on volume of wood.
	Decorative tree/bushes losses		Compensation based on market value.
5. Business or Employment Losses	Permanently affected businesses	All affected businesses regardless of legal status (including owners subject to obtaining legal status and employees having no formal status).	- Legal entity (registered businesses) – for application based on tax declared income, 1 year of tax declared net income. - Patent holders – Up to 1 year of verified/assessed net income. - Informal legalizable business – After legalization, up to 1 year of verified/assessed net income. - Informal non-legalizable business – One month of business disturbance allowance not higher than 3 months current subsistence basket value for Chui Region <sup>1</sup> . (Annex 7-2)
	Permanent loss of employment <sup>2</sup>		Indemnity for lost wages for 4 months of verified salary (formal employees) or 3 months of minimum national salary (informal employees.) Compensation directly disbursed to DPs.
	Temporary affected business		Movable businesses – Relocation or cash for self-relocation + 1 month of tax declared/ verifiable/ assessed income for business disruption and rehabilitation of temporarily affected assets.
	Temporary loss of employment		Indemnity for lost wages up to 4 months of verified salary (formal employees) or up to 3 months of minimum national salary (informal employees.) Compensation directly disbursed to DPs.
6. Allowances for Severe Impacts		All severely affected households including informal settlers and relocated renters.	A rehabilitation allowance of 6 months at minimum national salary for relocated AHs.
7. Relocation Allowances	Transport costs	All relocated AHs including relocated renters and movable businesses.	Relocation under the Project arrangement or market-based cost of transport for self-relocation within the village/settlement.
8. Vulnerable People Allowances		AHs below poverty line/headed by women/elderly people or receiving government social benefits.	In addition to any other entitlement, a cash allowance equivalent to 6 months of minimum salary and employment priority in Project-related jobs.
9. Temporary Impacts		All AHs	1 month of tax declared/verifiable/assessed non-verifiable income for business disruption and rehabilitation of temporarily affected assets.
10. Unforeseen LAR Impacts, if any		All AHs	Rehabilitation will be based on the above provisions and in compliance with ADB SPS (2009) and applicable laws of the Republic of Kyrgyzstan.

## IX Resettlement Budget

30. The total implementation cost of the LARP, including compensation, rehabilitation allowances as well as administrative costs for LARP implementation and contingency, amounts to **144,406,535 KGS**, which is equivalent to US\$ **\$2,097,838** (as per the exchange rate on 30 September, 2015, Central Bank of the Kyrgyz Republic).

<sup>1</sup> <http://www.stat.kg> (KGS 5089.87 for the III quarter 2015)

<sup>2</sup> Article 87 of the Labor Code

## X Institutional Arrangements

31. The Ministry of Transport and Communication (MoTC) is the Executing Agency which has the overall responsibility for implementation of the Project, including LARP preparation and implementation. The MoTC operates through the IPIG unit (Investment Projects Implementation Group) which has a social safeguard and resettlement specialist. The IPIG with its numerous specialists, is responsible for: (i) cross-agency coordination and cooperation; (ii) reviewing and issuing the LARP to the ADB for review; (iii) disclosing the LARP; (iv) planning and management of LARP implementation and the distribution of compensation; (v) participating in the GRG at the central GRM level and assisting in resolution of complaints; (vi) ensuring proper internal and external monitoring during the LARP implementation.

## XI Land Acquisition and Resettlement Plan Implementation Process

The EA will begin the implementation of the LARP immediately after its approval by the ADB and Government of the Kyrgyz Republic. The EA will provide 45 days advance notice to the DPs to vacate the property and pay their due compensation based on the eligibility criteria defined in this LARP prior to the start of the construction work. Prior to taking possession of any land or assets, including handover of the site to a contractor, a compliance report shall be submitted to ADB for approval, certifying that the LARP has been fully implemented in accordance with all the principles and provisions of ADB's SPS 2009.

32. The timeline presented in the following table shows the distinct stages of LARP preparation, finalization and implementation.

**Table 11-1: LARP Finalization and Implementation Schedule**

TASK	REPONSIBILITY	START	FINISH
ADB/EA approve LARP	ADB/IPIG	26/05/2016	26/05/2016
Translation of LARP into the Russian and Kyrgyz languages	IPIG	26/05/2016	15/06/2016
Disclosure of LARP on ADB/EA website	ADB/IPIG	20/06/2016	20/06/2016
Submission of LARP for approval through Governmental Ordinance	MOTC	20/06/2016	20/06/2016
Issuance of Governmental Ordinance endorsing LARP	Gov KR	20/06/2016	20/09/2016
Posting endorsed LARP document on ADB and MOTC/IPIG websites	ADB and IPIG	20/09/2016	
<b>LARP IMPLEMENTATION</b>		<b>20/09/2016</b>	<b>20/11/2016</b>
Implementation of LARP	IPIG	20/09/2016	20/11/2016
Preparation and submission of LARP implementation report for ADB review	External Monitor	20/11/2016	1/12/2016
ADB reviews LARP implementation report	ADB	1/12/2016	7/12/2016
Disclosure of LARP implementation report on ADB website	ADB	10/12/2016	
ADB issues 'No Objection Letter' to the start of civil works	ADB	10/12/2016	
MoTC provides no objection to Contractor to start civil works	MOTC	15/12/2016	
<b>CONTINUOUS TASKS</b>			
Monitoring: Quarterly monitoring reports	EM/IPIG/ADB		
Grievances redress	IPIG		

## **XII Monitoring and Reporting**

33. The Project will establish a system for internal and external monitoring. The main purpose of effective monitoring is to ensure that the course and pace of implementation continues as originally planned. The implementation of the LARP will be subjected to both, internal and external monitoring as the Project will have a significant amount of involuntary resettlement. The ADB SPS 2009 considers involuntary resettlement impacts significant if 200 or more persons will be physically displaced from their home or lose 10% or more of their productive or income-generating assets. Internal monitoring will be conducted by the IPIG. External monitoring is assigned to an External Monitor hired by the EA and approved by the ADB.

# 1 PROJECT DESCRIPTION

## 1.1 Description and Location of the Project

34. The Bishkek-Osh road represents about one third of the core international road corridor network in the Kyrgyz Republic, and links the country to Kazakhstan in the north, Uzbekistan and Tajikistan in the south and the People's Republic of China in the southeast. It crosses four of the seven provinces of the country and serves about 2 million people. It is the only direct ground link between the southern and northern parts of the country making it crucial for maintaining the country's social, political, and economic integrity. The Bishkek-Osh road forms part of the Central Asia Regional Economic Cooperation (CAREC) Corridor 3, which runs from the west and south Siberian region of the Russian Federation through Kazakhstan, Kyrgyz Republic, Tajikistan, Afghanistan, and Uzbekistan to the Middle East and South Asia.

35. Out of 655 km of the Bishkek-Osh road, the Asian Development Bank (ADB) has assisted the Kyrgyz Republic in rehabilitating 483 km. The remaining road sections in need of rehabilitation are the Bishkek – Kara Balta section and the Madaniyak to Jalalabad section. The proposed Bishkek – Osh Road, Improvement Project Phase 4 for Kara Balta (the Project), will rehabilitate 52.5 km from Bishkek to Kara Balta. The Project will improve national and regional connectivity and it is consistent with the government's priority of upgrading key corridors as stated in its draft Medium-Term Development Program (2012–2014) and included in ADB's Draft Country Operations Business Plan (2012–2014) for the Kyrgyz Republic.

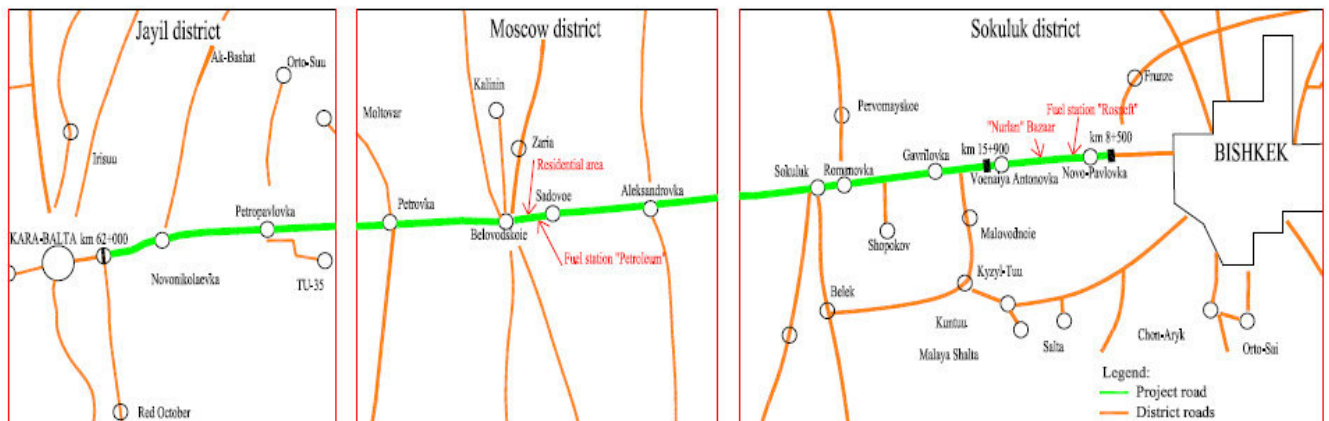
36. The Bishkek – Kara Balta Road section is located between km 8.5 and km 61 of the Bishkek – Osh Road. The section starts at the end of the administrative border of Bishkek City at road km 9 and traverses three (out of eight) districts of Chui Rayon, Sokoluk, Moskovsky and Jayil. (Figures 1 and 2) The road design envisaged a six-lane road between km 9 and km 21, narrowing to four lanes at places where enlargement to six lanes was not feasible. The road proceeds westward to the eastern boarder of Kara Balta, passing through a number of smaller settlements interspersed by agricultural fields with two or three-lane carriageways. The villages along the road merge into a relatively continuous ribbon along the roadway. At km 61, the Bishkek-Osh Road turns south at a roundabout, which marks the end of the road proposed for rehabilitation. The terrain for the entire project road can be classified as flat with altitudes ranging from 750m to 800m. Figures 1 and 2 show the Project location in Chui region and three Project districts (Rayons).

37. Figures 1 and 2 show the Project location in Chui region and three Project districts (Rayons).

**Figure 1: Project Location Map**



**Figure 2: Project Districts with Major Settlements**



**1.2 Measures taken to Minimize Impact**

38. All possible efforts have been made to minimize the resettlement impacts along the road section by changing the technical design. The technical and social safeguard teams worked together to minimize the impact where feasible. The Design Consultant reviewed each road section to identify locations where impact could be minimized. At some sections with significant impact, the alignment of the main carriageway was reoriented to minimize the impact.

39. The IPIG, Design Consultant and the ADB consultants visited the project road again in March 2016 to determine if there is space for more reduction of impact.

**1.3 Objective and Scope of the Land Acquisition and Resettlement Plan**

40. The main objective of this LARP is to identify economically or/and physically displaced persons (DPs) due to the Project and to assist them to restore their livelihoods. The LARP complies with the relevant laws of the Kyrgyz Republic and the requirements of ADB's Safeguard Policy Statement (SPS) 2009. The LARP has been prepared to: (i) address and mitigate impacts caused by the project; (ii) ensure compliance with the ADB's SPS (2009) requirements and (c) determine compensation, resettlement and rehabilitation assistance for the affected households.



41. The scope of the LARP includes: (i) a profile of the affected communities and DPs; (ii) detailed measurement survey (DMS) of all affected assets; (iii) information disclosure and public consultations with DPs; (iv) the policy and framework for compensation payments and rehabilitation; (v) complaints and grievance redress mechanism; (vi) resettlement budget; (vii) the institutional framework; (viii) LARP implementation schedule and (ix) monitoring of LARP implementation.

42. The LARP is based on the detailed Project design. After the approval, it will be final and ready for implementation. The following steps were taken for the completion of this LARP:

- (i) Completion of the socio-economic survey (SES) and census of DPs
- (ii) Inventory of losses for all AHs;
- (iii) Completion of detailed measurement surveys (DMS), description and valuation of the affected land, buildings, structures and other assets;
- (iv) Disclosure of information and consultations with DPs;
- (v) Preparation of a detailed compensation budget for all types of losses.

## 2 SCOPE OF LAND ACQUISITION AND RESETTLEMENT

### 2.1 Background

43. One of the key principles adopted for the preparation of this LARP is that all compensation payments and livelihood restoration assistance must be based on a detailed understanding of the Project impacts on displaced people. For this LARP, the data was collected between July and November 2015 and updated in March and April 2016. In order to accurately assess the extent of the Project's LAR impacts, the following surveys were undertaken:

- (i) **Inventory of Losses** - to identify and evaluate the characteristics of the land, buildings and assets to be acquired.
- (ii) **Detailed Measurement Survey (DMS)** - to measure the affected area of the lands, buildings space and the number and types of affected assets.
- (iii) **Valuation of Replacement Cost of the Affected Assets** - to identify the cost of compensation of lost assets, income and other livelihood sources and allowances for development of the LARP budget.
- (iv) **Census Survey** - to identify the exact number of DHs and their members, including some elementary social characteristics such as gender and ethnicity.
- (v) **Socio-Economic Survey (SES)**: to identify the current socioeconomic condition of affected individuals, families and business owners as well as perceptions of Project impact on their livelihood.

### 2.2 Survey Methodology

44. The Detailed Measurement Survey (DMS) of affected assets was conducted by the LAR Committee. Eptisa, the design engineering consultant, engaged an independent, licensed valuation company, as a subcontractor, to evaluate independently every asset to be acquired. The company collected and verified the data between 1 September and 30 November, 2015 and updated the data in March and April 2016.

45. The scope of the DMS and assets inventory included the identification, classification, measurement and valuation of the following assets or attributes:

- (i) Affected land including improvements on those plots;
- (ii) Buildings/structures (business, residential, supporting structures, including classification by building category and construction type);
- (iii) Legal status of the DP land occupancy;
- (iv) Number and type of affected trees;
- (v) Affected business (impact type and legal status);
- (vi) Employment losses (including informal workers);
- (vii) Number, type and area of affected community/ public assets.

46. The DMS included measurement of the affected land plots and buildings/structures built on them, description of their current use, ownership, its quality and quantity, trees and other vegetation affected. In accordance with the ADB's SPS 2009 requirements, the current ground situation measured is based on the actual size of the assets used by the AHs at the time of the measurement.

## 2.3 Summary of Impact

47. The total number of affected households is 284 and the number of affected persons is 958. The highest number of affected households (160) and DPs (614) are located in Sokoluk where the road RoW is densely lined with businesses. Moskovskiy Rayon has 117 AHs and 312 DPs while Jayil rayon is the least affected with 7 AHs and 32 DPs. (Table 2-1)

**Table 2-1: Impact by Rayons**

<b>Rayons</b>	<b>No of AHs</b>	<b>No of DPs</b>
Sokolul	160	614
Moskovskiy Rayon	117	312
Jayil	7	32
<b>Total</b>	<b>284</b>	<b>958</b>

48. In total, 284 households will lose:

- 114 land plots
- 97 fruit trees, 115 wood trees and 37 decorative trees
- 4 residential homes
- 12 ancillary residential structures
- 142 non-residential buildings and ancillary structures
- 71 gates and fences and 37 land improvements
- 142 businesses
- 85 employments

### Impact on land

49. In this LARP, based on the type of land use, the affected land plots are grouped into the following categories:

- Residential
- Non-residential
- Public/government land

50. There is no agricultural land affected under this Project. Affected land plots by the land legal status are grouped as follows:

- **Private-titled land** – A land privately owned with all legal documents necessary to prove the ownership.
- **Illegally used land** – Local authority's land used illegally by the DPs
- **Leased land** – Land plots with a legal lease from the local authorities
- **Local authorities' land** – Land belonging to the local authorities and other government departments.

51. Affected land plots are located mostly in the commercial areas of the Project corridor. There is no agricultural land affected by the Project. In total, 114 land plots with a total surface of 9,187 m<sup>2</sup> are affected. Out of this, 16 land plots are residential covering a surface of 1,251 m<sup>2</sup>, 94 are non-residential

land plots covering an area of 7,625 m<sup>2</sup> and 4 land plots of an area of 311 m<sup>2</sup> which belong to the local authorities. (The land impact data are summarized in Table 2-2)

**Table 2-2: Impact on Land by Category and Ownership/ Occupation Status**

Land category	Private			Illegally used			Leased			Total		
	No of plots	Affected area (m <sup>2</sup> )	No of AHs	No of plots	Affected area (m <sup>2</sup> )	No of AHs	No of plots	Affected area (m <sup>2</sup> )	No of AHs	No of plots	Affected area (m <sup>2</sup> )	No of AHs
Residential land plot	4	454	4							4	454	4
Residential plots without affected buildings	11	665	11	1	132	1				12	797	12
Non residential	21	3,810	21	47	1,752	47	26	2,063	26	94	7,625	94
Other (local authority)				1	100.8	1	3	210.5	3	4	311	4
<b>Total</b>	<b>36</b>	<b>4,929</b>	<b>36</b>	<b>49</b>	<b>1,984.40</b>	<b>49</b>	<b>29</b>	<b>2,274</b>	<b>29</b>	<b>114</b>	<b>9,187</b>	<b>114</b>

### Impact on Trees

52. Under this Project, 24 AHs will lose 23 fruit bearing trees and 74 fruit trees seedlings. (Table 2-3) In total, 160 kg of fruit will be lost. Apple trees are the most affected (11). The owners will receive full compensation for the loss of fruits and for the seedlings. Calculation of compensation was based on the market value for seedlings and the market value of the lost produce for the number of years needed to reach the same level of fruit production.

**Table 2-3: Impact on Fruit Trees**

Type of tree	No of affected trees	Annual yield (kg)	No of AHs
<b>A. Fully-grown trees</b>			
Cherries	3	10	3
Plum and cherry-plum	7	20	3
Apple	11	50	4
Walnut	2	80	1
<b>Subtotal (A)</b>	<b>23</b>	<b>160</b>	<b>11</b>
<b>B. Seedlings</b>			
Cherries	5		2
Plum and cherry-plum	6		3
Apricot	4		1
Apple	6		3

Raspberries	50		1
Mulberry, walnut, quince	3		3
<b>Subtotal (B)</b>	<b>74</b>		<b>13</b>
<b>Total (A+B)</b>	<b>97</b>		<b>24</b>

53. There will be 115 timber/wood trees and seedlings affected by the Project. (Table 2-4). The most affected are fully grown poplar and acacia trees (81 and 11). In total, 21 households will be affected by loss of timber trees and seedlings. In addition, 19 households will lose 31 fully grown trees and one decorative trees seedling. (Table 2-5) The owners of affected trees will be compensated without deductions for the value of the wood/timber that can be obtained from the affected trees. The compensation rates for wood trees are based on the market value of the affected wood/decorative trees.

