

Resettlement Plan

Project No.: 45169-002
August 2013
DRAFT

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

(Kara-Balta Section)

Resettlement Plan

August 2013

Kyrgyz Republic:TA-8107KGZ: CAREC Corridor 3 (Bishkek-Osh Road) Improvement Project Phase 4 (45169-002) for Kara Balta

Prepared by
Ministry of Transport and Communication of the Kyrgyz Republic for the Asian Development Bank.

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**Kara–Balta CAREC Corridor 3 (Bishkek-Osh Road) Improvement Project
Phase 4**

In

Kyrgyz Republic

August 2013

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CURRENCY EQUIVALENTS

(as of 18 06 2013)

Currency unit	–	KyrgyzstanianSom
1.00	=	0.02061
\$1.00	=	

ABBREVIATIONS

ADB	–	Asian Development Bank
AH	–	Affected household
AP	–	Affected 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
HH	–	Household
IOL	–	Inventory of Loss
IPIG	–	Investment Project Implementation Group
LAR	–	Land Acquisition and Resettlement
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
RP	–	Resettlement Plan
SAH	–	Severally Affected Household
SES	–	Socio Economic Survey
TORs	–	Terms of Reference

GLOSSARY

Affected person (AP) / Displaced Persons (DP)	–	Means any person or persons, household, firm, private or public institution that, on account of changes resulting from the Project, will have its (i) standard of living adversely affected; (ii) right, title or interest in any house, land (including residential, commercial, agricultural, forest, and/or grazing land), water resources or any other moveable or fixed assets acquired, possessed, restricted or otherwise adversely affected, in full or in part, permanently or temporarily; and/or (iii) business, occupation, place of work or residence or habitat adversely affected, with or without displacement. In the case of a household, the term AP includes all members residing under one roof and operating as a single economic unit, who are adversely affected by a Sub-Project or any of its components
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 APs. The final cost of resettlement can be determined following completion of the DMS.
Compensation	–	Means 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 completing DMS for which land and/or assets affected by the project are measured. 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 APs, 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 programme	–	A programme designed with various activities that aim to support affected persons to recover their income / livelihood to pre-Sub-Project levels. The programme is designed to address the specific needs of the affected persons based on the SE survey and consultations.
Inventory of Losses (IOL)	of –	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 pinpointed, 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	–	Means the method of valuing assets at current market value, or its nearest equivalent, plus any transaction costs such as administrative charges, taxes, registration and titling costs.
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.
Resettlement Plan (RP)	–	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 (SAH)	–	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 marginalised 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) children and the elderly households who are landless and with no other means of support, and (v) landless households, and (vi) indigenous people or ethnic minorities.

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A. Executive Summary

1. **Project Background.** The proposed project will improve the national and regional connectivity by rehabilitating an estimated 130 km of crucial road sections between Bishkek and Osh. The proposed project is consistent with the government's priority in 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 surface 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 Bishkek – Kara Balta road section (Section no. 1) is located between km 9 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.

Scope of Resettlement Impacts; According to the results of the DMS and Valuation based on project preliminary design, there will be (i) 2 houses (with approximately 10 persons) to be severely impacted, (ii) 38 shops, cafes/kiosks will experience temporary business interruption as these are mostly non-titled and will just be moved back out of the existing right of way, (iii) 2 petrol stations (whose partial structure is existing right of way), (iv) a government structure and a shed, and (v) 58 secondary structures (concrete fences, gates, stone paving, etc) will be moved out of the existing right of way. Further validation of these information will be undertaken during the finalization of LARP when final project detailed design for the Bishkek – Kara-Balta road section becomes available.

Socio-economic Conditions of the Displaced Households. 97% of the affected households were covered in the DMS. Two more have been surveyed during the second round on 4 July. There is a programme to obtain the last 3% who refused measuring, a minor was at home, a person with mental disability and those will be followed up in July. Four households were characterized as vulnerable through poverty and disability.

4. **Consultation, Disclosure and Grievance Redress.** The Resettlement Team has followed ADB protocols for consultation. A separate Communication Plan was prepared under the project in June. During the first Socio Economic Survey a short project brief was handed out. During the Detailed Measurement Survey another brief was handed out. Both briefs can be found in Appendix 2 and 3. As well, a Public Information Booklet has been translated into three languages and has been left with each rayon involved in the project. This is found in Appendix 4. There are a series of public consultation meetings – two have been scheduled for July 2 and 22-24. Minutes for the first consultation are found in Appendix 5.