**Table 2-4: Impact on Wood Trees**

Type of tree	No of affected trees	Total AHs
<b>A. Fully-grown trees</b>		
Poplar	81	3
Acacia	11	1
Birch, karagach, oak, maple, pine, walnut	16	13
<b>Subtotal (A)</b>	<b>108</b>	<b>17</b>
<b>B. Seedlings</b>		
Poplar, acacia, birch, oak	7	4
<b>Total (A+B)</b>	<b>115</b>	<b>21</b>

**Table 2-5: Impact on Decorative Trees**

Type of tree	No of affected trees	Total AHs
<b>A. Fully-grown trees</b>		
Thuja	3	1
Archa (Arka)	8	4
Green fence	4	1
Sumac	2	1
Buldenezh	2	2
Hibiscus, Blue spruce, Campsis, Juniper	4	4
Spruce barbed	3	2
lilac	10	3
<b>Subtotal (A)</b>	<b>36</b>	<b>18</b>
<b>B. Seedlings</b>		
Hibiscus	1	1
<b>Total (A+B)</b>	<b>37</b>	<b>19</b>



## Impact on Residential Buildings and Structures

54. In total, the Project will affect 16 residential buildings and structures. Out of these, four are houses with attached verandas and 12 are ancillary structures such as sheds and storages. Overall, 16 households' residential buildings and structures will be impacted. The area of affected buildings and structures amounts to 482 m<sup>2</sup>. Supporting structures are mainly made of bricks, concrete and metal or plastic. (Table 2-6)

**Table 2-6: Impact on Residential Buildings and Structures**

Structure type	No	Affected unit (m <sup>2</sup> /m <sup>3</sup> )	Sokoluk	Moskovs kiy rayon	Jayil	Total no of AHs
			No of AHs	No of AHs	No of AHs	
<b>A. Residential Building</b>						
Residential house	4	212.9	1	3	0	4
Attached veranda		37.6				
<b>Subtotal (A)</b>	<b>4</b>	<b>250.5</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>4</b>
<b>B. Supporting Residential Structures</b>						
Storage	2	15.1	1	1	0	2
Building foundation	3	7.9	1	2	0	3
Shed	7	208.5	5	2	0	7
<b>Subtotal (B)</b>	<b>12</b>	<b>231.5</b>	<b>7</b>	<b>5</b>	<b>0</b>	<b>12</b>
<b>Total (A+B)</b>	<b>16</b>	<b>482</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>16</b>

## Impact on Non-residential Buildings and Structures

55. In total, 108 AHs will lose 142 non-residential buildings and structures with an area of 2,967 m<sup>2</sup>. All of these affected buildings and structures belong to businesses. Out of these, 116 are main business structures such as kiosks, containers, shops, cafes, petrol stations etc. and 26 are supporting structures such as toilets, sheds, wells, decorative poles, etc; There are 18 metal containers without any business activities. Such containers will be moved to locations assigned by the local authorities.

**Table 2-7: Impact on Non-residential Buildings and Structures**

Type of structure	No of structures	No of AHs	No of DPs	Total (m <sup>2</sup> /m <sup>3</sup> )	Movable	Non-movable	Remarks
<b>A. Main Non-residential Buildings and Structures</b>							
Petrol station	2	2	2	78		2	
Hairdressing	2	1	3	48		2	
Café/ Eatery	8	8	26	189	6	2	2 illegal
Various container shops	68	59	254	1,323	54	14	10 illegal
Car services	7	4	18	226	3	4	1 illegal
Flower shop	3	3	15	55	1	2	1 illegal

Various services	8	4	22	143		8	1 illegal
Non-operating containers	18	10	23	216	18		7 illegal
<b>Subtotal (A)</b>	<b>116</b>	<b>91</b>	<b>363</b>	<b>2,278</b>	<b>82</b>	<b>34</b>	
<b>B. Supporting Non-residential Buildings and Structures</b>							
Outdoor toilet	2	2	7	5		2	
Shed	14	12	53	549		14	
Other	10	3	24	136		10	Well, car repair hole, poles, foundations;
<b>Subtotal (B)</b>	<b>26</b>	<b>17</b>	<b>84</b>	<b>690</b>	<b>0</b>	<b>26</b>	
<b>Total (A+B)</b>	<b>142</b>	<b>108</b>	<b>447</b>	<b>2,968</b>	<b>82</b>	<b>60</b>	

### Impact on Fences and Improvements

56. A total of 19 gates and 54 fences will be affected by the Project. The area of affected fences amounts to 1,612 m<sup>2</sup>. The most affected are metal fences, followed by brick, concrete and wooden fences. Fifty four (54) households will be affected by loss of gates and fences. The AHs will be compensated for losses including temporary impact where dismantling and assembling of gates and fences are possible. (Table 2-8)

**Table 2-8: Impact on Gates and Fences**

Material	Gates	Area	Fences	Area	AHs	DPs
	No	m <sup>2</sup>	No	m <sup>2</sup>	No	No
Wood	1	12	8	143	8	41
Brick			14	384	14	58
Metal	18	154	29	918.1	29	228
Concrete			3	167	3	17
<b>Total</b>	<b>19</b>	<b>166</b>	<b>54</b>	<b>1,612</b>	<b>54</b>	<b>344</b>

57. The DPs have made other improvements on 37 land plots which are measured and calculated for compensation. These are concrete (690 m<sup>2</sup>) and stone (593.1 m<sup>2</sup>) paved areas.

**Table 2-9: Impact on Improvements on Land**

Type	Material	No of land plots	Area (m <sup>2</sup> )	No of AHs
Paved area	Concrete	20	690	20
Paved area	Stone	17	593.1	17
<b>Total</b>		<b>37</b>	<b>1,283</b>	<b>37</b>

## Impact on Businesses and Income

58. The Project will affect 142 businesses. Out of these, 124 are legal and 18 are illegal businesses. Most of the affected businesses (87) are operating in metal containers and kiosks which can be easily moved to another location and the impact to business will be a temporary impact. (Table 2-10).

59. Permanent business losses include losses to businesses due to demolition of the building where the business operates. There are 55 such businesses. All affected business will be compensated as per the agreed Project entitlement matrix.

**Table 2-10: Impact on Businesses**

Rayon	Affected businesses							
	Business owners	Renters	Business owners	Renters	Movable	Non-movable	Total AHs	Total DPs
	Legal		Illegal				No	No
Sokoluk	28	43	6	4	55	26	81	320
Moskovsky	18	31	5	2	28	28	56	140
Jayil	2	2	0	1	4	1	5	19
<b>Total</b>	<b>48</b>	<b>76</b>	<b>11</b>	<b>7</b>	<b>87</b>	<b>55</b>	<b>142</b>	<b>479</b>
	<b>124</b>		<b>18</b>		<b>142</b>			

60. Due to closure/relocation of businesses resulting from demolition or relocation of the main business buildings, 85 employees will permanently or temporarily lose their employment. Out of these, 32 are registered legal workers and 53 are non-registered illegal workers. All affected workers will be compensated in accordance with their legal status and permanent or temporary Project effect on their employment.

**Table 2-11 Impact on Employment**

Rayon	Affected employees			
	Legal	Illegal	Total AHs	Total DPs
Sokoluk	13	35	48	<b>62</b>
Moskovsky	19	17	36	<b>34</b>
Jayil	0	1	1	<b>2</b>
<b>Total</b>	<b>32</b>	<b>53</b>	<b>85</b>	<b>98</b>

## Severely Affected Households

61. There are 146 AHs with 506 DPs that will have a severe impact on their means of income and/or need to relocate. Out of these, four AHs are moving from their residential homes, 58 business owners and 84 renters moving from affected business structures. The DPs who will be relocated from their residential buildings or face business relocation, are considered severely affected, and therefore entitled to receive an allowance for severely affected DPs. A total of 146 AHs will receive an allowance as severely affected households.

**Table 2-12: Severity of Impact**

Relocation	Residential		Business owners		Business renters		Total No of AHs	Total No of DPs
	No of AHs	No of DPs	No of AHs	No of DPs	No of AHs	No of DPs		
Sokoluk	1	5	33	141	48	179	82	325
Moskovsky	3	22	23	96	33	44	59	162
Jayil	0	0	2	14	3	5	5	19
<b>Total</b>	<b>4</b>	<b>27</b>	<b>58</b>	<b>251</b>	<b>84</b>	<b>228</b>	<b>146</b>	<b>506</b>

**Impact on Poor and Vulnerable Households**

62. The amended Law of the Kyrgyz Republic of 12 January, 2002 N 4, 13 August, 2005 N 148) Chapter III, 'The monthly social allowance', Article 10 states that the following social groups have the right to monthly social welfare benefits:

- children with disabilities, children with cerebral palsy and children with HIV infection or AIDS, until 18 years of age;
- persons disabled since childhood (disability categories I, II and III)
- category I, II and III disabled persons - in the absence of in absence of pension rights;
- senior citizens - who do not qualify for a pension;
- mother-hero - in the absence of the pension rights;
- children in the case of loss of breadwinners - in the absence of pension rights;
- children born to mothers living with HIV / AIDS up to eighteen months of age.

63. Persons in these social categories are entitled to monthly social welfare benefits regardless of the gross per capita family income. There are six such households which have a family member with a disability and will receive an allowance for poor and vulnerable groups amounting to six minimum national monthly salaries. As the vast majority of impacted households are business owners or operators, there were no poor households impacted by the Project. No vulnerable DPs are affected in Jayil Rayon.

**Table 2-13: Impact on Poor and Vulnerable Affected Households**

Vulnerability	Moskovskiy Rayon	Sokoluk	Total
Disabled children			0
Disability category I	2	1	3
Disability category II	3		3
<b>Total</b>	<b>5</b>	<b>1</b>	<b>6</b>

### 3 SOCIOECONOMIC INFORMATION AND PROFILE OF THE AFFECTED POPULATION

#### 3.1 Background

64. This Chapter presents the findings on the major socio-economic characteristics of the affected population and communities. The chapter is based on country statistical data, various reports related to the project and data collected through the socio-economic surveys and census undertaken in the Project area. The main objective of the SES and census surveys is to understand the existing socio-economic environment and vulnerability of affected people in the Project area, to use the data for preparation of the LARP budget and to identify groups and persons who may need an additional support due to the Project impact.

#### 3.2 Profile of the Project Area

65. Kyrgyzstan is divided into seven regions administered by appointed governors. The capital Bishkek, is administratively an independent city with a status equal to a region. The proposed Project is located in Chui region between km 8.5 and km 61 from Bishkek. The Project road is a part of the Bishkek-Osh road. The section starts at the ends of the administrative border of Bishkek City and traverses three (out of eight) districts of Chui Rayon, Sokuluk, Moskovsky and Jayil. Chui region, with its agriculture and industry, is the most developed region in Kyrgyzstan. The road proposed for rehabilitation, traverses the Sokuluk, Moscow, and Jayil rayons.

66. According to the 2009 population census, 32.4% of the country's total population lives in Chui region, including the habitants of Bishkek city. The average size of a household in the country is 4.6 people; in towns – 3.8 people, in villages – 5.2 people. The average size of households has increased, both, in urban settlements (from 3.5 to 3.8 people) and in rural settlements (from 4.9 to 5.2 people) compared to the population census data of 1999.<sup>3</sup>

67. Sokuluk district is comprised of 1 town and 68 villages belonging to 19 rural communities (“Ail aymak”). Each rural community includes one or several villages. The total population of Sokuluk rayon is approximately 159,200 people, where over 60% are Kyrgyz people, 20.5% are Russians, and the rest are of the Kazakh, Dungan, Turkish, Azerbaijani and other nationalities. The administrative center is located in Sokuluk village. (Table 4-1)

68. Moskovskiy rayon includes 11 rural communities. The Rayon center is located at Belovodskoe village. The total population is approximately 84,500 persons, where 46% are Kyrgyz, 23.3% are Russians, and the rest are of the Kazakh, Dungan, Turkish, and Azerbaijani nationalities.

69. Zhail rayon includes Kara-Balta town and 36 villages that belong to 12 rural communities. The capital is Kara-Balta. Total population of Zhail rayon is approximately 92,600 people, where 61% are Kyrgyz, 24.9% are Russians, and the rest are of the Kazakh, Dungan, Turkish, Azerbaijani and other nationalities.

**Table 3-1: Population by Project Rayons**

Rayon	Population	Urban	Rural
Sokoluk	159,200	8,700	150,500
Moskovsky	84,500	0	84,500
Jayil	92,600	37,800	54,800
<b>Total</b>	<b>336,300</b>	<b>46,500</b>	<b>289,800</b>

3

Population and Housing Census of the Kyrgyz Republic of 2009



### 3.3 SES and Census Survey Methodology

70. The socio-economic (SES) and census surveys in the Project area were conducted between 17 August and 19 October, 2015 during the preparation of this LARP. An experienced research company engaged 14 trained interviewers for the field work. The update of the SES was conducted in March 2016 during the finalization of the LARP. In total, 160 households were surveyed out of which, 130 (45.77% of all AHs) are AHs and 30 are households from the broader Project population which are not economically or physically displaced. The SES included owners, renters and users of affected lands and buildings, owners of permanently and temporarily affected business and DPs who will permanently lose employment as well as persons who are not displaced.

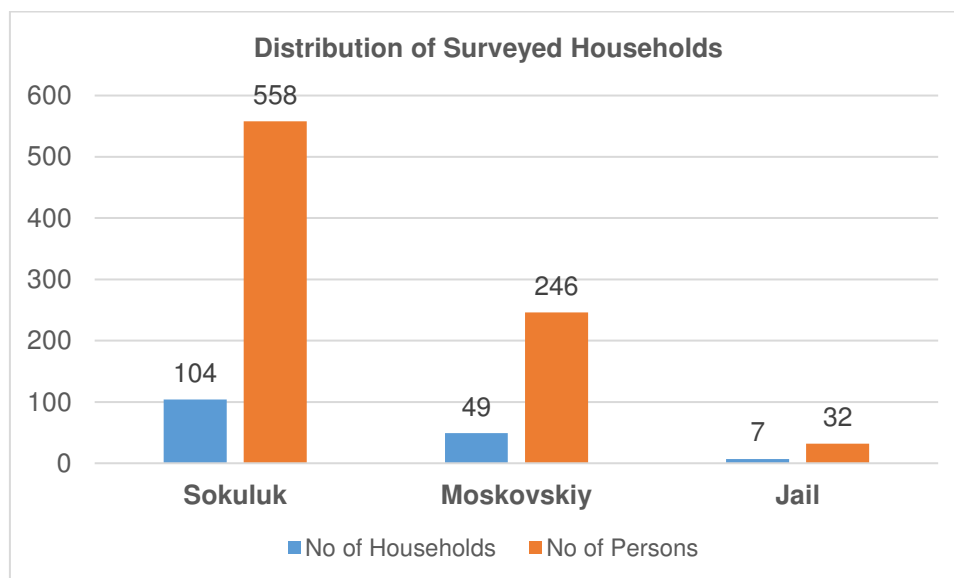
71. The Socio-Economic Survey Questionnaire includes questions aiming to measure the main characteristics of affected households such as ownership status of affected land and buildings, family type, size, main characteristics of each household member, amount of monthly income and expenditure, sources of income, house facilities, religion, vulnerability, etc. There are also questions about positive and negative impacts of the Project. Each questionnaire took 30-40 minutes to complete. The collected data was processed using Excel and the SPSS 13 statistical package.

### 3.4 Socioeconomic Profile of Surveyed Households

72. In total, 160 households with 836 persons were covered by the SES study. Out of three Project Rayons, Sokuluk is the most affected and most surveyed Project Rayon. The distribution of surveyed households by Rayons was as follows:

- Sokulukskiy Rayon - 104 households with 558 persons
- Moskovskiy Rayon - 49 households with 246 persons
- Jayilskiy Rayon - 7 households with 32 persons.

**Chart 3-1: Surveyed Households by Rayons**



### Key Facilities in the Surveyed Households

73. Each Project Ail aymak (local authority) has a kindergarten, combined primary and secondary school, mosque, library, family health-post, cultural club, police station and shops along the road. Other services such as hospitals, larger markets and administrative services are based in Rayon centers.

Electricity is available in all project villages and all surveyed households have electricity. Gas is available in the cities but is also used in villages (gas bottles) for cooking as it is cheaper than electricity. About 17% of surveyed households use gas for cooking.

74. Piped water is available in Rayon cities while in villages, the main source for water are deep wells or canals. Public tap water is also used to a wide extent for drinking water purposes especially at bazaars. The majority of the surveyed households (44.38%) have piped water and a further 14.38% use public tap water. Deep wells are owned by 28.13% of households. Table 3-2 illustrates the details.

**Table 3-2: Source of Water**

Source of water	Number of households	Percentage
Piped water	71	44.38
Public tap	23	14.38
Own deep well	61	38.13
Water tank, other	5	3.13
<b>Total</b>	<b>160</b>	<b>100</b>

75. Households from the rayon cities (15%) have pour-flush in-house toilets, while the vast majority (83.13%) have pit latrines. A small number of respondents stated that they use public toilets referring to the bazaar facilities where they work. Refer to Table 3-3.

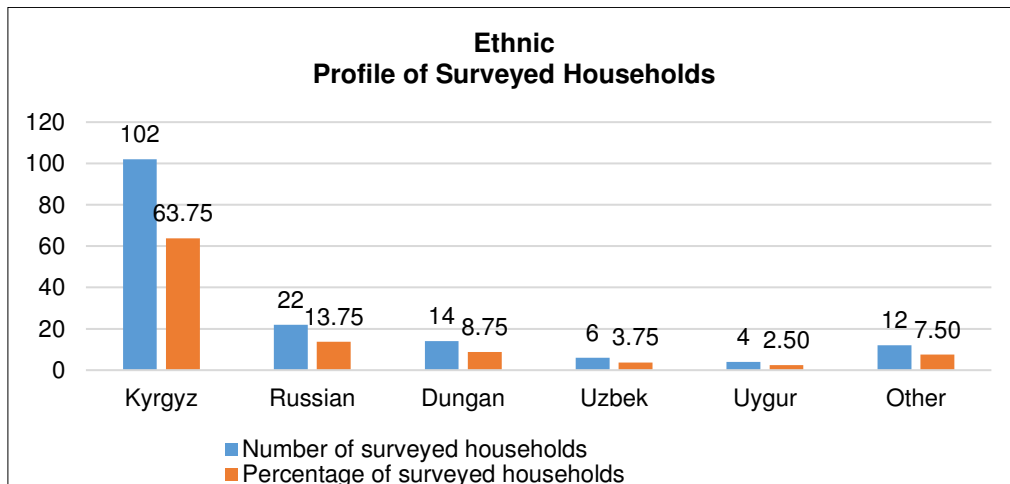
**Table 3-3: Type of Sanitary Facility**

Sanitary facility	Number of households	Percentage
Pit latrine	133	83.13
Toilet in house	24	15.00
Public toilet (for businesses)	3	1.88
<b>Total</b>	<b>160</b>	<b>100.00</b>

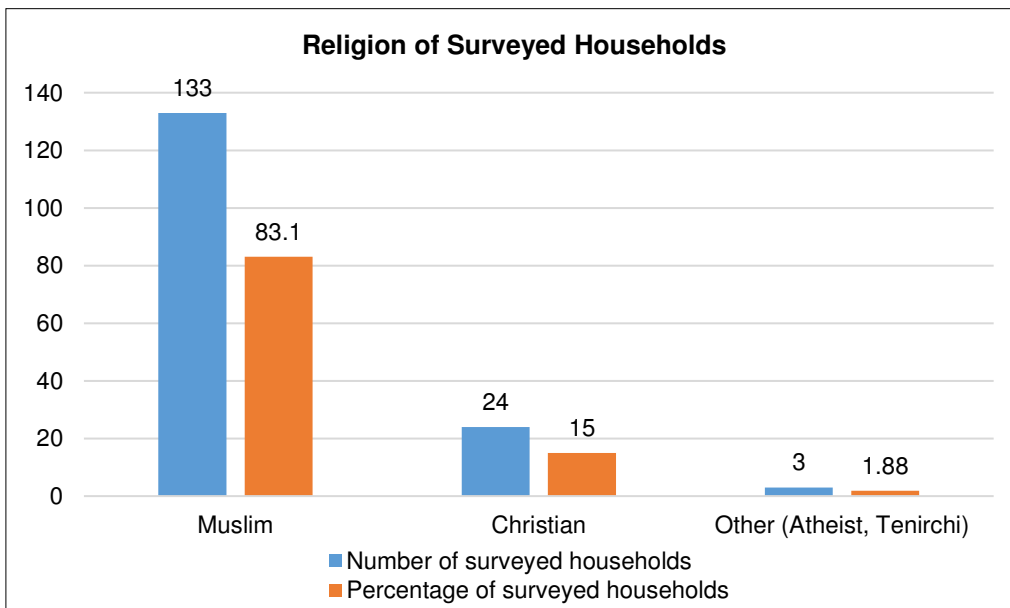
### **Ethnicity and Religion**

76. Out of the total number of surveyed households, Kyrgyz people are the largest group with 102 households (63.75%). Russians are the second group represented by 22 households (13.75%), followed by Dangans with 8.75%. Other ethnic groups living in the Project area are Uzbek, Uygurs, Tajik, Kazak, Tatars, Turkish and Moldovan. (Chart 3-2) The majority, 133 (83.20%), of the surveyed households are Muslims, followed by Christians with 15.00%, while atheists, Tenirchi and other religious groups comprise 1.88%. (Chart 3-3).