5. **Detailed Measurement Survey and Inventory of Loss (IOL).** The Detailed Measurement Survey (DMS) is done by the LAR Commission who are responsible for measuring and the PPTA Team has provided support with collecting other relevant IOL data. The IOL has been completed by the valuator over severity of loss by each type of structure in June 2013.

6. **Legal and Policy Framework.** The legal and Policy Framework provides for the relevant laws of the Kyrgyz Republic and the ADB Safeguard Policy Statement. Objectives of ADB policy are to avoid, if not minimize resettlement impacts, restore livelihoods and improve living standards of affected households, especially of poor and vulnerable households. Compensation will follow the principle of replacement cost.

7. **Income Restoration and Relocation Strategy.** Measures to the displaced persons to restore their livelihood and living conditions include provision of (i) compensation, assistances for affected land and structures at replacement cost that will enable them to avail of lands with similar productive/economic value and construct structures similar to those that will be damaged by the Project, (ii) rehabilitation assistance during the transition period which includes transportation support, and house rent allowance for relocated households, (iii) assistances for income losses of affected businesses, (iv) assistance for displaced workers from affected businesses, and (iv) additional assistance to vulnerable groups. Cash compensation will be provided for the above measures for those affected by house relocation and significant business relocation.

8. **Implementation Arrangements.** The executing agency is the MOTC which have overall responsibility for the preparation and implementation this LARP.

9. **RP Budget.** The Cost Estimates to pay compensation, allowances and resettlement for households affected by the road project is US\$1,011,185 or Som 49,453,002. *The valuation figures are preliminary and will be finalized only after the valuation report is cleared by Gosstroy through a positive legal opinion at the stage of detailed design preparation.*

10. **Monitoring.** IPIG is responsible for internal monitoring. An external monitor has been provided for in the Kara Balta budget to cover both LARP I and LARP II.

11. **RP Updating.** The preliminary design is under preparation and will be completed by end August 2013. There are some new additional APs that have been identified during the Preliminary Design Phase and every effort is being made by the Design Team to adjust the design in order to reduce any additional significant impacts on APs. The final design will be completed by September 2014. The RP will require updating based on design. An Implementation Schedule is found below.

Table ES1 Implementation Schedule

Resettlement Implementation Activities	Tentative Schedule
RP Preparation	April – August 2013
Disclosure of RP to APs and Local Officials	July-August 2013
Preliminary Design	June - August 30, 2013
Final Design	September 2013 – September 2014
Updating RP (updating DMS+ Valuation)	After final design is established
Implementation of Updated RP	October 2014 – July 2015
Procurement of Civil Works Contracts	September 2014 – August 2015
Compensation Paid out in Full to all APs	31 August 2014
Income Restoration Programme	1 September – February 2015

Resettlement Implementation Activities	Tentative Schedule
Construction starts	October 2015
External Monitoring	October 2015 then intermittent
Internal Monitoring	December 2014 (quarterly)

B. Project Description

B.1 Description of the Project

12. The proposed project will improve the national and regional connectivity by rehabilitating an estimated 130 km of crucial road sections between Bishkek and Osh. The proposed project is consistent with the government's priority in 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.

13. 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 surface 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.

14. The Bishkek – Kara Balta road section (Section no. 1) is located between km 9 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. At the beginning the road has a 6-lane configuration which turns to a 4-lane configuration of the carriageway until km 21. The existing pavement is asphalt concrete and the paved width is between 15 and 20 m and a median of 2 – 4 m. Shoulder width ranges from 1.5 to 3.0 m. The Section proceeds westward to the outskirts of Kara Balta, passing through a number of smaller settlements interspersed by agricultural fields with a 3-lane configuration of carriageway, which changing to 2-lanes. The paved width is 8 to 12 m and the shoulder width is 1.5 to 3.0 m. The villages along the road are merging 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 section. The terrain for entire sections can be classified as flat with altitudes ranging from 750 m to 800m.

15. The location map of the section follows and also has highlights of some of the major structures impacted by the project.