**Chart 3-2**



**Chart 3-3**



**Gender**

77. There are 482 (57.54%) females and 355 (42.46%) males in the surveyed sample. The number of male-headed households amounts to three quarters (75%) of all household heads, while one quarter of surveyed households are headed by a woman. The Kyrgyz Republic laws and regulations grant women and men equal rights including equal entitlement to land and property ownership, education, health care, employment, working conditions and pay, both in public and private-sector enterprises and equal individual and family rights. There is no legal distinction in property, land tenure, inheritance and business ownership rights. (Table 3-4)

**Table 3-4: Gender**

Gender	Head of the household		All household members	
	Number of households	Percentage (%)	No	% of the total
Male	120	75.00	355	42.46
Female	40	25.00	481	57.54
<b>Total</b>	<b>160</b>	<b>100.00</b>	<b>836</b>	<b>100.00</b>

**Age and Marital Status**

78. The age distribution of the surveyed population for this LARP, shows that the 25-35 age group was the most represented (16.35%). (Table 3-5). The profile of the youth community is even more pronounced if the age groups (0-6, 7-17 and 19-34) are combined. Such a comparison shows that almost 55.98% of the surveyed population is 34 or younger. The 35-44 age group accounts for 12.43% and the 45-54 age group accounts for 9.63%. Around 7.84% are aged 60 or more.

**Table 3-5: Age**

Age	Head of household		Other household members	
	Number	%	Number	%
0-6			117	17.31
7-10			62	9.17
11-14			47	6.95
15-18			26	3.85
19-24	7	4.38	73	10.80
25-34	24	15.00	112	16.57
35-44	35	21.88	84	12.43
45-54	44	27.50	65	9.62
55-59	22	13.75	37	5.47
60 +	28	17.50	53	7.84
<b>Total</b>	<b>160</b>	<b>100.00</b>	<b>676</b>	<b>100.00</b>

79. Almost 72% of the surveyed population lives in nuclear families. Extended types of families comprise 5.6%. Joint families, where a few related families live under the same roof, are found in 22.5% of the surveyed households. The vast majority (80.6%) of the heads of households are married and 10.6% are widows/widowers. The percentage of divorces in the household sample was 5.6% and only 3.1% were single heads of household. The average family size is 5.2 person per family. (Tables 3-6 and 3-7.

**Table 3-6: Type of Families**

Family Type	Number of AHs	Percentage (%)
Nuclear	115	71.90
Extended	9	5.60
Joint	36	22.50
<b>Total</b>	<b>160</b>	<b>100.00</b>

**Table 3-7: Marital Status**

Marital status	AH head		AH members	
	Number	%	Number	%
Married	129	80.6	325	48.1
Widow / widower	17	10.6	22	3.3
Divorced	9	5.6	19	2.8
Single (not married)	5	3.1	58	8.6
Not applicable /minors	0	0	252	37.3
<b>Total</b>	<b>160</b>	<b>100.0</b>	<b>676</b>	<b>100.0</b>

**Size of Surveyed Households**

80. The size of households' ranges from 1 - 13 persons in a household. Around 40% of surveyed households have up to four persons in the household, while 45% have 5-7 persons living under the same roof. Larger households with 8-10 persons and 10-13 persons, comprise 10.63% and 4.38% respectively. (Table 3-8).

**Table 3-8: Size of Households**

No of persons/ household	Number of households	Percentage
1-4	64	40.00
5-7	72	45.00
8-10	17	10.63
10-13	7	4.38
<b>Total</b>	<b>160</b>	<b>100.00</b>

**Education**

81. The following table shows a high level of literacy of heads of household with 50.63% having a minimum of secondary education. Around 27.5% of the heads of households obtained a higher education degree and a further 16.25% completed some vocational technical training. Generally, the educational profile of other family members is somewhat lower in all education categories except in illiteracy incidence which is higher among the head of households (4.38%) than other family members (2.51%). (Table 3-9)

**Table 3-9: Education of Surveyed Population**

Education status	Head of household		Other household members	
	Number	%	Number	%
Pre-school	0	0.00	108	15.98
School student	0	0.00	149	22.04
Illiterate	7	4.38	17	2.51
Incomplete secondary education	2	1.25	6	0.89
Secondary education	81	50.63	251	37.13
Vocational technical training	26	16.25	52	7.69
Higher education	44	27.50	92	13.61
No answer	0	0.00	1	0.15
<b>Total</b>	<b>160</b>	<b>100.00</b>	<b>676</b>	<b>100.00</b>

## Employment, Income Sources and Expenses

82. Employment and income data was collected from 160 households and information is self-reported. A total of 61.88% of the heads of households and 20.71% of other family members are business operators. Other types of employment sectors included health, education, construction and agriculture. A total of 12.5% of the heads of households and 8.73% of other family members are pensioners. Three female heads of household stated their occupation as 'housewife' while the percentage of housewives among other members of households is 15.98 %). The employment data for surveyed households is presented in the following table.

**Table 3-10: Type of Employment**

Type of employment	Head of household		Other households members	
	Number	%	Number	%
Agriculture	5	3.13	18	2.66
Business	99	61.88	140	20.71
Education/health	4	2.50	5	0.74
Government employee	8	5.00	17	2.51
Construction worker	6	3.75	3	0.44
Retired	20	12.50	59	8.73
Housewife	3	1.88	108	15.98
Pre-school/ Pupil	0	0.00	257	38.02
University student	0	0.00	10	1.48
Unemployed	15	9.38	52	7.69
Other	0	0.00	7	1.04
<b>Total</b>	<b>160</b>	<b>100.00</b>	<b>676</b>	<b>100.00</b>

83. The majority of surveyed households have some source of secondary income, while 44.38% do not have any additional income. Pension is the highest source of secondary income, followed by businesses (20%), income from government and other services. Agriculture, labor wages and remittances are not significant source of secondary income for the surveyed households. Table 3-11 illustrates the findings.

**Table 3-11: Secondary Source of Income**

Secondary source of income	Number of households	Percentage
Agriculture	7	4.38
Business	29	18.13
Government /other services	18	11.25
Daily wage labor	2	1.25
Pension	32	20.00
Remittance	1	0.63
No other source of income	71	44.38
<b>Total</b>	<b>160</b>	<b>100.00</b>

84. The analysis show that the differences between male and female primary earners in surveyed households are not significant. Males as the primary income earners are found in 75 households (46.88%) while in 50 (31.25%) households, females are the primary income earners. These differences are even smaller when data on primary income earners among other members of the households are analyzed. Table 3-12 shows that the disaggregation of primary earners by head of household and other family members or simple disaggregation by gender, do not reflect the complete situation in the surveyed households. The data presented in this table clearly show that the household, as one bonded entity, is the main earner of income. In 91.25% of cases, the primary earners are jointly, the head of household, spouse and their adult children.

**Table 3-12: Primary Income Earners Gender Disaggregated**

Primary income earner	Number of households	Percentage
Male	75	46.88
Female	50	31.25
Both	35	21.88
<b>Total</b>	<b>160</b>	<b>100.00</b>

**Table 3-13: Primary Income Earner**

Primary income earners	Number of households	Percentage
Head of the household	4	2.50
Head of the household + spouse	8	5.00
Head of the household + spouse + adult children	146	91.25
No answer	2	1.25
<b>Total</b>	<b>160</b>	<b>100.00</b>

**Table 3-14: Self-reported Monthly Income**

Monthly income (KGS)	Number of households	Percentage
3,000-8,000	12	8.28
8,001-13,000	10	6.90
13,001-18,000	20	13.79
18,001-28,000	30	20.69
28,001-38,000	24	16.55
38,001-48,000	13	8.97
48,001-53,000	15	10.34
53,001-100,000	8	5.52
Over 100,000	13	8.97
<b>Total</b>	<b>145</b>	<b>100.00</b>



85. Data on income was obtained from 145 households. A total of 15 households either did not wish to talk about income or could not calculate it. The explanation in their words was: 'whatever we earn daily, we invest it immediately in stocks, animals or other household necessities'. The data on average monthly income varies greatly from 3,000 KGS to over 100,000 KGS. The lowest and the highest earners account for 8.28% and 8.97%, respectively. Most of the households' income is concentrated in the 13,000-38,000 KGS range per month. (Table 3-14)

86. Income and expenses were self-reported by the surveyed persons. The average monthly expenditure for families was around 35,750 KGS with the largest portion (38.75%) spent on food. The next major expenses are transport and communication, and agriculture accounting for 16.25% and 14.38% of monthly expenses, respectively. Clothing accounts for 11.88% of the households' monthly earnings, on average. There are no major differences in spending on health and education (5.63% and 5.00%), public transport or social obligations. The average monthly expenditure data is summarized in Table 4-15.

**Table 3-15: Self-reported Monthly Expenses**

Self-reported monthly expenses	KGS	Percentage
Food	13,889	38.75
Utilities (gas, electricity)	2,198	6.25
Clothing	4,336	11.88
Health	2,072	5.63
Education	1,670	5.00
Religious traditions /traditional/ social functions	714	1.88
Transport & communication	5,666	16.25
Agriculture (hiring tools, seeds)	5,205	14.38
<b>Total</b>	<b>35,750</b>	<b>100.00</b>

87. A total of 65 (40.63%) households have debt. The majority of households have debt due to investment in businesses. House construction, apartment purchases and home renovations are the main sources of debt for 20% of households. Other needs for which people sought loans include to purchase a car, investment in agriculture, social obligations or emergency situations. Tables 3-16 and 3-17 illustrate the findings in detail.

**Table 3-16: Number of Households with Debt**

Debt	Number of households	Percentage
Yes	65	40.63
No	91	56.88
No answer	4	2.50
<b>Total</b>	<b>160</b>	<b>100</b>

**Table 3-17: Purpose of Debt**

Purpose for loan	Number of households	Percentage
Investment in agriculture	4	6.15
Investment in business	37	56.92
Home construction/ purchase/renovation	13	20.00
Car purchase	6	9.23
Wedding/ social functions	2	3.08
Emergency	3	4.62
<b>Total</b>	<b>65</b>	<b>100</b>

### 3.5 Information and Source of Information about the Project

88. During the SES and census studies, the surveyed population was asked if they heard about the project, how much they know and the sources of their information. Slightly less than 60% of the surveyed population stated that they had general information about the project, 32% had vague information and 9.38% had not heard about the project. The main sources of information regarding the project were the local government administration and road departments' workers, followed by 20.63% of households who received project information from neighbors and acquaintances. (Tables 3-18 and 3-19) Since the completion of the socioeconomic survey, a project information brochure was distributed to each AH, consultations with community members were conducted in all Project Rayons and at present, all LAR affected people have been provided with information about the Project.

**Table 3-18: Information about the Project**

Information about project	Number of households	Percentage
Yes	94	58.75
Somewhat	51	31.88
No	15	9.38
<b>Total</b>	<b>160</b>	<b>100</b>

**Table 3-19: Source of Information about the Project**

Source of information	Number of households	Percentage
Government	69	43.13
Technical surveyors	33	20.63
Newspapers	3	1.88
Neighbors/ friends	33	20.63
Internet	1	0.63
No information	15	9.38
Other	6	3.75
<b>Total</b>	<b>160</b>	<b>100</b>

### 3.6 Impacts of the Project as Perceived by Surveyed Households

89. There were 216 answers on the perceived benefits of the Project. A total of 42.79% think that the improved road will bring better safety and travel convenience. Other stated benefits were reduction in vehicle operation costs, reduction of road accidents and time for transportation of goods and people. The respondents think that access to different facilities, such as access to markets, educational and social facilities, will improve. Out of 160 surveyed people, 15 found it difficult to answer or refused to provide answers about Project benefits. Table 3-20 summarizes received responses.

**Table 3-20: Perceived Project Benefits**

<b>Benefits of the Project</b>	<b>Number</b>	<b>Percentage</b>
Increased volume of transported products	9	4.17
Better access to education facilities	9	4.17
Better access to social services	8	3.70
Better access to markets	16	7.41
Better safety and convenience	86	39.81
Reduction of transportation time	18	8.33
Reduction of road accidents	26	12.04
Reduction of vehicle operating cost	29	13.43
Difficult to answer	15	6.94
<b>Total</b>	<b>216</b>	<b>100</b>

90. There were 210 responses on perceptions of the Project's disadvantages. The most frequently expressed concerns are losses of assets and businesses, a decrease in sales and production, the need to relocate somewhere else and relocate all belongings. People think that the improved road will result in higher speeds and more accidents, noise and air pollution will increase, car parking spaces will be lost and the number of heavy trucks on the road will increase. Also, they think that the road will be too close to residential and other buildings and that they will not be able to work during the relocation. There were 13 surveyed people who could not give any answer on project disadvantages. (Table 3-21)

**Table 3-21: Perceived Project Disadvantages**

<b>Disadvantages of the Project</b>	<b>Number</b>	<b>Percentage</b>
Loss of assets and businesses	55	26.19
Increase in accidents	22	10.48
Relocation and shifting of assets & belongings	51	24.29
Decrease in sales/production	59	28.10
Noise, pollution, less parking space, road too close to buildings	10	4.76
Difficult to answer	13	6.19
<b>Total</b>	<b>210</b>	<b>100</b>

91. In general, surveyed persons are positive about the project and the benefits it will bring. However, their worries about relocation, especially relocation of containers, kiosks and other small business facilities, were clearly voiced.

92. In order to mitigate the impact on movable businesses caused by relocation, and in addition to benefits and allowances agreed under this Project, the time to relocate should be given in advance as much as practicable. The EA committed up to 45 days for relocation after the full amount of compensation is paid to DPs. Also, the local authorities should prepare locations for relocations of metal

containers, kiosks and other movable business structures. The offered locations should be as close to the current location as practicable and close to the road where business activities are more dynamic and the opportunity to earn is higher. It should be noted that by the time of completion of this LARP, some local authorities have already prepared and discussed the relocation plans for affected businesses.

## 4 INFORMATION DISCLOSURE, CONSULTATIONS AND PARTICIPATION

### 4.1 Background

93. According to ADB SPS (2009), the DPs must be meaningfully consulted and provided with opportunities to participate in the planning and implementation of LAR. Under the same principles, the DPs have to be informed in an appropriate and timely manner of the planning process outcomes, as well as the schedules and procedures for the preparation and implementation of the LARP, including entitlements, payment procedure and relocation.

94. The Constitution of the Kyrgyz Republic guarantees the right of the people to access information on activities of state and municipal authorities in the manner prescribed by the law<sup>4</sup>. In addition, it confers citizens the right to receive information on the disbursement of funds from the budget<sup>5</sup>, as prescribed. The Law of the Kyrgyz Republic on access to information held by state bodies and local self-government bodies of the Kyrgyz Republic, requires maximum openness of information, publicity and transparency of the activities of the state and local authorities<sup>6</sup>.

### 4.2 Consultations with Stakeholders and Project Communities

95. During the preparation of this LARP in 2015, the IA conducted ten consultations with the key stakeholders in cities and villages located along the Project road. These include the heads and deputies of Rayon administrations, the heads of Ail aymaks, representatives of the Gosstroy and architecture departments in Rayons, IPIG and Design Supervision Consultant. The main goals of consultations with local authorities were to share information about the Project, ensure local authorities' cooperation during LARP preparation and implementation, prepare the ground for the establishment of the Grievance Redress Groups and the establishment of the Land Acquisition and Resettlement Committees. In total, 117 persons from local authorities participated in 10 consultations. (Table 4-1)

96. The Executing Agency (EA) conducted seven focus group discussions with DPs in the following locations: Belovodskoe, Pavlovskaya, Nurlan market in Pavlovskaya, Petrovka, Aleksandrova, Sadovoe and Sokoluk. The main goals of consultations with affected people were to share information about the project, land acquisition and resettlement framework, ADB SPS (2009), SES and census studies, impact assessment survey, as well as their rights and entitlements. In total, there were 51 DPs representing 28 AHs present at seven focus groups discussions. (Table 4-2)

97. During the SES and census surveys in August/October 2015, interactions with affected households and wider community members were held in many villages along the Bishkek – Kara Balta road Project area. Suggestions were received from them and were incorporated, where possible, in the planning of the project.

98. During the finalization of this LARP in March and April 2016, all AHs received the Project Information Brochure, Government decree on the establishment of GRM, details on the GRM procedure, names and contact details of the focal persons at the local and central levels of the Grievance Redress Groups, information on the assets legalization procedure and information on the Project-specific entitlements. In addition, wide consultations with communities were held in all three Project Rayons where LAR processes were discussed in detail. (Tables 4-3, 4-4 and 4-5) The details on consultations and scanned participant signatures are presented in Annexes 4-1, 4-2 and 4-3.

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<sup>4</sup> Article 33, Chapter II of the Constitution of the Kyrgyz Republic.

<sup>5</sup> Article 52, Part 3 of the Constitution of the Kyrgyz Republic.

<sup>6</sup> Article 1 of the Law of Kyrgyz Republic on access to Information held by state bodies and local self-government bodies of the Kyrgyz Republic.

99. The summary of the consultations with Rayons' stakeholders conducted in the Project area is presented in Table 4-1 below:

**Table 4-1: Consultations with Rayons' Key Stakeholders**

Consultations	Date	Rayon	No of Participants	Key Stakeholders
1	27.02.2015	Sokuluk, Moskovskiy, Jayil	39	Heads of Rayons' administrations
2	06.04.2015	Sokuluk	12	Deputy Heads of Rayon administrations
3	06.04.2015	Jayil	12	Heads of Ail aymaks
4	16.04.2015	Sokuluk	4	Heads of architecture departments in Rayons
5	16.04.2015	Moskovskiy	10	Heads of Gosregister departments
6	16.04.2015	Jayil	7	Eptisa engineers
7	24.04.2015	Sokuluk	9	Eptisa social specialist
8	24.04.2015	Moskovskiy	9	IPIG social specialist
9	29.04.2015	Sokuluk	12	IPIG architect
10	29.04.2015	Moskovskiy	3	Director of the 'Yarmarka' market
<b>Total</b>			<b>117</b>	

100. The summary of the consultations with DPs conducted in the project area is presented in Table 4-2 below:

**Table 4-2: Consultations with DPs**

No of consultations	Date	Villages name	No of DPs	No of AHs represented
1	30.08.2015	Belovodskoe	7	4
2	2.09.2015	Novopavlovka	20	14
3	6.09.2015	Nurlan Market Novopavlovka	4	4
4	8.09.2015	Petrovka	5	1
5	10.09.2015	Aleksandrovka	6	2
6	22.09.2015	Sadovoe	5	2
7	25.09.2015	Sokuluk	4	1
	<b>Total</b>		<b>51</b>	<b>28</b>

**Table 4-3: Consultations with Communities**

No	Date	Location	No of participants		
			Males	Females	Total
1	20.04.2016	Jayil	14	3	17
2	21.04.2016	Moskovsky Rayon	34	11	45
3	22.04.2016	Sokoluk	33	17	50
<b>Total</b>			<b>81</b>	<b>31</b>	<b>112</b>

### 4.3 Summary of the Consultations

101. During the consultations, participants were largely supportive of the project. Presently, the mobility of citizens is constrained by heavy traffic and the time it takes to travel between villages and cities. Hence, the participants understood the need for the project and the benefits it will create. The Project benefits, as perceived by the participants, are summarized as follows:

- Less accidents, better traffic flow and fast and comfortable travel;
- Better access to health facilities for the elderly, disabled and women;
- Improved access to emergency services;
- Improved access to schools, colleges and markets;
- Development of trade, businesses and income generating activities;
- Opportunity to sell handicraft, grains and perishables such as local food and vegetables faster;
- Better varieties of products for daily use, fertilizers and seeds for agriculture;
- More employment for local population;
- Promotion of overall economic and social development of the project area especially in villages.

102. The participants also expressed their opinions about the adverse effects of the proposed project. The main concerns were related to road safety, affected livelihoods, relocation and adequate and timely compensation for losses. The main adverse effects of the proposed project are summarized as follows:

- Displacement;
- Deterioration of health in the elderly, disabled and widows/widowers in affected households due to displacement;
- Affected livelihood of single heads of households, large households with many dependents and households with disabled and elderly people, widows/widowers and other vulnerable groups;
- Loss of livelihood and impact on small businesses;
- Increase in unemployment due to impact on commercial activities;
- Unavailability of residential and non-residential land nearby for home reconstruction and business continuation after displacement;
- Problems associated with dismantling of shops, houses and market complexes;
- Concerns that insufficient time and notice may be given for relocation of the belongings and business materials;
- Land title owners will face difficulties if the local authority did not take accurate measurements of the existing and proposed road and correctly determine actual impact on private land;
- More accidents due to widening of the road at market areas and community centers.

103. The questions and suggestions given by the participants during consultations were focused mostly on relocation and its negative effects on vulnerable individuals, relocation of small businesses, income loss, logistics related to the dismantling and assembling of shops, lack of land for relocation near by the current location and concerns that the DPs will not get enough time to relocate. The following table summarizes people's concerns and suggestions as well as provisions for DPs that the EA will ensure.

**Table 4-4: Community Consultations - Summary of Issues and Available Remedies**

Concerns and Suggestions	Measures to Address Concerns and Suggestions
Displacement.	In accordance with the ADB SPS 2009 requirements, displacement will be avoided whenever possible. If the revision of the road design shows that some impact could be avoided, it will be considered.
The stress of displacement may have adverse health consequences.	The ADB SPS 2009 envisages vulnerability allowances for vulnerable groups or individuals affected by the project. Other allowances that are considered are severe impacts allowances for AHs relocated from residential structures and relocation allowance sufficient to cover transport costs.
Affected livelihood of single heads of households, large households with many dependents and households with disabled, elderly people, widows and other vulnerable groups.	The ADB SPS 2009 envisages vulnerability allowances for vulnerable groups or individuals affected by the project.
Loss of livelihood of small scale businesses.	All attempts will be made to find nearby locations for displaced businesses.
Increase in unemployment due to impact on commercial activities.	The relocation of affected businesses will be organized in a way that will cause minimum disruption for businesses. In addition, relocated businesses will be compensated for loss of income, given relocation assistance, business disturbance allowance and loss of employment for employees as applicable.
Unavailability of residential and non-residential land nearby for home reconstruction and business continuation after displacement.	The local authority will try to allocate locations for business relocation as close as possible to the current locations. However, due to limited available land at some locations, some people may need to relocate somewhat further from their current location.
Problems with the dismantling of shops, houses and market complexes.	Dismantling, transporting and assembling of the shops, kiosks, metal containers will be assisted by the Project. The transport of affected household goods will be paid for.
Insufficient time and notice for relocation of the belongings and business materials.	The DPs, after they receive compensation, will be given 45 days for preparation and relocation.
Land title owners will face difficulties if the local authority did not take accurate measurements of the existing and proposed road and correctly determined actual impact on private land;	The local authorities and the GRC will attend to such cases.
More accidents due to widening of the road at market area and community centers;	Regulated pedestrian crossings will be included in the road design.

104. The participants at consultations gave a range of suggestions which they would like to see integrated into the project planning and road design. The suggestions are as follows:

- Provisions for safe road crossings;
- Adequate compensation for shopkeepers, businessmen, tenants, employees and private and informal affected businesses and properties
- Relocation of shopkeepers on government land or at a nearby location
- Fair compensation for loss of DPs' livelihood and assistance for restoration of income and special support for female-headed households and households with disabled people, elderly people and widows/widowers
- Loan assistance for livelihood restoration, especially for women
- Compensation to be given to affected households before the start of construction works
- Reconstruction of affected public assets, bus stops etc.
- Early notice and sufficient time for relocation of belongings and resettlement of business materials
- Employment opportunities for the affected persons in the Project



- Planting of trees alongside the proposed road
- Construction of drainage and water systems in the area

**Table 4-5: Questions and Answers at Consultations with Communities**

<b>Community Consultations on 20-22 April, 2016</b>	
<b>Questions</b>	<b>Answers</b>
We closed up shop in 2013. Will we get any compensation?	In May 26, 2014, your government announced a moratorium. This is the cut-off-date for this project. It means that all people who were in the project corridor by that date, will be compensated. Anyone who moved in after that day, will not be eligible for compensation.
According to the agreement we have to shift a pavilion at our own cost. I have no claims.	The shifting of the containers will be organized under the Project.
If you remove a bus stop where will I go?	You should look for a new place for your business. There will be no small shops at the new bus stations. Evaluators will calculate replacement cost compensation. You cannot put your new business near the road as happened before.
What kind of loss will we incur if the ayil okmotu provides us with a new place?	Loss of business. All losses except for illegally used land, will be calculated for compensation as per the agreed entitlement matrix.
Local authority representative (ayil okmotu) on previous question on providing new places for affected businesses: Do DPs have permissions for business? We can provide new place for people with a license/patent for business. What we can do if, for example, the local authority provided another land plot but an affected person does not like it. What can be done if he does not agree?	Illegal business are also entitled for some compensation. Amicable negotiations for the new locations should be
If we need land, should we ask the Ministry of Transport or ayil okmotu?	Land in the RoW should not be given after the construction. There will be parkways.
What is the road construction period?	Approximately three years. The resettlement completion will take around 2-3 months. Relocation will be carried out by the contractor. If the DPs receive money for relocation, they will self-relocate within the given time. The notice will be a maximum of 45 days for vacating residential and large non-residential buildings, but for containers, a couple of days' notice will be given.
I have a pavilion and it is not difficult to shift it. It will take just 2 hours. But if it is located far from the road, further than those businesses which are not affected, what are our options?	Each Ayil aymak will prepare a plan for relocations and will try to allocate land as close as possible to the original location.
We have a pavilion. We do not obstruct the road, so why do we have to be moved? Why do you do not clean the parking area? It is the most crowded place. We cannot cross the road. Also, there is a market constructed recently near the road. They are illegal and I constructed a pavilion myself and now they want to take back my land. Who will come to us to buy something?	The final design is completed and I believe that all required standards have been considered. However, could you please put your grievance in writing and bring it to the MoTC?
What will happen if we do not agree with the amount of compensation?	There is a grievance redress procedure and everything should be fair/document-based.
There are those who rent-out their properties - you will pay only to them?	The owners-renting out their properties will be compensated for loss of rent, land plot or/and structures. The renters will be compensated for losses they have.
What is the entitlement period to be covered by compensation?	One month of compensation for loss of income for temporarily affected businesses. In case of bigger businesses – compensation for up to 1 year, as for example, a petrol station in your rayon. In general, from 1 month to 1 year.
Amount of compensation for 1 month loss of income will be disputable. When a person losses his business,	A container can be easily moved. We will give maximum compensation for movable business losses for one month. According to ADB requirements, trees, plants, fences and

<p>he losses clients and needs time until he gets new ones. Will the fences be compensated also?</p>	<p>improvements on land, shall be compensated. Those who do not have required documents proving the title and ownership, will get minimal payments as per the entitlements framework.</p> <p>We talk about legal and illegal business. It is necessary to provide some documents, if possible, to legalize assets. If you cannot legalize your assets and rights, a minimum compensation amount as per the entitlement matrix and relocation of the container/kiosk will be calculated.</p>
<p>We have a question about pedestrian underpasses. We need a traffic light and two pedestrian underpasses near the school. At what stage is the bidding process in now? You have been telling people about this project for 3 years already?</p>	<p>It is a long process. There is a planning period, then other necessary procedures which take time. During the construction works, a contractor will submit its own work plan. As for the pedestrian underpasses, we consider 8 additional underpasses. We will take into account all your letters-requests about pipes, traffic lights. We removed street lighting but the Minister requested to include it.</p>
<p>What about parking places for taxi drivers? How can we access the parking spots? It means that we have to far forward, then turn back and access parking or other services.</p>	<p>There will be parking for taxis. There will be accesses constructed. An access is planned at every 250 m, so people will not have to go far to have an access.</p>
<p>The most important issue for us is when will construction start? The first issue – We work, but the Department of Architecture has not given us a Document (architectural and planning assignment - APA) for the last two years. They say that the road reconstruction is ongoing. We extended the APA every year, but since 2014 we cannot get it from the Department of Architecture. We have to demolish it. There is a functioning trade center but we have no documents. We work, no problems, but no documents. Architecture does not give APA. What should we do?</p>	<p>Permission is not given since May 26, 2014. But was it legal before that date? If so, it is considered as legal.</p>
<p>We have no documents and now we have to collect the documents. They should give us an APA (architectural and planning assignment)?</p>	<p>You will not be given these documents until completion of the road construction. Compensation will be paid on a legal basis. Ayil okmotu shall provide a new place to move the asset. If DPs refuse from shifting to another place, they have to be relocated.</p>
<p>When will the construction start? We cannot construct, repair anything.</p>	<p>Bid was announced on 15<sup>th</sup> December 2015. As The bid was announced on 15 December 2015. As soon as the bidding procedure finishes and the resettlement plan is implemented, construction will start.</p>
<p>Is there compensation for those whose business will be interrupted/stopped?</p>	<p>You will not be affected. During the construction period, access to businesses will remain. It is possible that during the construction, half of the road will be closed for a month or 20 days, but not fully; access will be unimpeded. Contractors shall ensure passage. After the bidding process, a Contractor shall show us the work plan, and we would like to tell you that starting from that date, we will work on the site and we will inform people. This will be during the construction phase.</p>
<p>I am sorry, I did not understand to whom we should address our questions, complains etc.?</p>	<p>The contact person's details are in the brochure we have given you.</p>
<p>Many do not have any assets documents and half of people did not manage to register the documents in Gosregister by 26 May, 2014.</p>	<p>The Moratorium applies to new buildings and structures. Businesses that have legal documents will be compensated fully and businesses without legal documents will be compensated as per the entitlement matrix.</p>
<p>Half of my house is subject to demolition, the other half isn't. It means, if you demolish one half of my house I will not be able to use the other half anymore.</p> <p>And what about if we do not want to build a house on the same land plot?</p> <p>And will the whole house be compensated?</p>	<p>It is a half-house – Ismailova and Kurmanbaeva. The whole house will be demolished. We estimated an area of 7 meters from the road plus the area of the land plot will be taken. If 7 meters are impacted we cannot leave it as it is. We will estimate the cost of the whole house.</p> <p>Only a small part of the land will be taken. You can build a new house on the remaining land. So, we will calculate the cost of construction of a new house without depreciation.</p>

	<p>It is your right. You will get compensation and decide yourself whether you will build a house on the same land or another.</p> <p>We explained the compensation principles. Part of the house cannot be demolished; the whole house should be demolished.</p>
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#### 4.4 Information Disclosure

105. During the SES and census surveys, apart from information disclosure through the consultations, the Project Brochure, the Government Decree on GRM, the GRG focal persons' details, and Government Decree on the cut-off-date were distributed to the DPs.

106. Additionally, during the LARP implementation, public meetings will be organized by the safeguard unit of IPIG to disclose the LARP in each of the affected villages and to inform the DPs about the Project, their entitlements, grievance redress mechanism and arrangements for relocation. Particular attention will be paid to disadvantaged or vulnerable groups, especially those below the poverty line, the elderly, female-headed households, women and children etc. In the case of vulnerable households, a separate focus group discussions and house visits, if needed, shall be conducted during the LARP.

107. During the Project implementation and monitoring, the following information disclosure actions are planned:

- Uploading of the LARP in English on the ADB website
- Distribution of copies of the LARP in the Kyrgyz or Russian language in the local authorities' offices
- Posting of the final approved LARP in the Kyrgyz and Russian languages on the IPIG website
- A final Project Information Pamphlet providing a summary of impacts, implementation arrangements, allocated new site for business relocations, arrangement for relocation and self-relocation and LARP compensation policy, will be provided to all APs immediately after the final approval of the LARP.
- In case of changes in project design, which may result in changes of resettlement impacts, a re-evaluation and updating of the LARP will be undertaken. The updated LARP will be disclosed to the displaced persons, endorsed by the EA and submitted to the ADB for approval prior to the commencement of construction in the section(s) where the design has been changed. The updated and approved LARP will be uploaded on the ADB and MOTC website.
- Corrective action plans will also apply to design variations effected or any omission detected once the construction has commenced.

## 5 GRIEVANCE REDRESS MECHANISM

### 5.1 Objectives

108. The LARP includes in its scope the establishment of a responsive, readily accessible and culturally appropriate grievance redress mechanism (GRM) capable of receiving and facilitating the resolution of affected persons' concerns and grievances related to the project. The GRM is a formalized way for the IPIG to identify and resolve concerns and DPs' grievances. It offers the DPs a forum to voice their concerns, seek clarifications to their queries, or register complaints related to the project's performance. The scope of the GRM addresses issues related to involuntary resettlement, social and environmental performance, and information disclosure.

109. The DPs will have the right to file complaints and/or queries on any aspect of the project, including land acquisition and resettlement. Under the adopted grievance mechanism, the DPs may appeal any decision, practice or activity related to the project. All possible avenues will be made available to the DPs to voice their grievances. The IPIG will ensure that grievances and complaints on any aspect of the project are addressed in a timely and effective manner.

110. The fundamental objectives of the Grievance Redress Mechanism are:

- To reach mutually agreed solutions satisfactory to both, the Project and the DPs, and to resolve any grievances locally, in consultation with the aggrieved party;
- To facilitate the smooth implementation of the LARP, particularly to cut down on lengthy litigation processes and prevent delays in Project implementation;
- To facilitate the development process at the local level, while maintaining transparency as well as to establish accountability to the affected people.

111. The establishment and development of the GRM went through the following steps:

- MOTC Order No 148 from July 10, 2013 instructing establishment of the GRM;
- MOTC Order No 135 from May 26, 2014 to update the GRM and activate the GRGs
- MOTC Orders No 25 and 28 dated on January 29, 2016 to update the GRM and update the list of the GRG members. (Annex 5-1)

112. The GRM covers issues related to social, environmental and other safeguard issues under the ADB safeguard covenants and Kyrgyz law.

### 5.2 Grievance Redress Group (GRG)

113. The Grievance Redress Groups are established at the local and central level and will function for the duration of project implementation. The local level GRG is established at each of the three Rayons in the Project area. The GRG at the central level is established at the MOTC in Bishkek. The Local Person of Contact (LPC) is appointed at each Ayil-aymak located along the project road. The names and contact telephone numbers of the LPC at the local level and at the central level, are included in the Project Information Brochure and distributed to each DP before the consultations with communities, to all participants at the consultations and made available to all people in the Project area. (Annex 4-4)

114. The grievance redress mechanism (GRM) involves the following appeals stages:

## Local (Village) Level

115. The GRG at the local level is comprised of the following members:

**Table 5-1: Composition of the Local GRG in Sokoluk**

LOCAL POINTS OF CONTACT IN SOKOLUK RAYON				
Ail Okmotu	City/ Village	Name	Position	Contact
Krupskoy	<b>Sokoluk</b>	<b>Chinibaev Artur Talantbekovic</b>	<b>Use of land specialist</b>	<b>Tel: (3134)0557-63-63-57</b> <b>(3134) 5-45-8</b>
Sokolukskiy	Sokoluk	Kazimbekov Talant Riskulbekovich	Use of land specialist	S. Sokoluk ul. Mira 82 a Tel: (3134)551-00-87-47 (3134) 5-24-65
Gavrilovskiy	Gavrilovka Romanovka	Bayake Uulu Bolot	Statistics Economist	Tel: (3134) 709-75-52-59 (3134) 555-10-08-06
Voenno-Antonovkiy	Voenno-Antonovka	Musabaev Shabdan Tashinovic	Deputy head of use of land	Tel: (3134) 773-20-10-98
Shopokovskiy	Shopokov	Velicko Vera Timofeevna	Deputy head of use of land	Tel: (3134) 555-89-71-98 (3134) 5-86-87
Novopavlovkiy	Novopavlovka	Baizigitov Erlan Aftondilovich	Deputy head of use of land	Ul Kupyanskaya No 80, Bishkek Tel: (3134) 552-28-89-92

**Table 5-2: Composition of the Local GRG in Moskovskiy Rayon**

LOCAL POINTS OF CONTACT IN MOSKOVSKIY RAYON			
Aiyl aimak	Name	Position	Contact
Aleksandrovski a/a, v. Aleksandrovka	Sushanlo Sh. I.	Head of aiyl okmotu	Tel: (03131) 6-96-21
	Khiyazov Dj. Yu.	Leading land surveyor	Tel: (0770) 26-30-10
Sadovski a/a, v. Sadovoye	Doletkulov M.T.	Head of aiyl okmotu	Tel: (03131) 6-35-23
	Moiseenko N.I.	Lawyer	Tel: (03131) 6-32-70
	Kemalu D.N.	Land surveyor	Tel: (03131) 6-35-23
	POlivanov S.A.	Deputy of aiyl kenesh	Tel: (03131) 6-35-23
Petrovski a/a, v. Petrovka	Astarov D.B.	Head of aiyl okmotu	Tel: (03131) 6-67-00
	Valiyeva Z.T.	Executive secretary	Tel: (03131) 7-00-55
	Zamyatina N.B.	Land surveyor	Tel: (0313) 16-67-51
	Kholina M.A.	Tax auditor	Tel: (0313) 16-66-81
Belovodskoye a/a, v. Belovodsk	Zhantayev M.Sh.	Director of municipal enterprise "Taza Petrovka"	Tel: (0556) 60-75-85
	Kazygulova A.Dj.	Acting head	Tel: (0313) 15-73-50
	Asanalieva A.T.	Land surveyor	Tel: (0557) 37-34-44

**Table 5-3: Composition of the Local GRG in Jail Rayon**

LOCAL POINTS OF CONTACT IN JAIL RAYON				
Ail Okmotu	City/ Village	Name	Occupation	Contact
Jail	Novonikolaevka	Umetaliev K.T.	Head of Ak-Bastanskova local municipality	Tel: 0553-044-171
		Saginbaev N. S.	Housing and utilities sector	Tel: 0701-579-901 Tel: 03133-6-53-14
	Poltavka	Kerimov V.K.	Head of Poltavskova local municipality	Tel: 0556-880-592
		Mambetov C. B.	Housing and utilities sector	Tel: 0554-282-654 Tel: 0313-358-321

**Central Level**

**Table 5-4: Composition of the Central Level GRG**

CONTACTS AT THE CENTRAL LEVEL	
Renata Esembaeva, PR Manager- IPIG MoTC, 42 Isanova Str. Bishkek 720017 Tel: 31-40-54	Mamaev Kubanychbek, IPIG Director MoTC, 42 Isanova Str. Bishkek 720017 Tel: (0312) 97-09-70 Fax: (0312) 31-43-78 e-mail: Bishkekoshroad@infotel.kg
Ruslan Satybaldiev, IPIG Regional Coordinator MoTC 42 Isanova Str. Bishkek 720017 Tel: (0553) 50-40- 41 e-mail: RSatybaldiev@piumotc.kg	<b>Nurzada Kartanbaeva -IPIG Safeguards Specialist MoTC,</b>  <b>42 Isanova Str. Bishkek 720017</b>  <b>Tel: (0772) 31-43-56</b>  <b>e-mail: NKartanbaeva@piumotc.kg</b>
Abdygulov Asylbek- IPIG env. specialist, MoTC, 42 Isanova Str. Bishkek 720017 Tel: (0312) 31-43-56 e-mail: <a href="mailto:asylbekA@piumotc.kg">asylbekA@piumotc.kg</a>	Project Information and the disclosed Resettlement Plan will also be accessible on IPIG and MOTC websites: <a href="http://www.piumotc.kg">www.piumotc.kg</a> and <a href="http://www.mtc.gov.kg">www.mtc.gov.kg</a>

### 5.3 Grievance Resolution Process

116. The LPC of the GRGs will be regularly available and accessible to DPs and other project affected people. The grievances will be first lodged at the level of the complainant's village/community. The complainant will report the case to the Local Point of Contact (LPC.) The LPC will register the grievance and screen the grievance for eligibility. If eligible, the LPC will organize the Local Grievance Redress Group (GRG) meeting. The GRG will assess the situation and seek a solution through consultation with complainants. At this stage, the GRG should attempt to resolve the grievance within 10 working days from the day the grievance was lodged. All supporting documents, such as, photographs, required certificates, legal and technical expert opinions if required, should be prepared, reviewed and assessed. Once the complaint is resolved, the GRG will organize a complaint closure meeting, where the complainant(s) confirms the closure of the complaint. The IPIG representative will oversee the resolution of the complaint. For deliberations at the local level, the meetings will be held in the village of the complainant. If the case of a complex complaint where experts opinions are required, additional time may be allocated. This will be clearly communicated to the complainants(s).