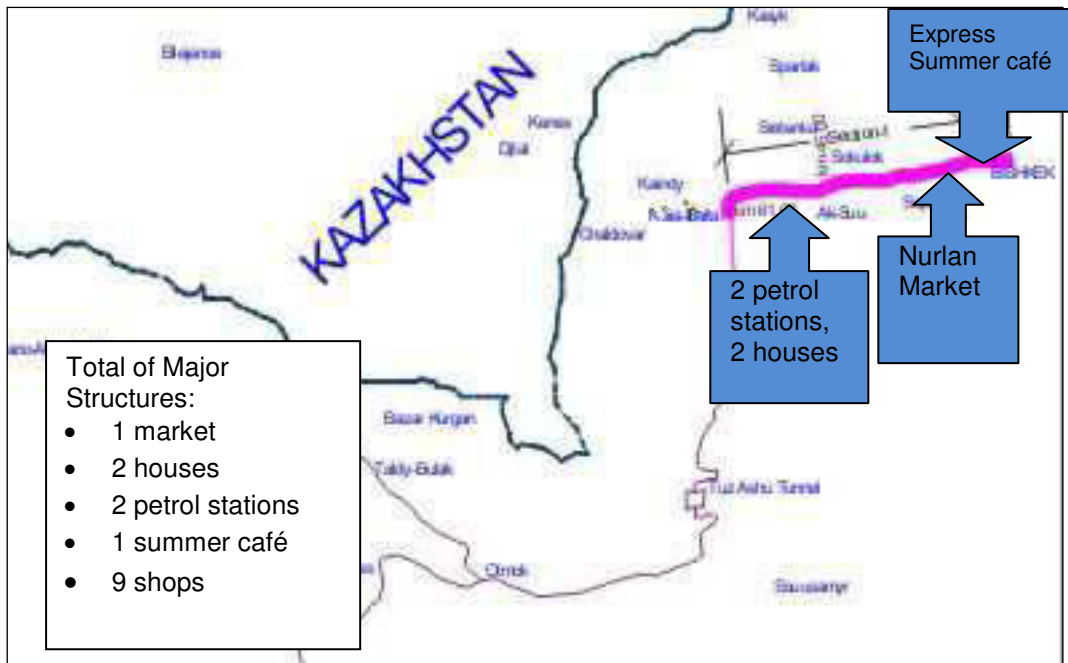


Figure 1 Location Map with Major Impacted Structures

B.2 Measures taken to Minimize Impact

16. A key component of ADB’s resettlement policy is to avoid, as much as possible and wherever possible, the need for involuntary resettlement. During the PPTA, the technical design options of the TA8107 were discussed amongst the engineering team and between local officials and the resettlement experts to minimize the need to acquire land and demolish properties.

17. Proposals for the construction of new roads and/or upgrading of existing roads (e.g. requiring excavated area, area for spoil, temporary land for construction, etc.) have the potential for significant negative impact on the Affected People through changes in land and resources use, housing, livelihoods and access. For instance, items considered to have major negativesocial impacts, include those needing permanent land acquisition, new construction/expansion of the road; whereas items needing temporary land acquisition, such as construction site, borrow pits and disposal areas, are considered to have limited and temporary negative social impacts.

18. Although Designers have carefully considered measures to mitigate the amount of land required for the Project, construction of these works will inevitably cause certain local people in project areas to lose a proportion of their land to make way for the new road. Construction works will most likely cause a significant disruption to the existing population as a whole.

19. During the Project preparation, many solutions for reducing land acquisition impacts were mentioned and discussed among engineers, safeguard consultants and local people.

20. The Design Consultant applied the following design principles that will minimize the need for land acquisition, namely:

- Design principle -The most current way/practice used to save construction costs and reduce land acquisition requirements is by complying with standards and measures that limit such impacts in the suitable location. With this principle, the alignment is mainly based on existing routes and extends the location only to make sure that the size of the cross-sections, as required, are met.

- Reviewed each section for major impacts with the Project Team Leader and Resettlement Team. In a few cases additional APs were identified after DMS and as a consequence the Preliminary Design is being reworked in order to minimize the number of APs and major impacts.

B.3 Objective of the Resettlement Plan

21. This RP addresses impacts on assets and livelihoods resulting from the Project on the “Kyrgyzstan: TA-8107KGZ: CAREC Corridor 3 (Bishkek Osh Road Improvement Project)” in Karla Balta. It covers only those rayons impacted by the construction activities.