117. The LPC will assist the complainant(s) to formally lodge their claims to the GRG. The complaints and grievances will be addressed through the process described in Table 5-3 below.

**Table 5-3: Grievance Resolution Process**

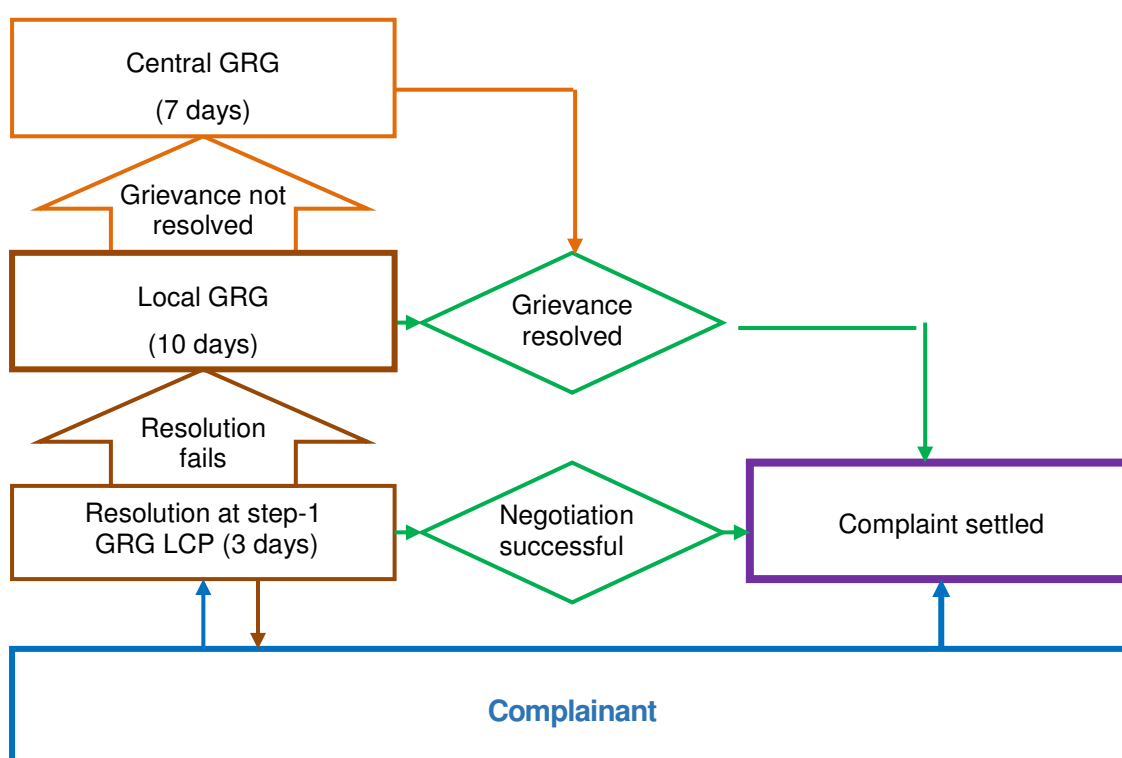
Steps	Action level	Process	Timeline
Step 1	Resolution	In the initial stage, the LPC will hear the aggrieved person and try to suggest acceptable solutions. If any complainant is not satisfied with the solutions, they will then lodge a written account of their grievances to their local GRG within three days.	3 days
Step 2	GRG Resolution	<p>After receiving a written complaint, the LPC will review and prepare a Case File for the GRG hearing and resolution. A formal meeting will be held with the GRG at a date fixed by the LPC in consultation and the complainant(s).</p> <p>On the date of the meeting, the DP will appear before the GRG at the office of concerned Ayil-aymak, present the case and produce proof (if available) in support of his/her claim.</p> <p>The LPC will record the statements of the complainant, get supporting documents proving the complaint and organize the GRG meeting to discuss the case.</p> <p>The decisions from the majority of the members will be considered final by the GRG and will be issued by the LPC and signed by other members of the GRG. The case record will be updated and the decision will be communicated to the complainant by the LPC within 10 working days of the complaint submission.</p> <p>If the complainant is not satisfied with the solutions, the LPC will lodge the grievances in writing to the central GRG at the MoTC with conclusion and supporting documents prepared at the local level.</p>	10 days
Step 3	Resolution at Central GRG	After receiving a written complaint, the central level GRG Chairperson will review and prepare a case file for the GRG hearing and resolution. A formal hearing will be held with the GRG at a date fixed by the GRG Chairperson and the complainant. GRG members will contact the complainant and visit his/her village. Decisions reached by the majority of the members will be considered final by the GRG and will be issued by the GRG Chairperson and signed by other members of the GRG. The case record will be updated and the decision will be communicated to the complainant by the IPIG Project Coordinator within 7 days.	7 days

Note: Allocation of time for grievance resolution is based on the Ministerial Order No 25 on 29 January, 2016. (Annex 5-1)

118. If the complainant is not satisfied with the decision of the central level GRG and is willing to continue with the process, s/he can register/file the case in a court of law, whose decision will be final. All efforts will be made to settle the issues at the IPIG level. All complaints and resolutions will be properly documented by the IPIG and made available for review, monitoring and evaluation purposes.

119. In addition, the complainant can appeal the decision and bring the case to the ADB Accountability Mechanism. The project level GRM does not in any way, impede the access of the complainants to the ADB Accountability Mechanism (AM)<sup>7</sup> or the country's judicial or administrative remedies. Should the complainant wish to register a complaint with the ADB AM, the focal person should provide the complainants the ADB AM contact information. The grievance redress process is shown in Figure 5-1 below.

**Figure 5-1: Grievance Redress Process**



120. GRM proceedings may need one or more meetings for each complaint and may require field investigations by specific technical or valuation experts. Grievance cases shared by more than one complainant may be held together as a single case.

121. For appeals at the central level the meetings will be carried out at the MOTC office in Bishkek with field trips of GRG members to the village of the complainant.

122. At each level of appeal, the GRG will be assisted, as required, by the professional capacity needed to solve specific cases. This may include among others:

- Representatives of State Rayon Administration
- Representatives of the Rayon Branch of the State Agency for Architecture and Construction
- State Registration Services of the Rayon

<sup>7</sup> ADB Weblink: [www.adb.org/site/accountability-mechanism/main](http://www.adb.org/site/accountability-mechanism/main)



- Ministry of Architecture
- State Agency for Environment and Forestry
- Ministry of State Property
- Technical expertise from professional engineers

#### **5.4 Duties of GRG Members**

##### **Local Point of Contact (LPC)**

123. Once the LPC receives a written notification of a complaint s/he will:

- Based on the simple screening procedure, assess the grievance and determine if the grievance is eligible for the GRM; if eligible, register the grievance in the complaints logbook;
- Draft a grievance memo to be signed by the complainant and the LPC indicating name of the complainant, date and place of presentation of complaint, description of complaint and supporting documents, if any;
- Send the complaint memo to all members of the local level GRG, summon them for a GRG meeting and establish the date of the first and (if needed following) grievance redress meetings;
- Request that village authorities organize the meeting(s);
- Convey requests and enquiries of the complainants to IPIG/MOTC and to the other members of the GRG at the local level;
- Maintain records of each meeting and each communication between the LCP/GRG and the complainants;
- Ensure agreements reached by the GRG are implemented and that the follow-up actions are taken to address residual issues, as needed;
- Participate as a witness to appeal cases at all levels;
- Ensure the administrative and organizational support for GRG members to work.

##### **Road Maintenance Unit (RMU) Representative**

124. Once notified of a complaint and summoned by the LPC to a grievance meeting the RMU representative will:

- Participate in all grievance meetings, provide opinions and case analysis;
- Visit the field to become familiarized with the grievance;
- Accompany assessment/valuation specialists in the field;
- Ensure that claims from damages due to construction works are reviewed by the RMU and technical experts and addressed appropriately;
- Based on the GRG decision and understanding of the case, prepare the final grievance report and recommendations to be sent to complainant, other GRG members and the IPIG. The report may indicate that: i) the case is solved without further action; ii) that the case is solvable but requires compensation or other action or iii) that the case remains unsolved.
- Assist the complainant who wants to lodge the complaint at a higher appeal level, inform IPIG/MOTC and proceed with the organization of the redress meeting at the central level.

##### **Representatives of the Affected Community**

125. Two representatives from the affected community will participate in all GRG meetings and will:

- Participate in all grievance redress meetings;
- Provide relevant information related to the submitted complaints;
- Provide other GRG members as relevant with a position note to be reflected in the final meeting report.

##### **Supervision Consultant Resettlement Specialist**

126. Once notified of a complaint and summoned by the LPC to a grievance meeting the Consultant will:

- Participate to all grievance meetings, provide opinions and analysis;
- Accompany eventual assessment/valuation specialists in the field,
- Provide other GRG members as relevant with a position note to be reflected in the final meeting report.

### **Ombudsman**

127. Once notified of a complaint and a called by the LPC to a grievance meeting at the local level, the Ombudsman will:

- Monitor the complaint handling process and ensure that decisions made by the GRG are impartial and fair;
- Provide independent opinions and recommendations related to the decision made on the case by the GRG;
- Advise the complainant(s) on their rights and entitlements, as necessary;
- Participate in all GRG meetings and site visits;
- Prepare a position memo at the end of the meeting(s) and forward to the LPC/chairperson of the GRG.

### **GRG Chairperson / Head of IPIG of MoTC**

128. Once notified that a complainant has lodged an appeal case at the central level, the GRG chairperson will:

- Review the local level GRG decision;
- Invite the GRG members to the meeting;
- Chair the GRG meetings and ensure that the minutes of the meeting are taken and shared with all relevant parties;
- Inform the aggrieved person of the GRG's decision;
- Ensure the administrative and organizational support for GRG members to work;
- Support the decision made by the GRG and follow up to ensure action is taken.

### **IPIG Project Coordinator**

129. Once notified that a complainant has lodged an appeal case at central level project coordinator will:

- Participate in the appeal meeting, provide opinions and analysis;
- If needed, request additional assessment/valuation specialists' opinions and accompany them in the field;
- Request that the chairperson organizes meetings, as necessary;
- Ensure a proper IPIG Complaint Register is maintained.

### **Representatives of IPIG Safeguards Unit**

130. Once notified that a complainant has lodged at the central level, the representatives of IPIG safeguard and technical unit will:

- Participate in GRG meetings at local and central level;
- Prepare the chronology of events to understand the sequence of developments prompting the complaint;
- Provide opinion on resettlement impacts claimed by the claimant;
- Request that the chairperson organizes meetings, as necessary;
- Maintain communication between the GRG and the complainants.

## **Technical Experts**

131. When requested by the IPIG to provide a technical expertise for the assessment of an impact claimed by a complainant, the relevant technical expert will:

- Examine the case, perform relevant tests or an investigation;
- Prepare a short report based on the results of the examination completed;
- Recommend if further or additional legal opinion or expertise is needed to make a judgment on the substance of the case.

## **5.5 GRG Complaint Register, Records and Documentation**

132. The IPIG of the MoTC will maintain the complaint register. This will include a record of all complaints for regular monitoring of grievances and results of services performed by the GRGs for periodic review by the ADB. The GRG Grievance Mechanism Form can be found in Annex 5-2.

## 6 LEGAL FRAMEWORK OF THE KYRGYZ REPUBLIC

133. The legal framework of the Project is based on the legislation of the Kyrgyz Republic related to Land Acquisition and Resettlement (LAR) and ADB's Safeguards Policy Statement (2009), (ADB SPS (2009)).

### 6.1 Enforcement of the Financing Agreement and ADB SPS 2009 in the Kyrgyz Republic

134. Constitution of the Kyrgyz Republic is the principal and supreme law to which all other Kyrgyz laws must conform. According to the Constitution, international agreements to which the Kyrgyz Republic is a party that have entered into force under the established legal procedure shall be the constituent part of the legal system of the Kyrgyz Republic<sup>8</sup>. Enforcement of an international agreement may be done through its signing, exchange of notes and letters, ratification, approval, accession to an international agreement, or other way agreed by the parties of such international agreement<sup>9</sup>.

135. Financing Agreement between the Kyrgyz Republic and Asian Development Bank dated 17 January 2014 enforcing LAR requirements under ADB SPS 2009 has been enforced through its ratification by the Law of the Kyrgyz Republic dated 13 June 2015<sup>10</sup>, as international agreements providing rules other than the rules provided in the constitutional laws, codes or laws of the Kyrgyz Republic have to be ratified.

136. One of the provisions in the Financing Agreement that provide other rules than the rules provided in the legislation of the Kyrgyz Republic is para. 5 of Schedule 4 of the Financing Agreement, which requires:

*“without limiting the application of the Involuntary Resettlement Safeguards of ADB SPS 2009 or the LARP, the Beneficiary shall cause MOTC to ensure that no physical or economic displacement takes place in connection with the Project until: (a) compensation and other entitlements have been provided to affected people in accordance with the LARP; and (b) a comprehensive income and livelihood restoration program has been implemented.”*

137. As the Financing agreement has been ratified, the law indicated above, the requirements of ADB SPS 2009, including the Involuntary Resettlement Safeguards shall be required for implementation within the Project within the legal framework of the Kyrgyz Republic.

### 6.2 LAR Legal Framework of the Kyrgyz Republic

138. Legal framework of the Kyrgyz Republic consists of the following normative legal acts having the listed enforcement hierarchy<sup>11</sup>:

- Constitution of the Kyrgyz Republic, law introducing amendments and additions to the Constitution;
- Constitutional Law;
- Code;
- Law;

<sup>8</sup> Part 3 of Article 6 of the Constitution of the Kyrgyz Republic dated of 27 June 2010.

<sup>9</sup> Article 5 of the Law of the Kyrgyz Republic on International Agreements dated of 24 April 2014, last amended 9 June 2015.

<sup>10</sup> For the purpose of this legal analysis, the given reason has been identified as a requirement for ratification of the Financing Agreement. However, please note, that the Financing Agreement has been ratified due to enforcement of financial obligations to the state budget and other reasons provided in the Article 11 of the Law of the Kyrgyz Republic on International Agreements dated of 24 April 2014, last amended 9 June 2015.

<sup>11</sup> Article 3 of the Law of the Kyrgyz Republic on Normative Legal Acts dated of 20 July 2009, last amended on 7 July 2014.

- Decree of the President;
- Resolution of the Parliament;
- Resolution of the Government;
- Acts of National Bank; Central Commission on Elections and Conducting Referendum;
- Normative legal acts of state authorities having the delegated legislative authority with the relevant act;
- Normative legal acts of representative local authorities.

## Constitution

139. The Constitution of the Kyrgyz Republic provides that:

- The Kyrgyz Republic recognizes diversity of ownership forms and guarantees equal legal protection to private, state, municipal and other types of ownership (Article 12, Clause 1).
- Land can be in private, municipal or other types of ownership with the exception of pasture lands that cannot be held in private ownership (Article 12, Clause 5).
- Ownership is inviolable and no one can be dispossessed of its property arbitrarily. The property can be acquired by the state against the person's (party's) will only based on the court's ruling (Article 12, Clause 2)
- Acquisition of property for public purposes, as defined in the national laws, can be carried out only through the court's ruling and with the fair and prior payment of compensation for the affected property as well as other costs (Article 12, Clause 2).

## Civil Code

140. The Civil Code. Part 1 (dated of 8 May 1996; last amended on 30 July 2015) provides that: a party whose rights are violated can claim full compensation for its losses, unless the national legislation or agreements (contracts) prepared in line with the national legislation indicate the contrary (Article 14, Clause 1). The Civil Code also specifies that compensable losses include:

- Costs that the party concerned has incurred or was going to incur for reinstating the party's violated right (Article 14, Clause 2)
- Losses or damages of the property (Article 14, Clause 2)
- Lost profit that the party was supposed to receive under normal conditions, if the party's rights were not violated (opportunity costs) (Article 14, Clause 2)

## Land Code

141. The Land Code (dated of 2 June 1999; last amended on 28 July 2015) provides that:

- Land can be acquired (purchased) for state and public purposes based on agreement between the authorized body and land owner or land user. In case the land owner or land user disagrees with the acquisition (purchase), the authorized body can within 2 months turn to the court with the request to carry out the acquisition with the payment to the owner or land user the compensation for the land (Article 68, Clause 1)<sup>12</sup>.
- When determining the compensation for the land being acquired, it (compensation) should reflect the market value of the right to the land and associated structures, losses that the land owner or land user incurs and liabilities to the third parties (Article 68, Clause 3).
- When acquiring the land for state or public purposes with the consent of the land owner or land user, owner/user can be allocated replacement land with the value of this land to be counted towards compensation for the land acquired (Article 68, Clause 4).
- The Land Code specifies instances when the right to the land and associated structures can be terminated. These include:

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<sup>12</sup> There are certain exceptions to application of this mechanism, such as land plots provided for servicing a housing building and for private subsidiary farming shall not be involuntarily resettled for state, municipal and public needs per Part 6 of Article 32 of the Land Code of the Kyrgyz Republic dated of 2 June 1999; last amended on 28 July 2015.

- a) Failure to use the land according to its targeted purpose<sup>13</sup>
- b) Land needed for state or public purposes;
- c) Non-use of land provided for agricultural use for three years;
- d) Failure to use land provided for non-agricultural purposes for the period indicated in the original provision;
- e) Non-payment of land taxes;
- f) Non-payment of social taxes;
- g) Annulment of license for mining on the basis of the Kyrgyz Republic's mining law.

142. A court decision is required to officially terminate the rights to land and associated structures for instances 1 through 4. The acquisition of the land under instances 1 through 4 (above) can be effected only after compensating the costs of the rights termination and associated costs (Article 49, Clause 4).

143. According to Article 49, Clause 1, unless the legislation, land title or lease contract indicates the contrary, the land owners or user can have the right to:

- Use land based on owner's/user's own discretion and in accordance with the targeted purpose of the land (Article 49, Clause 1, sub-Clause 1)
- Build structures on the land, according to its targeted purpose, following established procedures and meeting architectural, construction, environmental, sanitary, fire safety and other requirements (Article 49, Clause 1, sub-Clause 6)
- Claim compensation for losses suffered, as specified by the Kyrgyz Republic legislation (Article 49, Clause 1, sub-Clause 5.)

144. Finally, the Land Code (Article 78, Clause 2) specifies the use regime with regards to the *lands of common use*. It particularly indicates that *lands of common use* in settlements/towns/villages (e.g. roads, streets, squares, sidewalks, driveways, park bands, boulevards, mini parks, water bodies, etc.) cannot be in private ownership, and only in exceptional instances can be rented by the authorized state body to legal entities and individuals for maximum of 5 years. The authorized state body may permit construction of light (not capital) structures on lands of common use (Clause 78, Clause 3).