22. The objective of the RP is to improve, or at least restore, livelihoods and living standards of affected households while allowing them to maintain their cultural identity. It is designed to provide full compensation to all individuals who stand to lose their respective houses, land or other livelihood assets due to construction/upgrading of the road.

23. In addition, this RP was prepared to address the impacts arising from land and property acquisition as a result of the construction of the Project. The overall objective of the RP is to ensure that all APs will be compensated at replacement cost, based on the current market value, for their respective losses, as well as provides them with rehabilitation measures, including transition allowance, so they are, at least, as well-off as they would have been in the absence of the Project.

24. This RP is based on the following:

- Engineering investigations and preliminary designs for this Project;
- Results of the Inventory of Losses (IOL) conducted in June-July 2013;
- The socio-economic survey of the APs conducted in June-July 2013; and
- The discussions with local officials and consultation with the APs.

This RP includes a survey of replacement cost of key items (e.g. land, house rebuilding and shop prices) carried out in June-July 2013.

C. Scope of Land Acquisition and Resettlement

C.1 Potential Impacts

25. The construction upgrading of the Karabalta Section of the CAREC Corridor 3 Project will require the acquisition of 394,0m² of residential land. The construction upgrading will require 158,8m² of land from houses. The project will require 878,0 of shops and café with major affects and 2 petrol stations with major affects. There is 31,9m² minor affected shops and kiosks.

C.2 Summary of Resettlement Impacts

26. The Inventory of Loss carried out in June 2013 has identified a total of 104 structures that will be affected by the CAREC Corridor 3 (Bishkek-Osh Road) Improvement Project broken down as follows by major impacts:

- 2 houses with major affects
- 38 shops, cafes, kiosks with major affects
- 2 petrol stations with major affects
- 13 types of secondary structures with major affects.

C.2.1 Potential Impacts on Land

27. The next table provides the extent of land loss for two of the three rayons. It is all residential land and no agriculture land is acquired.

Table C1 - Extent of Land Losses of Affected Communities and Affected Households per IOL (in m²)

Kara-Balta section/rayons	Unit	Residential Land
Sokulukskii	m ²	120
	HH	1
Moskovskii	m ²	274
	HH	2
Jayilskii	m ²	0
	HH	0
Total	m²	394
	HH	3

C.2.2 Potential Impacts on Main Structures

28. Two houses will be affected by the project in Moskovskii Rayon as shown in the next table.

Table C2 - Affected Households Losing Houses by Severity of Loss and Floor Area

Kara-Balta section/rayons	Partial Only	Partial but No longer Viable	M² Measurement
Sokuluk			
Moskovskii		2	158.75
Jayilskii			
Total	0	2	158.75

C.2.3 Impact on Businesses, Shops

29. Businesses will be impacted by the project. A total of 39 shops will be affected with 38 shops having major impacts. Table C3 shows all impacted shops and businesses by rayon.

Table C3 All Impacted Shops and Businesses by Rayon

Kara-Balta section/rayon	Affected shops (major and minor impacts)
Sokulukskii	18
Moskovskii	19
Jayilskii	2
Total	39

30. There are a total of 58 secondary structures that are impacted by the project with major impacts. The top three structures are: permanent shade awnings, metal fences and sign boards. Table 4 provides a summary by quantity and measurements.

C.2.4 Other Secondary Structures

Table C.4 Measurement and Quantity of Impacted (Secondary) Structures

Rayon	Awnings	Sheds	Storehouse	Gates	Metal Fence	Brick Fence	Mud/C lay Fence	Concrete Fence	Paving Stone	Concrete site	Sign Boards	Ovens, pcs	Porch/Concrete stairs, m ²
Sokulukskii	178.3	0.0	84.6	6.4	175.2	16.0	25.0	26.3	202.4	195.8	0.0	0.0	22.0
Moskovskii	187.4	5.7	0.0	21.5	14.7	8.0	0.0	119.3	19.4	133.3	88.5	1.0	0.0
Jayilskii	0.0	0.0	0.0	0.0	20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	365.7	5.7	84.6	27.9	209.9	24.0	25.0	145.6	221.8	329.0	88.5	1.0	22.0
Quantity	13	1	1	4	9	2	1	5	5	6	9	1	1

C.2.5 Loss of Crops, Trees and Agriculture Products

31. According to the IOL there is no loss of any trees, crops and agriculture products.

C.2.6 Business Disruption and Income Loss

32. The business disruption will be mainly during the construction period for those affected shops and kiosks with minor impacts.