#### **Law on State Registration of Property Rights and Associated Transactions (26 November 1998, last amended on 9 July 2013)**

145. The law provides that the State recognizes and protects the property rights and encumbrances, which are registered following the legally established procedures (Chapter 1, Article 1, Clause 1). Any right establishing document or document that relates to the property rights or encumbrances should be registered within 30 days since the abovementioned document was produced or prepared (Chapter 1, Article 7, Clause 1). The property rights and encumbrances which are subject to the mandatory registration include (Chapter 1, Article 4):

- Ownership rights;
- Management rights;
- Use rights;
- Perpetual (term less) right for the land plot;
- Property rights arising from the mortgage or collateral related obligations;
- Temporary rights, lease or sub-lease for a period of 3 or more years;
- Servitudes;
- Encumbrances on property rights related to designing, construction, and maintenance of the property;
- Property rights arising from the court decisions;
- Rights to use the national resources;
- Rights arising from the legalization of the property.

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<sup>13</sup> <sup>13</sup> The use of land according to its targeted purpose is the use of the land according to the purposes specified in the title, lease agreement, or other officially endorsed documents (Article 2, Clause 30, Land Code 1999). The rights to the land can be terminated

146. The property rights, which are not subject to the registration, but are recognized and protected by the State include (Chapter 1, Article 6):

- Access rights to the communication lines, pipelines, geodesic localities, and other pieces of infrastructure meant for public use;
- Rights of spouses, children, and other individuals;
- Temporary rights, lease or sub-lease for a period of under 3 years;
- Actual use rights for the primary or preferential use of the property;
- Rights arising from the taxation requirements;
- Encumbrances arising from the common rules on healthcare, public safety, environmental protection etc.

#### **Law on Grievances (dated 4 May 2007, last amended on 17 February 2015)**

147. The Law on Grievances (23 March 2007, last amended on 9 July 2013) provides that the grievance from the Kyrgyz Republic citizens should be registered, given due consideration, and addressed in an equitable, timely and accountable manner (Article 2 and 4). The grievance registered with the state agency or the local government should be processed within no more than 30 days (Article 8). For the grievance to be given due consideration, it should be filed in written, showcasing the substance of the complaint and, if necessary, supported by the relevant documentation (Article 4 and 5). The grievance submitted should be processed and resolved strictly following the relevant national laws and regulations (Article 11).

#### **Law on Automobile Roads (dated 2 June 1998, last amended on 3 August 2015)**

148. According to the Article 4 of the Law on Roads (2 June 1998, # 72, last amended on 26 July 2011) roads of common use can only be in state ownership and cannot be sold or held in private ownership. The same Law (Article 27) provides that unless prior permit is given by the State Traffic Inspection and the Ministry of Transportation and Communication, the following activities are prohibited on the right-of-way of common use roads:

- Organizing trading outlets along the roads
- Buildings, kiosks, pavilions and similar structures

149. The arbitrary use of the lands within right-of-ways can be discontinued without compensating the illegal user(s) for the costs incurred for the duration of the unauthorized use of these lands (Article 23).

#### **Regulation on Assets Valuation**

150. The valuation of the assets is carried out on the basis of the Temporary rules for the valuers and valuation companies (Government Resolution, as of 21 August 2003, # 537), Valuation standards for the valuers (Government Resolution, 03 April 2006, # 217) and other provisions of national legislation.

#### **Involuntary Resettlement Safeguards Requirements of ADB SPS 2009**

151. The three important elements of ADB's involuntary resettlement policy are (i) compensation to replace lost assets, livelihood, and income; (ii) assistance for relocation, including provision of relocation sites with appropriate facilities and services; and (iii) assistance for rehabilitation to achieve at least the same level of well-being with the project as without it. For any ADB operation requiring involuntary resettlement, resettlement planning is an integral part of project design, to be dealt with from the earliest stages of the project cycle, taking into account the following 12 key policy principles for IR. These can be summarized as follows:

- Screen the project early on to determine past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, related to resettlement impacts and risks.

- Carry out meaningful consultations with affected persons, host communities, and concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and resolve the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.
- Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.
- Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.
- Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with the relevant income sources and legal and affordable access to adequate housing.
- Establish procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.
- Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
- Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- 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.
- Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.
- Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
- Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into



account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

152. The ADB SPS 2009 distinguishes three categories of displaced persons, with variable compensation needs:

- **Legal DPs:** DPs with formal legal rights to land lost in its entirety or in part;
- **Legalizable DPs:** DPs without formal legal rights to land lost in its entirety or part but who have claims to such lands that are recognized or are recognizable under national law and;
- **Non-legal DPs:** DPs who have neither formal legal rights nor recognized/recognizable claims to land lost in its entirety or in part.

153. For categories (i) and (ii) above, borrowers are expected to provide compensation at full replacement cost for lost land, structures, land improvements and relocation assistance. For DPs in category (iii) (informal settlers), the borrower/client is expected to compensate all assets other than land (i.e. buildings, trees, crops, businesses) at full replacement cost. The risk of opportunistic encroachment on land designated for acquisition by the project is managed through a cut-off date.

154. Compensation for lost land may be in the form of replacement land (preferable if feasible) or in cash. When “land for land” compensation is not feasible cash compensation can be valued based on market rates or, in absence of land markets, through other methods (i.e. land productivity or reproduction costs)<sup>14</sup>. Independently from the valuation method used compensation is to be provided at “full replacement cost”. This includes: (i) transaction costs; (ii) interest accrued; (iii) transitional and restoration costs; and (iv) other applicable payments, if any. Compensation for all other assets is to be provided in cash at replacement cost without deductions for amortization, salvaged materials and transaction costs.

### 6.3 GAP Analysis

155. The Table 6-1: Comparison of LAR Provisions between ADB Policy and Kyrgyz Legislation, summarizes the gaps between the IR requirements of the ADB SPS 2009 and of the Kyrgyz laws and regulations through a direct comparison. The exercise takes into consideration both formal principles (principles) and the way these principles are applied in practice by ADB and the Government (application). This table also specifies the reconciliation needs per that were addressed in the Entitlement Matrix provided in Chapter 7.

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<sup>14</sup> Based on the SPS (Appendix 2, para. 10) in absence of well-established land markets land compensation will be provided based on a thorough study of the land transaction, use, cultivation and productivity patterns in project areas. One method accepted by ADB in such a situations would be to provide land compensation based on land productivity or land reproduction costs.”

**Table 6-1: Comparison of LAR Provisions between ADB Policy and Kyrgyz Legislation**

Impact/Issue	ADB SPS (2009) and ADB practice for application*	Kyrgyz Republic	Reconciliation Needs
1. Livelihood rehabilitation	ADB Policy requires rehabilitation/improvement of DP livelihood standards.	Notion of livelihood rehabilitation not sanctioned by national law.	<u>No Policy reconciliation needs.</u> Application already reconciled in previous ADB projects but to be formalized regarding <i>indirect/livelihood impacts rehabilitation.</i>
2. Compensation entitlements	<p><b>A. DPs with formal title</b> have to be compensated for lost land/other assets.</p> <p><b>B. DPs with formalizable title</b> have right to be compensated for lost land and assets after the EAs helps them in legalizing their assets.</p> <p><b>C. DPs with no legal title</b> are compensated for lost non-land assets.</p>	<p><b>A. DPs with formal title</b> are compensated for lost land/other assets.</p> <p><b>B/C. DPs with legalizable or no legal title. Legalizable</b> are not distinguished and considered non-legal as legalization is a burden of the DPs. Non-legal DPs have no right to be compensated for land and non-land assets.</p>	<p><b>A.</b> Same in principle/ application. <u>No reconciliation needed</u></p> <p><b>B/C.</b> Critically different in principle and application. Application already reconciled in previous ADB projects but <u>formal Reconciliation on both counts through a Decree for ADB projects is needed.</u></p>
3. Compensation	<p><b>A. Permanent loss of land.</b> Replacement land as preferred option or cash compensation at full market rate. At least for legal/legalizable DPs.</p> <p><b>B. Replacement of leased land.</b> Based on replacement of lost income through cash compensation of gross income x the remaining lease years or through a replacement land lease</p> <p><b>C. Loss of structures/buildings.</b> Cash compensation at replacement cost for lost item free of depreciation, transaction costs, other deductions</p> <p><b>D. Loss of indirectly affected items.</b> Non affected parts of an asset no longer usable after impact will have to be compensated as well.</p> <p><b>E. Business losses.</b> Reimbursement of actual losses + business re-establishment costs. For application based on tax declared income for period of business stoppage. In absence of tax declaration based on maximum non-taxable salary.</p> <p><b>F. Loss of wood/unproductive trees.</b> Irrespective of legal land occupancy status compensation at market rate. Application based on tree type/ wood volume or</p>	<p><b>A. Permanent loss of land.</b> Cash compensation at market rate or replacement land for legal/ legalizable DPs.</p> <p><b>B. Replacement of leased land.</b> Based on lease replacement.</p> <p><b>C. Loss of structures/buildings.</b> Cash compensation at market rate <u>deduced of depreciation.</u></p> <p><b>D. Loss of indirectly affected assets.</b> Law is silent on how to compensate when only part of the land is to be taken.</p> <p><b>E. Loss of business.</b> Cash compensation at market value for all damages/ opportunity costs incurred. Burden of proving opportunity costs rests on the DP based on recognized documented evidence but no clear methodology.</p> <p><b>F. Loss of wood/unproductive trees.</b> Mandate in general terms by the law but often not provide as leaving the salvaged timber to the DPs is equated with compensation.</p>	<p><b>A.</b> Same in principle/ application. <u>Technical improvement of valuation mechanisms/process needed.</u></p> <p><b>B.</b> Same in principle. Application to be further improved. <u>No reconciliation needed but a method to replace the lease in cash is needed. To be reflected through an instruction for ADB projects.</u></p> <p><b>C.</b> Different in policy and application. Informally reconciled in previous projects but formal application reconciliation by a Decree for ADB projects needed.</p> <p><b>D.</b> The Kyrgyz Republic law is silent on this point. <u>While no reconciliation is needed the point needs to be clearly agreed and sanctioned through a Decree for ADB projects.</u></p> <p><b>E.</b> Same in principle but ADB does not consider opportunity cost. <u>Application reconciliation needed</u> to define a clear methodology and distinguish short- and long- term losses.</p> <p><b>F.</b> Same in principle, different in application. Already adjusted for previous ADB projects but <u>Application reconciliation is needed</u> through a decree for ADB projects ensuring that also cash compensation is provided by default.</p>

Impact/Issue	ADB SPS (2009) and ADB practice for application*	Kyrgyz Republic	Reconciliation Needs
	<p>other methods ensuring DPs' rehabilitation.</p> <p><b>G. Loss of productive trees.</b> Compensation at replacement cost based for application on various methods: tree reproduction cost, income lost (x tree type x market value of 1 year income x number of years needed to grow the tree to its full production).</p> <p><b>H. Loss of crops.</b> Compensation of crop in cash at market price.</p> <p><b>I. Loss of jobs.</b> Indemnity for lost income ensuring DP's rehabilitation. Based for application on stoppage period up to a maximum of 12 months of declared salary (formal employees) or minimum salary (informal employees.) Compensation directly disbursed to DPs.</p>	<p><b>G. Loss of productive trees.</b> Mandate by law but selectively applied depending on situation. Valuation standards differ from SPS standards.</p> <p><b>H. Loss of crops.</b> Mandated by law but selectively applied.</p> <p><b>I. Loss of jobs.</b> Compensation for loss of employment equal to 3 months average salary + severance pay worth at least 2 months average salary. Compensation provided by employer and then reimbursed by EA.</p>	<p><b>G.</b> Same in principle different in application. Already adjusted for previous ADB projects. <u>Application reconciliation needed</u> through a decree for ADB projects ensuring systematic law implementation and use of valuation standards fitting SPS.</p> <p><b>H.</b> As above.</p> <p><b>I.</b> Same in principle but different in implementation. <u>Application reconciliation needed</u> through a Decree for ADB projects establishing mechanisms to assess temporary/permanent income loss indemnity of both formal and informal employees and guaranteeing direct disbursement to the DPs.</p>
<p>4. LAR Planning, assessment and valuation of impacts</p>	<p><b>A. Resettlement Plan (LARP).</b> LARP preparation includes: a) impacts assessment/DP census; b) definition of entitlements, income/livelihood restoration strategy, compliance &amp; grievance mechanisms, institutional arrangements; c) consultation results; d) monitoring schemes; e) budget and implementation schedule. LARP requires the following surveys:</p> <p><b>i. Measurement survey.</b> Measures all affected items.</p> <p><b>ii. DP Census.</b> Identifies all DPs and establishes legitimate beneficiaries based on legal status.</p> <p><b>iii. Socio-economic survey.</b> Provides background information on DP' socio-economic features.</p> <p><b>iv. Valuation survey</b></p> <p><b>a) Land:</b> If land market exists, based on a survey of recent transactions; without land market based on land productivity/income;</p> <p><b>b) Buildings and structures.</b> Replacement cost of materials, labor and transport and special features of building/structure without discounting depreciation, salvaged materials and transaction costs;</p>	<p><b>A. Resettlement Plan.</b> There are no requirements to prepare integrated and stand-alone LARPs. LAR planning entails similar but less extensive/simpler assessment/survey efforts than ADB Policy, as detailed below:</p> <p><b>i. Measurement survey.</b> Land and buildings impacts measured. Other impacts identified but not measured.</p> <p><b>ii. DPs Identification.</b> Identifies only legal DPs</p> <p><b>iii. Socio-economic survey.</b> <u>No comparable requirements exist.</u></p> <p><b>iv. Valuation survey</b></p> <p><b>a) Land:</b> valued at market rate based on a transactions survey. Valuation includes transaction costs/third party liabilities.</p> <p><b>b) Buildings and structures.</b> Market value of materials, labor, transport and special building features <u>but discounted for depreciation, salvaged materials or transaction costs.</u></p> <p><b>c) Trees/crops.</b> If compensated is provided based on the methodology detailed in section 3H or based on an agreed lump sum.</p>	<p><b>A.</b> Partly different in principle and application. <u>No reconciliation needed</u> as law/regulation is silent on this matter and SPS requirements have been already applied in previous ADB projects. Still, clear instructions regarding ADB projects ensuring the measurement of all impacts and the counting of all DP are needed for mainstreaming purposes.</p> <p><b>i.</b> Detailed Measurement Surveys to be mainstreamed for all impacts.</p> <p><b>ii.</b> Detailed count of individuals to be mainstreamed.</p> <p><b>iii.</b> The execution of the survey is to be mainstreamed.</p> <p><b>iv. Valuation survey</b></p> <p><b>a)</b> Same in principle/application;</p> <p><b>b)</b> Already reconciled for previous ADB projects but <u>Formal reconciliation needed.</u></p> <p><b>c)</b> Already reconciled for previous ADB projects but <u>Formal reconciliation needed</u> (See 3.H. above.) Detailed valuation for each tree based on SPS requirements to be mainstreamed.</p>

Impact/Issue	ADB SPS (2009) and ADB practice for application*	Kyrgyz Republic	Reconciliation Needs
	<p><b>c) Trees/crops.</b> Based on the methodology detailed in section 2.</p>		
<p>5. Procedural mechanisms</p>	<p><b>A. Information disclosure.</b> Resettlement-related documents to be timely disclosed in the DPs' language.  <b>B. Public consultation.</b> Meaningful public consultations are to be held with the DPs. DPs should be informed about their entitlements and options, as well as resettlement alternatives  <b>C. Grievance procedure.</b> A Grievance Redress Mechanism (GRM) is to be established for each project. Information on GRM to be communicated to the DPs  <b>D. Asset acquisition conditions.</b> Property can be acquired only after full compensation is paid to the DPs</p>	<p><b>A. Information disclosure.</b> No disclosure requirement exists.  <b>B. Public consultation.</b> Matters of local importance to be publicly discussed with local authorities. But no requirement to consult directly the DPs  <b>C. Grievance Procedures.</b> Each state agency/ministry should define a process for registering and reviewing the concerns and claims from citizens.  <b>D. Asset acquisition conditions.</b> Property can be acquired only after full compensation is paid to DPs</p>	<p><b>A.</b> Different in principle and application. <u>Already reconciled for ADB projects.</u>  <b>B.</b> Same in principle but different in application. Already reconciled for ADB projects. <u>Better application needed.</u>  <b>C.</b> Same in principle but different in application. Already reconciled for ADB projects. <u>Better application needed.</u>  <b>D.</b> Same in principle, but unsystematic in application. <u>Application to be improved.</u></p>
<p>6. Assistance to vulnerable and severely affected DP</p>	<p><b>A.</b> These DPs are to be identified and special assistance is provided to restore/ improve their pre-project level of livelihoods.</p>	<p><b>A.</b> No special consideration is given to these DPs.</p>	<p><b>A.</b> Critically different in principle/ application. <u>Permanent reconciliation through a decree for ADB projects needed.</u></p>

\* As applied in ADB Resettlement Plans in the Kyrgyz Republic

## **7 ENTITLEMENTS, ASSISTANCE AND BENEFITS**

### **7.1 Compensation Eligibility**

156. Compensation eligibility is determined by the cut-off date, which is taken as the date of the Prime Minister's Decree issued on May 26, 2014. (Annex 7-1) The Decree was officially forwarded to all officials at the project Rayons and to each Ail aymak (local authority) in the Project area who informed the population residing or having business activities in the RoW along the proposed Project road. The Decree was also displayed on the information board at each of these offices. The DPs who moved in the Project area after the cut-off date, will not be entitled to compensation and/or assistance. They will be given sufficient advance notice, asked to vacate premises and dismantle affected structures prior to Project implementation. The detailed procedure on securing the RoW prior to and during the project implementation is to be developed by the Client.

157. DPs entitled for compensation under the Project are:

- All DPs losing land either covered by the legal title or legalizable right to use land;
- Owners of buildings, trees, plants, or other structures attached to the land; and
- DPs losing business, income and salaries;

### **7.2 Compensation Entitlements**

158. The LAR tasks under the Project will be implemented in accordance with the compensation eligibility and entitlements framework which are in line with both, the Kyrgyz Republic laws and regulations and ADB SPS (2009). The basis to determine the amount of compensation is the replacement cost of the affected assets.

159. Entitlement provisions for DPs include provisions for permanent loss or temporary affected land, buildings, trees, businesses and employment. These entitlements are detailed in the next paragraphs:

- Land loss - Compensation at market value including cost for re-registration of the remaining land plot (where applicable). No compensation will be paid for illegally used land.
- Legalizable land loss – to be legalized and paid as titled owners after the legalization;
- Non-legalizable land loss – no compensation will be paid;
- Loss of buildings - A full replacement cost (free of depreciation and salvaged materials), transaction costs including cost for registration of the remaining land plot and buildings attached to it.
- Loss of Trees: Cash compensation at market rate based on type, age and productivity of trees.
- Businesses: Legal and legalizable businesses will be compensated for permanent losses (up to 1 year) in cash equal to 1-year of net income based on tax declaration or in absence of tax declaration for patent holders, verified/assessed net income. Temporary losses will be compensated in cash equal to 1 month of tax declared/verifiable/assessed income for business disruption and rehabilitation of temporarily affected assets. Informal, non-legalizable business will be compensated in cash equal to one month of business

disturbance allowance not higher than the current subsistence basket value for Chui Region<sup>15</sup> payable for three months. (for details, see Table 7-1)

- Loss of employment: Indemnity for lost wages for up to 4 months of verified salary (formal employees) or up to 3 months of minimum national salary (informal employees).
- Relocation subsidy: Relocation under the Project arrangement or market-based cost of transport for self-relocation within the village/settlement/city.
- Community structures and services: Full replacement or rehabilitation so as to restore their pre-Project functions.
- Severe impacts allowances: These are to be given to AHs losing >10% of all income producing assets and/or to AHs relocated from residential or business structures. A rehabilitation allowance of 6 months at the level of the minimum national salary for relocated AHs.
- Vulnerable people livelihood: Vulnerable people (DPs below poverty line and women or elderly person headed households and AHs receiving government social benefits) will be given a rehabilitation allowance equal to 6 months minimum salary and employment priority in Project-related jobs.