33. Shop owners will be provided assistance and allowance under the provincial policy that had been harmonized in the Project resettlement policy. Specifically, the owners of these stores can get monetary support during the time of disruption of business and while waiting for the shifting place to be established.

C.2.7 Summary of Impacts

Table C5 provides the Summary of Impacts of all Structures.

Table C.5 Summary Table of Impacts

Items		Unit	Total	Affected assets
Land				
Non - Agriculture Land	Residential Land	m ²	394,0	3
	Other Non - Agriculture Land	m ²		
Total affected land		m ²	394,0	3
Main Structures (houses, shoppes, kiosks, all)				
	Major affected house	m ²	158,8	2
	Minor affected (house)	m ²		
	Major (shop, cafes, kiosks)	m ²	878,0	38
	Minor (shop, café, kiosks)	m ²	31,9	1
	Major Impacted Petrol Stations	pcs	2,0	2
Secondary Structures				
Major	Awnings/ Shade	m ²	365,7	13
Major	Sheds	m ²	5,7	1
Major	Storehouse	m ²	84,6	1
Major	Gates	m ²	27,9	4
Major	Metal Fence	m ²	209,9	9
Major	Brick Fence	m ²	24,0	2
Major	Mud/Clay Fence	m ²	25,0	1
Major	Concrete Fence	m ²	145,6	5
Major	Paving Stone	m ²	221,8	5
Major	Concrete site		329,0	6
Major	Sign Boards	m ²	88,5	9
Major	Ovens, pcs	m ²	1,0	1
Major	Porch/Concrete stairs, m ²	m ²	22,0	1
	Other Assets	pcs		
Total				104
Total Number of Affected Households				70

D. Socioeconomic Information and Profile

D1 Methodology used in the Socio Economic Profile

34. The Socio-Economic Survey (SES) carried out from May to June 2013, and covered more than 20% of affected HHs, based on the corridor from the Topographical Survey. The survey team covered households within the proposed project. *Unless otherwise noted all tables from SES and DMS are from the SES surveys.*

35. The Social Impact Assessment (SIA) used two main instruments:

- Socio Economic Survey (SES) Questionnaire;
- 8 SES Data Collectors were trained using the questionnaire and sent to the field for data collection;
- Social data was cleaned and entered into a database for the sampling of households; and
- Statistical data of the project area gathered on the level of villages, rayons and oblast.

36. The following residential areas were selected for the SES on that data analysis:

Table D1 Survey Location

OBLAST	RAYON	VILLAGE/SMALL TOWN
Chui	Sokuluk	Sokuluk
	Moskovskii	Belovodskoe
	Jaiyl	Kara-Balta

D2. Profile of Project Area

37. CAREC Corridor 3 (Bishkek-Osh Road) Improvement Project, Phase 4 will pass through three rayons of Chui oblast: Moskovskii, Sokuluk and Jayil. Chui oblast is the most economically advanced region of the Kyrgyz republic. The oblast enjoys the biggest number of operational industrial plants etc., with the highest annual GDP (after Bishkek) per capita. Advantageous climatic conditions, larger markets proximity and developed infrastructure favour agricultural industry development there. Chui oblast provides for the largest state budget income, while some of Chui oblast allocations are distributed as subsidies to the other oblasts. If compared to the other Oblasts, Chui oblast enjoys more advantageous social and economic environment: more motor roads, developed telephone communication network and public service establishments.

38. Based on the information provided by Rayon State Administration's Statistical Departments, the total population of three (3) affected Sub-Project rayons in 2012 was 339,791. The table below contains the population data for the three (3) affected rayons.

Table D2. Population Data for the Three Rayons

Chui oblast	Rayon	Population in 2012 (person)
	Moskovskii	86132
	Sokuluk	159231
	Jayil	94428
	Total	339,791

D3. Profile of Affected Households

39. A survey was carried out in June 2013. The survey targeted 130 households with 499 persons. Total numbers of households that were interviewed during the SES Survey are given in Table D2.