160. The overall objective of the compensation and entitlement policy for the CAREC Corridor 3 (Bishkek-Osh Road Improvement) Project is to ensure that all people affected by the Project receive compensation at full replacement cost and resettlement assistance.

161. Table 7-1 is the Project-specific Entitlements Matrix which was endorsed by the MOTC and followed during the LARP preparation. It incorporates the actual types of impact.

**Table 7-1: Project-Specific Entitlement Matrix**

Type of Loss	Application	Definition of DPs (Displaced People)	Compensation Entitlements
1. Land Loss	AHs losing their rights to land	Owner/ Legalizable owner	Compensation at market value including cost for re-registration of the remaining land plot (where applicable).
		Leaseholder (municipal/state)	New lease or compensation for loss of right-to-use land.
		Non-legalizable AHs	No compensation for land will be paid.
2. Loss of Buildings	All AHs regardless of their legal status	Owner/ Legalizable owner/	Compensation at full replacement cost free of depreciation and salvaged materials, + transaction costs including cost for registration of the remaining land plot and building attached to it (where applicable).
		Non-legalizable AHs	Compensation will be paid for the loss of structures full replacement cost free of depreciation + transaction costs and salvaged materials.
3. Common Property Loss	Municipal/State assets	Municipal/State assets	No compensation for land. Restoration of lost asset(s) and reinstatement of services in agreement with the municipal/state agency.
4. Tree Losses	Productive trees loss	All AHs irrespective of legal status. (including owners subject to obtaining legal status and residents having no residency status)	Compensation for productive trees based on the net annual harvest from the tree(s) for the number of years taken for replacement tree(s) to reach comparable production.
	Unproductive trees loss		Compensation for wood trees based on volume of wood.
	Decorative tree/bushes losses		Compensation based on market value.

<sup>15</sup> <http://www.stat.kg> (KGS 5089.87 for the III quarter 2015)

5. Business or Employment Losses	Permanently affected businesses	All affected businesses regardless of legal status (including owners subject to obtaining legal status and employees having no formal status).	(i) Legal entity (registered businesses) – for application based on tax declared income, 1 year of tax declared net income. (ii) Patent holders – Up to 1 year of verified/assessed net income. (iii) Informal legalizable business – After legalization, up to 1 year of verified/assessed net income. (iv) Informal non-legalizable business – One month of business disturbance allowance not higher than 3 times current subsistence basket value for Chui Region <sup>16</sup> . (Annex 7-2)
	Permanent loss of employment <sup>17</sup>		Indemnity for lost wages for 4 months of verified salary (formal employees) or 3 months of minimum national salary (informal employees.) Compensation directly disbursed to DPs.
	Temporary affected business		Movable businesses – Relocation or cash for self-relocation + 1 month of tax declared/ verifiable/ assessed income for business disruption and rehabilitation of temporarily affected assets.
	Temporary loss of employment		Indemnity for lost wages for 4 months of verified salary (formal employees) or 3 months of minimum national salary (informal employees.) Compensation directly disbursed to DPs.
6. Allowances for Severe Impacts		All severely affected households including informal settlers and relocated renters.	A rehabilitation allowance of 6 months at minimum national salary for relocated AHs.
7. Relocation Allowances	Transport costs	All relocated AHs including relocated renters and movable businesses.	Relocation under the Project arrangement or market-based cost of transport for self-relocation within the village/settlement.
8. Vulnerable People Allowances		AHs below poverty line/headed by women/elderly people or receiving the government social benefits.	In addition to any other entitlement, a cash allowance equivalent to 6 months of a minimum salary and employment priority in Project-related jobs.
9. Temporary Impacts		All AHs	1 month of tax declared/verifiable/assessed non-verifiable income for business disruption and rehabilitation of temporarily affected assets.
10. Unforeseen LAR Impacts, if any		All AHs	Rehabilitation will be based on the above provisions and in compliance with ADB SPS (2009) and applicable laws of the Republic of Kyrgyzstan.

<sup>16</sup> <http://www.stat.kg> (KGS 5089.87 for the III quarter 2015)

<sup>17</sup> Article 87 of the Labor Code

## 8 RESETTLEMENT BUDGET AND FINANCING PLAN

### 8.1 Background

162. This chapter describes the methodology adopted for the determination of unit rates, cost of LAR and compensation that will be paid to DPs for resettlement impacts caused by the Project. The compensation entitlements of different categories of DPs presented in this chapter have been defined according to the ADB SPS 2009 requirements and the applicable laws of the Kyrgyz Republic. The compensation rates were determined by a certified independent valuator.

### 8.2 Compensation for Land and Trees

#### Land valuation

163. Affected land owners, leaseholders and land users subject to legalization, will receive compensation for the affected land. Illegally used land will not be compensated.

164. The basis for the compensation and rehabilitation allowance calculation is the market price of the land. As the affected land in the Project area is land with buildings, businesses and other improvements on the land, the market value of the land was assessed by using a correlation valuation method. The price for each land plot is determined separately as many factors influence the differences in land price even for the adjoined land plots.

165. A correlation method is based on the principle of land contribution to the total cost of improved land or land intended for improvement. As part of the correlation method, the contribution of the land use pattern, particular land category, location of the land and land improvements are considered in the determination of the cost of a land plot. The correlation method involves the following steps:

- definition of elements for comparison of the valued land with land at similar locations;
- determination of the nature and extent of differences of valued land with the compared land at similar locations;
- amendments to the price for such land in comparison with similar land plots;
- calculation of the market value of the land being assessed by determining the median or modal values obtained after adjustment of the compared prices;

166. To determine the value of land as a share of the cost of improved land, the following correlation method formula was used:

$$VL = VO \times L \quad \text{where}$$

VL - cost of land;  
VO - the expected sale price of improved land;  
L - the proportion of land in the improved value of the land.

#### Valuation of Trees

167. The calculation of losses for the seedlings is carried out using different approaches:

- The cost of seedlings of fruit and decorative trees is based on the price of seedlings in the nurseries;
- The cost of fruit bearing trees is based on the net annual harvest from the tree(s) for the number of years taken for replacement tree(s) to reach a comparable production.



- The cost of wood trees is defined by the volume of timber. The volume of timber is determined by the reference books (Chotonov AB, 2006: "Guide to forest inventory of the Kyrgyz Republic", which set a price of 2,500-3,000 KGS/m<sup>3</sup> of wood (depending on type of wood). The cost of waste while cutting the tree is set at not less than 500 KGS/m<sup>3</sup>.
- In reference to the 'Guide', the price of wood for this Project is assessed at 2,000 KGS/m<sup>3</sup>.

### Compensation for Titled Land

168. The compensation to be paid to legal land owners was calculated at market cost in the Project area. Compensation for loss of private land amounts to 14,740,956 KGS and compensation for loss of leased land is 1,506,136 KGS. The total cost for compensation of legal land owners is 16,247,092 KGS. Table 8-1 details compensation for loss of legally owned land. No compensation for loss of the illegally used land is calculated.

**Table 8-1: Compensation for Titled Land**

Type of Land	Private			Leased			Total	
	No of plots	Affected area (m <sup>2</sup> )	Cost (KGS)	No of plots	Affected area (m <sup>2</sup> )	Cost (KGS)	No of plots	Cost (KGS)
Residential	16	1,119.00	1,917,920				16	1,917,920
Non-residential	20	3,809.90	12,823,036	26	2,063	1,506,136	46	14,329,172
<b>Total</b>	<b>36</b>	<b>4,929</b>	<b>14,740,956</b>	<b>26</b>	<b>2,063</b>	<b>1,506,136</b>	<b>62</b>	<b>16,247,092</b>

### Compensation for Fruit Trees

The compensation to be paid for fruit-bearing trees affected by the Project amounts to 188,050 KGS. All affected trees, regardless of their legal status, will be compensated. Out of these, 181,600 KGS will be paid for mature fruit trees and 6,450 KGS for seedlings.

**Table 8-2: Compensation for Fruit Trees**

Type of tree	No of affected trees	Total cost (KGS)
<b>A. Fully-grown trees</b>		
Cherries	3	3,600
Cherry-plum	2	1,500
Apple	11	79,150
Walnut	2	89,900
Plum	5	7,450
<b>Subtotal (A)</b>	<b>23</b>	<b>181,600</b>
<b>B. Seedlings</b>		
Cherries	5	900
Cherry-plum	2	300
Apricot	4	600
Apple	6	1,500
Walnut	1	250

Raspberries	50	1,250
Mulberry	1	600
Quince	1	300
Plum	4	750
<b>Subtotal (B)</b>	<b>74</b>	<b>6,450</b>
<b>Total (A+B)</b>	<b>97</b>	<b>188,050</b>

### Compensation for Wood and Decorative Trees

169. The Project will affect 152 wood and decorative trees. The amount to be paid to legal and informal owners totals 154,136 KGS. Out of this amount, 152,386 KGS will be paid for the loss of fully grown wood and decorative trees and 1,750 KGS for seedlings. Table 8-3 shows the compensation for loss of wood and decorative trees.

**Table 8-3: Compensation for Wood and Decorative Trees**

Type of tree	No of affected trees	Total cost (KGS)
<b>A. Fully-grown trees</b>		
Poplar	81	27,506
Thuja	3	7,500
Acacia	11	3,300
Birch	4	1,992
Archa (Arka)	8	44,000
Karagach	7	3,880
Oak	1	1,890
Green fence	4	1,050
Sumac	2	600
Buldenezh	2	1,000
Hibiscus	1	500
Blue spruce	1	28,000
Spruce barbed	3	6,600
Campsis	1	400
Maple	2	448
Juniper	1	2,400
Pine	1	2,160
lilac	10	4,600
Walnut	1	14,560
<b>Subtotal (A)</b>	<b>144</b>	<b>152,386</b>
<b>B. Seedlings</b>		
Poplar	2	200
Acacia	1	300
Birch	1	300
Oak	3	750
Hibiscus	1	200
<b>Subtotal (B)</b>	<b>8</b>	<b>1,750</b>
<b>Total (A+B)</b>	<b>152</b>	<b>154,136</b>

**Table 8-3 a: Compensation for Loss of Illegal Trees**

Type of Trees	No	Cost (KGS)
Fruit trees	22	172,200
Wood trees	12	11,322
Decorative trees (green fence linear meter)	25.5	80,250
<b>Total</b>	<b>59.5</b>	<b>263,772</b>

### 8.3 Compensation for Buildings, Structures and Improvements

#### Valuation Approach

170. The compensation for alienated buildings and structures was calculated for both, the owners of legal structures and the users of illegal ones. The replacement costs for buildings and structures was determined by calculating the construction cost of a similar new building/structure, for the same use and materials, based on market prices as of the assessment date. All necessary taxes, fees and costs for obtaining the documents for registration of land, design of a new building, cost of technical passports and other related documents to establish the ownership, are included in the replacement cost price.

#### Residential Buildings and Structures

171. In total, 6,940,128 KGS for four affected residential buildings and 12 supporting structures with an area of 482 m<sup>2</sup>, will be paid to owners and non-legal users of buildings and structures as a result of land acquisition. Table 8-13 details the compensation for owners and informal users of the affected assets.

**Table 8-4: Compensation for Residential Buildings and Structures**

Structure type	Construction material	No of structures	Affected unit	Total cost
			m/m <sup>2</sup> /m <sup>3</sup>	KGS
<b>A. Residential Building</b>				
Residential main building	Brick and clay	4	212.9	5,423,694
Attached wooden veranda	Wood		37.6	528,408
<b>Subtotal (A)</b>		<b>4</b>	<b>250.5</b>	<b>5,952,102</b>
<b>B. Supporting Residential Structures</b>				
Storage	Bricks	2	15.1	82,442
Foundation	Concrete	3	7.9	160,740
Shed	Metal, plastic	7	208.5	744,844.00
<b>Subtotal (B)</b>		<b>12</b>	<b>231.5</b>	<b>988,026</b>
<b>Total (A+B)</b>		<b>16</b>	<b>482</b>	<b>6,940,128</b>

## Compensation for Non-Residential Buildings and Structures

172. In total, the DPs will be paid 50,461,097 KGS for 142 affected business premises. The compensation is calculated for both, legal and informal owners of affected buildings and structures.

**Table 8-5: Compensation for Non-Residential Buildings and Structures**

Type of structure	Material	No of structures	Total	Total cost	Movable	Non-movable	Remarks
			m <sup>2</sup> /m <sup>3</sup>	KGS	No	No	
<b>A. Main Non-residential Buildings and Structures</b>							
Petrol station	Bricks	2	78	29,999,745		2	
Hairdressing	Brick, clay, wood	2	48	1,436,537		2	
Café/ Eatery	Bricks	2	90	1,952,664		2	
	Metal	6	99	0	6		2 illegal
Various container shops	Bricks	4	261	7,883,664		4	
	Metal	55	884	873,170	49	6	8 illegal
	Metal/ plastic	9	178	989,968	5	4	2 illegal
Car services	Metal/bricks	7	226	2,706,197	3	4	1 illegal
Flower shop	Bricks, metal, plastic	3	55	536,662	1	2	1 illegal
Photo, phone services	Bricks/ metal	8	143	1,524,868	1	8	1 illegal
Non-operating containers	Metal	18	216	0	18		7 illegal
<b>Subtotal (A)</b>		<b>116</b>	<b>2,278</b>	<b>47,903,475</b>	<b>83</b>	<b>34</b>	
<b>B. Supporting Non-Residential Buildings and Structures</b>							
Outside toilet	Bricks	2	5	101,385		2	
Shed	Metal/ plastic	14	549	2,043,473		14	
Other		10	136	412,764		10	Well, car repair hole, decorative poles;
<b>Subtotal (B)</b>		<b>26</b>	<b>690</b>	<b>2,557,622</b>	<b>0</b>	<b>26</b>	
<b>Total (A+B)</b>		<b>142</b>	<b>2,967</b>	<b>50,461,097</b>	<b>83</b>	<b>60</b>	

## Compensation for Gates, Fences and Improvements

173. Gates and fences affected by the Project will be compensated at replacement cost to legal and informal owner. The amount for compensation is 4,175,157 KGS. Table 8-6 summarizes compensation for affected gates and fences.

**Table 8-6: Compensation for Gates and Fences**

Material	Gates	Area	Fences	Area	Total cost
	No	m <sup>2</sup>	No	m <sup>2</sup>	KGS
Wood	1	12	8	143	188,221
Brick			14	384	1,567,319
Metal	18	154	29	1,072	2,343,717
Concrete			3	167	75,900
<b>Total</b>	<b>19</b>	<b>166</b>	<b>54</b>	<b>1,766</b>	<b>4,175,157</b>

174. All improvements done by DPs, regardless of their status, are subject to compensation. In total 833,460 KGS will be paid for different types of improvements. Table 8-7 presents the details on affected improvements and compensation for loss of improvements.

**Table 8-7: Compensation for Improvements**

Structure type	Land plots	Improvements	Area	Total cost
	No	No	m <sup>2</sup>	KGS
Concrete paved area	20	20	690.2	418,300
Stone paved area	17	17	593.1	415,170
<b>Total</b>	<b>37</b>	<b>37</b>	<b>1,283.3</b>	<b>833,470</b>

#### 8.4 Compensation for Business and Income Losses

##### Valuation Approach

175. All affected businesses regardless of legal status (including owners with legalizable businesses) are to be compensated for their losses. Compensation for legal entity (registered businesses) is calculated as per the tax declared income. There are two tax-declared affected businesses and only one declared the tax income and submitted the documents for valuation of losses. Other affected businesses are patent holders which commonly do not have demonstrable accounting records. Compensation for the patent holder businesses is calculated as per the net income verified (in cases where the business owner kept some records of stocks and sales) or is assessed by the valuator. In the absence of recorded income, assessment is based on the average income for the same type of affected businesses in the area.

176. Compensation for informal non-legalizable businesses is based on one month of business disturbance allowance not higher than 3 months equivalent of the current subsistence basket value for Chui Region. (For details, please refer to the entitlement matrix).

##### Business Losses

177. The total amount of compensation for loss of income from affected businesses amounts to 33,079,194 KGS. Table 8-8 details compensation for affected legal and illegal business.

**Table 8-8: Compensation for Business losses**

Rayon	Owner				Renters				Grand Total
	Legal		Illegal		Legal		Illegal		
	No	KGS	No	KGS	No	KGS	No	KGS	KGS
Sokoluk	28	18,272,000	6	52,613	43	1,465,000	4	38,264	19,827,877
Moskovsky	18	906,500	5	23,915	31	12,192,234	2	28,698	13,151,347
Jayil	2	58,000	0	0	2	41,000	1	970	99,970
<b>Total</b>	<b>48</b>	<b>19,236,500</b>	<b>11</b>	<b>76,528</b>	<b>76</b>	<b>13,698,234</b>	<b>7</b>	<b>67,932</b>	<b>33,079,194</b>

## Income Losses

178. There are 85 affected workers (32 legal and 53 illegal). All workers, legal or illegal, losing employment whether permanently due to the demolishing of the main business building, or temporarily due to the relocation of the business container/kiosk, will be compensated for losses. (For entitlements, please refer to the entitlement matrix, Table 7-1). In total, affected workers will be paid 947,850 KGS.

**Table 8-9: Compensation for Loss of Employment**

Rayon	Legal workers	KGS	Illegal workers	KGS	Total
Sokoluk	13	510,000	35	59,170	569,170
Moskovsky	19	355,400	17	20,370	375,770
Jayil	0	0	1	2,910	2,910
<b>Total</b>	<b>32</b>	<b>865,400</b>	<b>53</b>	<b>82,450</b>	<b>947,850</b>

## 8.5 Allowances

### Severe Impact Allowances

179. Under this LARP, 146 AHs will need to relocate. All AHs to be relocated, including relocation from four residential homes, business premises subject to demolition and movable business premises to be relocated, will receive an allowance for severely affected households which is calculated as six national minimum monthly salaries. The total compensation for all severely impacted AHs amounts to 849,720 KGS. The details are presented in table 8-10.

**Table 8-10: Allowances for Severely Affected Households**

Rayon	Residential	Business owners	Business renters	Total No of AHs	Allowance amount (KGS)	Total (KGS)
	No of AHs	No of AHs	No of AHs			
Sokoluk	1	33	48	82	5,820	477,240
Moskovsky	3	23	33	59		343,380
Jayil	0	2	3	5		29,100
<b>Total severely AHs (relocates)</b>	<b>4</b>	<b>58</b>	<b>84</b>	<b>146</b>		<b>849,720</b>

### Allowances to Vulnerable Groups

180. Persons with disabilities and other health conditions as per the Kyrgyz law on monthly social allowances, are entitled to monthly social welfare benefits regardless of the gross per capita family income. There are six such households which have a family member with a disability and will receive an allowance amounting to six minimum national monthly salaries. The total amount to be paid as allowance for vulnerable groups is 34,920 KGS.

**Table 8-11: Allowances for Poor and Vulnerable Affected Households**

Vulnerability	Sokoluk	Moskovskiy Rayon	Jayil	Allowance amount (KGS)	Total KGS
Disability category I	1	2	0	5,820	17,460
Disability category II		3	0		17,460
<b>Total</b>	<b>1</b>	<b>5</b>	<b>0</b>		<b>34,920</b>

### Transportation Allowances

181. The calculation of the transportation allowances was based on the transportation price within the Project Rayons. The relocation of movable metal containers and kiosks will be arranged under the Project. The owners of affected buildings and structures where the building/structure need to be demolished or dismantled, will be paid for the transport of their movable assets. The relocation allowance includes the cost for transport and workers for loading and unloading the goods. The allowance is calculated for all AHs that need to relocate their assets. In total, 40,500 KGS will be paid for the relocation of movable assets of AHs. (Table 8-12).