Table D3 Affected Household Numbers under SES Survey Disaggregated by Gender

Rayon	Village	Household	Household By Interview		
			Total	Man	Woman
Sokuluk	Sokuluk	60	275	141	134
Moskovskii	Belovodskoe	60	196	105	91
Jayil	Kara-Balta	10	28	14	14
	Total/Average	130	499	260	239

D3 Housing and Living Conditions

40. Interviewed households own homes of 4-5 rooms with large yards. Households possess simple pit latrines. Average house square is 63,5 m². Except for 17 tenants all households owned their own homes. Table D4 summarizes the main assets owned by households.

Table D4 Ownership of Assets

Item	Sokuluk	Moskovskii	Belovodskoe
Car	54	29	3
Motorcycle	--	1	--
Bicycle	9	12	1
Truck	2	--	--
Stove	59	59	10
Microwave	7	10	1
Gas stove	27	36	8
Washing machine	58	55	10
Refrigerator	60	59	10
Radio	4	10	2
DVD player	34	38	7
Television	58	60	10

D4. Demographic, Employment and Education Status

41. As shown in Table D5, 152 persons from 1-16 age, 284 persons from 17-59 age and 63 persons above 60, in total 499 were represented by the survey. The SES survey highlighted that:

- a) The average household size is 3,9 with ranges from 1-9 members
- b) Population is gender balanced with males and females account for 52% males and 48% for females from the sampled households.
- c) The average age is 31.
- d) All people aged above 50 are pensioners.
- e) 70 males and 25 females are heads of Household

Table D5. Demographic Status

Household	Age		
	0-16	17-59	≥ 60
Male	84	147	29
Female	68	137	34

42. In terms of education, 100 % of all interviewed people are literate.

- 43 males and 25 females have primary education
- 148 males and 152 females have secondary school
- 20 males and 20 females have higher education

Table D6 Education Level

Rayon	Village	Gender	Education Level				
			Illiterate	Primary school	Secondary school	Higher education	Technical vocational training
Sokuluk	Sokuluk	M	--	25	86	8	1
		F	--	15	86	10	--
Moskovskii	Belovodskoe	M	--	14	58	11	5
		F	--	6	56	10	5
Jayil	Kara-Balta	M	--	4	8	1	--
		F	--	4	10	--	--

The employment picture by rayon is presented in the next table.

Table D7. Employment Status

Present occupation	Rayon		
	Sokuluk	Moskovskii	Jayil
Agriculture	34	9	--
Business	34	23	2
Education	57	30	5
Health	4	4	1
Government	10	12	3
Unemployed; looking for work	5	8	1
Retiree	17	39	5
Housewife	50	24	4
Unemployed	1	2	--
Others	13	14	2

The average monthly household income is provided in the next table.

Table D8. Monthly Household Income by Source

Source of income	Monthly income (som)		
	Sokuluk	Moskovskii	Jayil
Agriculture	654000	105000	---
Trading –retail/wholesale	206000	204000	17000
Services	65000	38000	10000
Manual/daily labor	20000	22000	10000
Wages salary	38500	148500	5000
Truck transport	17000	12000	--
Government/social assistance/pension	40100	61050	22032
Remittances	18000	--	15000
Others	25000	6000	--

43. In accordance with the interviewees average monthly income of a family makes approximately 18811 KGS, and average monthly income per persons makes 4900 KGS.

44. As the data from the interviews shows the main activity of the village inhabitants and the main source of income of population is agriculture. Besides, population involved in trading of goods, providing services, manual daily labor and truck transport. Household head, spouse and adult children are equally responsible for income.

D5. Health and Sanitation

45. As regards health and sanitation issues, the SES shows that:

- Majority of households have traditional/shallow well as their main source of water for drinking and washing
- 37 households rely on deep well
- 12 households rely on public tap
- 31 households depend piped water

The table below contains the details on the water supply sources of households.

Table D9 Main source of water supply

Source of water			
Drinking/cooking		Washing/ Bathing	
Traditional/shallow well	50	Traditional/shallow well	50
Deep well	37	Deep well	37
Public tap	12	Public tap	12
Piped water	31	Piped water	31

D6. Energy use for Lighting and Cooking

46. The most commonly-used power source for lighting is electricity from the government.

- 129 households use electricity for lighting and 55 for cooking
- Only 1 household use private generator for their lighting needs
- 44 households use wood and 30 households use gas for cooking

The table below details the type of lightings used by the interviewed households for lighting and cooking.