**Table 8-12: Transportation Costs for Movable Assets**

Type of allowance	Cost (KGS)
Transport cost	15,500
Transport workers	25,000
<b>Total</b>	<b>40,500</b>

### 8.6 Assets Registration Costs

182. Under the LARP, there will be no deductions from the compensation paid to DPs. During the signing of acquisition contracts and the re-registration of properties, certain mandatory fees and taxes are payable according to Kyrgyz laws. Such fees are related to re-registration of the remaining part of land, registration of a new land plot, registration of building and structures (residential, or non-residential) and registration of businesses at new locations. The DPs will be paid 657,047 KGS for registrations of assets and obtaining new documents.

### 8.7 Budget Summary

183. The total LARP implementation cost for the Project, amounts to 144,406,535 KGS which is equivalent to USD \$2,097,838 as shown in the following table. The displaced persons will be paid 114,608,361 KGS which includes compensation for losses and applicable allowances. In this amount, a sum of 2,739,917 KGS will be paid to the DPs as a compensation for loss of informal buildings and structures, businesses and employment, (as per ADB SPS 2009). Table 8-13 shows a breakdown of compensation for owned and informal affected assets. Out of the total amount, the ADB will finance USD \$1,300,000 while the rest of the amount will be provided by the Kyrgyz Government. The MoTC will ensure that the compensation funds for land acquisition and resettlement are allocated in time for implementation of this LARP.

184. The LARP budget also includes miscellaneous expenses for administrative costs that will be incurred during the implementation of the LARP. This expense has been estimated and included in the budget as a single lump sum.

**Table 8-13: Budget Summary**

Item	Legal (Cost KGS)	Illegal (Cost KGS)	Total Cost (KGS)	Total Cost (USD)
<b>I. Compensation Budget, Including Allowances</b>				
Compensation for land	16,247,092	0	16,247,092	236,026
Compensation for buildings and structures	60,375,877	2,033,975	62,409,852	906,647
Compensation for trees	78,414	263,772	342,186	4,971
Compensation for business losses	32,934,734	144,460	33,079,194	480,551
Compensation for employment losses	865,400	82,450	947,850	13,770
Allowances to severely affected households	675,120	174,600	849,720	12,344
Allowances to vulnerable groups	17,460	17,460	34,920	507
Transport and loaders	37,500	3,000	40,500	588
Registration of documents	636,847	20,200	657,047	9,545
<b>Sub-Total</b>	<b>111,868,444</b>	<b>2,739,917</b>	<b>114,608,361</b>	<b>1,664,950</b>
<b>II. Administrative Costs</b>				
Direct administration costs [5% of Sub-Total)	5,593,422	136,996	5,730,418	83,248
Total	117,461,866	2,876,913	120,338,779	1,748,198
Contingency 20%	23,492,373	575,383	24,067,756	349,640
Total LARP Budget (KGS) and USD	140,954,239	3,452,296	144,406,535	2,097,838
Exchange rate at 1 USD=68.8359 KGS on 30.09. 2015, Central Bank of the Kyrgyz Republic				



## 8 INSTITUTIONAL ARRANGEMENTS

### 9.1 Background

185. The planning, preparation and implementation of the LARP involves distinct processes and different parties. This chapter details the core agencies and organizations involved as well as their roles and responsibilities during the land acquisition and resettlement activities.

### 9.2 Asian Development Bank

**Main role:** Funding of the Project

186. The Asian Development Bank (ADB) will be the funding agency of the Project. In addition to funding, the ADB will periodically review the Project and LARP implementation as well as provide clearance for contract awards and the signing/initiation of civil works on the Project.

**Main responsibilities:**

- Guidance for LARP preparation
- Approval of the LARP
- Disclosure of LARP on the ADB website
- Issuance of no objection letter for beginning of the construction

### 9.3 The Ministry of Transport and Communication

**Main role:** Overall responsibility for LARP preparation and implementation

187. The Ministry of Transport and Communication (MOTC) is the Executing Agency. The MOTC has the overall responsibility for the Project in areas such as preparation, implementation and financing of all LAR tasks, cross-agency coordination, management, monitoring and evaluation of all project implementation aspects, including procurement of goods, services, and works on the projects. By the Order of the MOTC, dated on 01.02.2010 No.10-k/1, with the concurrence of the Ministry of Finance of the Kyrgyz Republic, the Investment Projects Implementation Group (IPIG) was established. The IPIG will, during the whole project implementation period, ensure the operation of the project implementation unit and adequate resources and skilled personnel.

188. The MOTC, with its Social Safeguard and other specialists involved in the LARP preparation and implementation, is responsible for the following:

- Consultations and information sharing with displaced people and wider Project communities
- Documentation of all consultations
- Preparation of the LARP
- Disclosure of the LARP on the MOTC website and local authority offices
- Disclosure of LARP to DPs through the meaningful consultations with DPs and wider Project communities
- Agreement with DPs on compensation
- Implementation of the LARP
- Participation in GRM, facilitating resolution

## 9.4 The Ministry of Finance

**Main role:** Allocation of the Project budget

189. The Ministry of Finance has the overall financial responsibility for the Project. The LARP budget and compensation payments will be endorsed by the Ministry of Finance.

## 9.5 LAR Committee

**Main role:** Identification of impact and valuation of lost assets

190. The LAR Commission is comprised of a representative from the PIU, State Registry Service such as Gosregister, Gosstroy State Registry, State Architecture, local governments concerned, DSC safeguard consultant team etc., and seeks to ensure due diligence in the implementation of the DMS, DP census, and valuation. The LAR Group ensures the DMS and valuation results are technically sound and comply not only with the ADB social safeguard requirements, but also with the norms of the Kyrgyz legislation.

**Main responsibilities:**

- Prepare preliminary list of affected persons and assets
- Conduct DMS for each asset affected
- Prepare inventory of losses
- Identify non-formal assets, businesses and illegally used land
- Collect necessary documents to establish legal status of affected assets
- Inform legalizable DPs on needs for legalization where applicable
- Valuate affected assets in accordance with Kyrgyz laws and ADB SPS (2009) requirements
- Assist teams conducting survey related to the land acquisition and resettlement
- Assist in resolution of grievances by visiting the grievance case location, assessing the ground for the grievance, suggesting the resolution of the grievance and participating in the GRG meetings at the local and central level when required.

## 9.6 Consultants

191. Different consultants were and will be involved in the preparation and implementation of the LARP. These include:

**External Monitor** – has already been selected for monitoring of activities related to the preparation of this LARP. The External Monitor will monitor and evaluate the implementation of this LARP.

**Main responsibilities:**

- Observe and report to IPIG during consultations with communities
- Check the implementation of the LARP for compliance with all the provisions of ADB SPS (2009) and the Kyrgyz Government regulations
- Observe and report on GRGs and DPs in grievance resolution
- Monitor and evaluate the schedules and the achievement of targets related to land acquisition and resettlement activities
- Review the project impacts on vulnerable groups and assess effectiveness of the mitigation measures adopted
- Assess resettlement relevance, efficiency, effectiveness and impact drawing both on policies and practices and to suggest any corrective measures, if necessary.

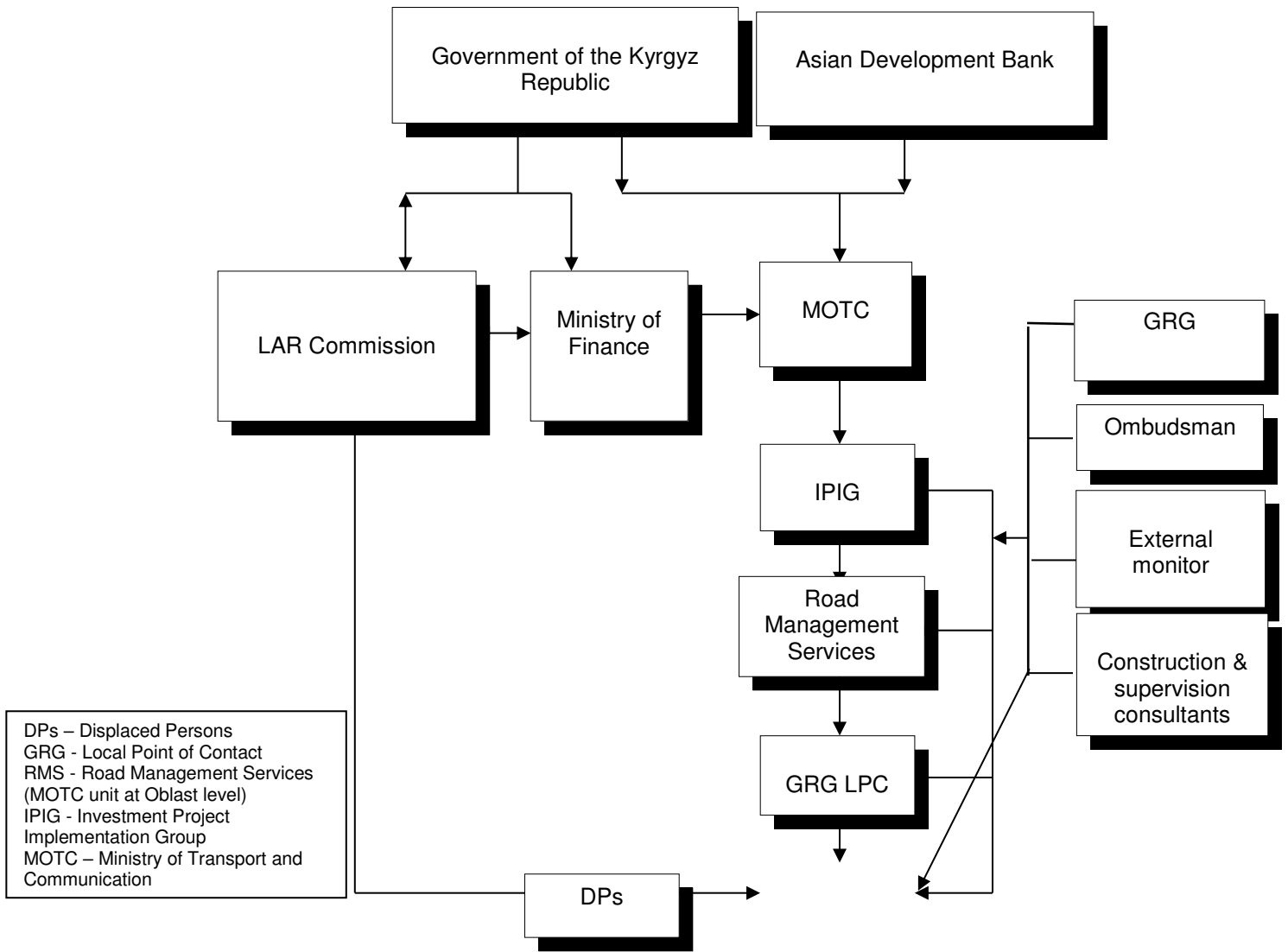
**Independent Detailed Measurement and Assets Valuator:** An accredited private company hired by Eptisa for valuation of the affected assets during the preparation of this LARP.

**Main responsibilities:**

- Verify all impacts on each affected asset
- Value affected assets in accordance with the Kyrgyz laws and ADB SPS 2009
- Assist in preparation of the LAR budget
- Assist in legalization process for DPs with the LAR Commission and IPIG chief architect.

Figure 9 -1 illustrates the institutional and Project implementation arrangement.

**Figure 9-1: Organizational Framework**



## 10 LAND ACQUISITION AND RESETTLEMENT PLAN IMPLEMENTATION PROCESS

### 10.1 Land Acquisition and Resettlement Plan Preparation Actions

192. This Chapter describes the steps taken to prepare this LARP and the future activities required to ensure its successful implementation. For timeline and implementation schedule please refer to Table 10-1.

193. The IA will begin the implementation of LARP immediately after its approval by the ADB and Government of the Kyrgyz Republic. The following are the particulars of the main preparatory tasks completed to date:

- Establishment of the official cut-off date as 26 May, 2014; (Annex 7-1)
- Identification and calculation of impacts, number of DPs and compensation amount based on the agreed entitlement provisions;
- Initial consultations with the key stakeholders and DPs;
- Consultations with Project communities;

### 10.2 Land Acquisition and Resettlement Plan Implementation Milestones

194. The EA will provide 45 days advance notice to the DPs to vacate the property and pay their due compensation based on the eligibility criteria defined in this LARP prior to the start of the construction work.

195. The following process of compensation disbursement to the DPs is described below:

Signing of prior agreement with DPs for negotiated acquisition: It is expected that before the approval of the LARP by the Government of Kyrgyz Republic, an agreement will be reached with legal DPs as a result of the ongoing legalization process and ongoing negotiations regarding the acquisition conditions for their affected properties under this LARP.

196. As soon as the LARP is approved by the ADB and the Kyrgyz Government, the EA will send the draft contracts to legal DPs.

**Signing of the contracts and agreements:** IPIG will sign contracts with DPs for the disbursement of compensation for acquired assets;

- **Payment of Compensation/Allowances:** The compensation amount will be paid within 15 days after the contract is signed. The Ministry of Finance will open an account on behalf of the IPIG. The DPs will be paid in cash upon presenting personal identification.
- **Vacation of Site:** In case of self-relocation, the DPs will have 45 calendar days to relocate from the date the compensation is received. Within this time, the DPs may dismantle and remove all salvageable material for the rebuilding of houses and re-establishment of businesses. The EA reserves the right to demolish such structures if the DP has not done this by the agreed deadline. In cases of relocation arranged under the Project, the DPs will be informed about the date of the relocation.

197. Prior to taking possession of any land or assets, including handover to a contractor, a compliance report shall be submitted to ADB for approval, certifying that the LARP has been fully

implemented in accordance with all the principles and provisions of ADB's SPS 2009 and the Kyrgyz Republic laws and regulations.

198. Grievances or objections (if any), will be redressed as per the grievance redress procedure adopted in this LARP. All activities related to LAR will be completed prior to the contractor's possession of acquired land and commencement of civil works.

199. This section includes a detailed implementation schedule for all key land acquisition and resettlement activities. A timeline for LARP updating, implementation and post-implementation is summarized in Table 10-1.

**Table 10-1: LARP Finalization and Implementation Schedule**

<b>TASK</b>	<b>REPONSIBILITY</b>	<b>START</b>	<b>FINISH</b>
ADB/EA approve LARP	ADB/IPIG	26/05/2016	26/05/2016
Translation of LARP into Russian and Kyrgyz languages	IPIG	09/05/2016	20/06/2016
Disclosure of LARP on ADB/EA website	ADB/IPIG	20/06/2016	20/06/2016
Submission of LARP for approval through Governmental Ordinance	MOTC	20/06/2016	20/06/2016
Issuance of Governmental Ordinance endorsing LARP	Gov KR	20/06/2016	20/09/2016
Posting endorsed LARP document on ADB and MOTC/IPIG websites	ADB and IPIG	20/09/2016	
<b>LARP IMPLEMENTATION</b>		<b>20/09/2016</b>	<b>20/11/2016</b>
Implementation of LARP	IPIG	20/09/2016	20/11/2016
Preparation and submission of LARP implementation report for ADB review	External Monitor	20/11/2016	1/12/2016
ADB reviews LARP implementation report	ADB	1/12/2016	7/12/2016
Disclosure of LARP implementation report on ADB website	ADB	10/12/2016	
ADB issues 'No Objection Letter' to the start of civil works	ADB	10/12/2016	
MoTC provides no objection to Contractor to start civil works	MOTC	15/12/2016	
<b>CONTINUOUS TASKS</b>			
Monitoring: Quarterly monitoring reports	EM/IPIG/ADB		
Grievances redress	IPIG		

## 11 MONITORING AND REPORTING

### 11.1 Monitoring and Reporting Requirements

200. While effective institutional arrangements can facilitate implementation, effective monitoring ensures that the course and pace of implementation continues as originally planned. The implementation of this LARP will be subjected to both, internal and external monitoring as the Project will have a significant amount of involuntary resettlement. The ADB SPS 2009 considers involuntary resettlement impacts significant if 200 or more persons will be physically displaced from their home or lose 10% or more of their productive or income-generating assets. Internal monitoring will be conducted by the IPIG. External monitoring is assigned to an External Monitor hired by the EA and approved by the ADB. Monitoring is vital for ensuring that the LARP is effectively implemented, unforeseen impacts related to land acquisition and resettlement activities are identified and appropriate measures to address the same can be taken in a timely manner.

### 11.2 Internal Monitoring

201. The EA is responsible for the internal monitoring. The main aim of the internal monitoring is to monitor the process of LARP implementation such as the compensation process, grievance mechanism and effectiveness of LARP implementation procedure. Internal monitoring will be performed routinely by the IPIG, both directly and with the support of additional specialists to be hired by the supervision consultant for the LARP implementation. The results will be communicated to ADB through the **Quarterly Project Implementation Reports**. Indicators for the internal monitoring will be those related to the LARP implementation processes, immediate outputs and results which allow for the assessment of the progress and results of LARP implementation, and the adjustment of the work program, if necessary. Specific monitoring targets will be to verify/check:

- the number of AHs with legal ownership;
- the number of AHs with legalizable land and assets;
- the number of AHs without legal or legalizable status;
- the affected/remaining part of the land;
- affected buildings, structures, businesses;
- loss of income and employment;
- allowances for severity and vulnerability;
- full compensation paid on time;
- relocation of movable businesses;
- the GRM Logbook entries;
- number, nature and substance of complains;
- number of grievances resolved at the project level;
- number of grievances forwarded/resolved at other grievance resolution levels.
- the number, type of consultations with DPs/host communities and other relevant stakeholders held;
- public consultations activities documented and included in draft LARP;

202. The above information will be collected by the IPIG which is responsible for monitoring the day-to-day resettlement activities of the Project through one or more following instruments:

- review of census information for all AHs;
- consultation and informal interviews with DPs;

- sample survey of AHs;
- focus group discussions;
- community consultation meetings.

### **11.3 External Monitoring**

203. For projects with significant involuntary resettlement, (category 'A' projects), ADB policy requires external monitoring which should be carried out in parallel with the implementation of the LARP and its internal monitoring. The main goal of external monitoring is to assess the relevance, efficiency, effectiveness and impact of the LAR processes and to suggest any corrective measures, if necessary. The External Monitoring Consultant (EMC) will monitor and verify LARP implementation to determine if the resettlement goals have been achieved, livelihood and living standards have been restored and to provide recommendation for improvement, if needed. External monitoring entails two types of activity: a) short term-monitoring and evaluation of LARP implementation and compensation delivery and b) a long-term evaluation of the rehabilitation effects of the LARP program.

### **11.4 Short-Term Monitoring**

204. This task will be carried out in parallel with the implementation of LARP and will require regular field visits and communication with DPs and the EA. The task will result in a final Compliance Report indicating whether the compensation program has been carried out based on the agreed provisions and ADB SPS 2009. The Compliance Report will be communicated to the IPIG and ADB. Approval of the Compliance Report by the ADB will be a condition to start civil works. The Compliance Report will include the following:

- A verification of the schedules and the achievement of targets related to land acquisition and resettlement activities;
- A verification for whether the resettlement has been implemented in accordance with the approved final LARP;
- A verification that the unit compensation rates used in the valuation reports, contracts and agreements are in accordance with the LARP provisions;
- A verification that compensation and the amounts defined in the LARP were delivered to all AHs;
- An assessment of the compensation distribution procedure, its timing in relation with LARP provisions;
- A review of the GRM and grievance cases including an assessment of whether grievance resolution was carried out in accordance with LARP provisions;
- Training of the GRG at the local and central level;
- An assessment of public consultation;
- An assessment of the delivery of allowances to severely affected, vulnerable and resettled APs;
- A final assessment of satisfactory implementation of the LARP and if necessary, details of the required corrective measures.

### **11.5 Long-term Monitoring and Evaluation**

205. This task will be carried out 2 years after the end of LARP implementation to find out if the LARP rehabilitation objectives have been attained or not. The SES data included in this LARP will provide the benchmarks to compare pre and post project conditions. The study will detail:



- socio-economic conditions of the DPs in the post-resettlement period;
- changes in housing and income levels;
- changes in value of properties;
- condition for business activities;
- grievance procedures;
- level of changes in AHs living conditions
- satisfaction of DPs in the post resettlement period.