Table D10 Sources of Energy

Source of energy			
Lighting		Cooking	
Electricity from the government	129	Electricity from the government	55
Private generator	1	Private generator	1
		Wood	44
		Gas	30

E. Information Disclosure, Consultation and Participation

E.1 Information Disclosure

47. Information disclosure is an on-going process beginning early in the Project cycle, and continuing throughout the Project preparation and implementation. The process provides timely information to communities in order that they may meaningfully contribute to the Project design, decisions and also mitigation. Provision of timely and accurate information will avoid misinformation and inaccurate rumours from circulating in the communities.

48. In the process of Public Consultations, the information has been provided sufficiently for local authorities, communities and potentially affected households. The Project Information Booklet (PIB) (refer to Appendix 4) which has been prepared covering 2 main aspects (i) introduction on the Project and (ii) policies on compensation, assistance and resettlement of the Project - has been distributed to potentially affected households and stakeholders.

49. Prior to the distribution of the Public Information Booklet each team of SES Interviewers had a handout that described the project and a map of the location. This is found in Appendix 2. The DMS Team had a handout prepared for each affected structure and affected person including information on the cut off date which is found in Appendix 3. As this is Preliminary Design (to be completed by end August) and Detailed Design will have more updating this will also include promotional materials.

50. For those who could not attend the consultative meetings, the PIB and the relevant regulations on land recovery, compensation, assistance and resettlement that have been handed out to rayon leaders. A set of the materials which includes all of the mentioned documents and the PIB has been placed at the offices of CPCs and in the houses of the village leaders.

E.2 Public Consultations

51. The ADB Communication Plan provides for two sets of formal consultations. The first for Kara Balta has been scheduled July 2 2013. Minutes are found in Appendix 5. In addition a follow up formal consultation will be held between July 22-24th to discuss the contents of the Draft LARP.

52. The Public Consultations were an additional opportunity for small break out sessions to review individual AP cases. Some of the APs are shy and asked consultants, government and ADB staff a question. There was a sense that APs were learning more about the processes and policies that will affect them during the compensation process.

53. In addition to the interviews at the households and businesses during both SES and DMS surveys there were also follow up one on one meetings with vulnerable APs. While they know they will have to move there is sadness and concern. These vulnerable APs will need to be followed closely during implementation.

E.3 Disclosure of LARP

54. The LARP will be disclosed to APs in a formal consultation at each rayon. The revised LARP will be translated and will be posted to both ADB's web site and MOTC's web site. It will be available in Kyrgyz, Russian and English.

55. **RP Updating.** As the preparation of this RP are based on the preliminary design information contained may be tentative and the need to be updated soon after the completion of preliminary and detailed designs. At this stage, changes to the RP take the form of revising the number of displaced persons, the extent of land acquired, the resettlement budget, and the timetable for implementing the resettlement plan. The entitlement matrix of the resettlement plan may be updated at this stage to reflect the relevant changes but the standards set in the original entitlement matrix cannot be lowered when the resettlement plan is revised and finalized.

56. The affected households and other stakeholders will continue to be consulted during RP updating and implementation, following a two-way process: information dissemination and gathering of feedback and suggestions.

F. Grievance Redress Mechanism

F.1 Objectives

57. Grievance redressing mechanism will be established to allow APs appealing any disagreeable decision, practice or activity arising from implementation of Rehabilitation of 52.5 km Bishkek~ Kara Balta road under CAREC Corridor 3 (Bishkek-Osh Road) Improvement Project Phase 4 (45169-002) financed by ADB. APs will be fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, survey, time of compensation and implementation of the project. Care will always be taken to prevent grievances rather than going through a long redress process. *Importantly, MOTC will give administrative support to the GRM.*

58.

59. The GRM will cover issues related to social, environmental and other safeguard issues under ADB safeguard covenants and Kyrgyz law. The GRM is to be established by MOTC on 17 July, 2013.

F.2 Grievance Redress Group (GRG)

60. The GRG will be established for the duration of project implementation. The GRG is tasked with all activities needed to discuss a grievance, assess its validity, assess the scope of eventual impacts, decide eventual compensation needed and instruct/facilitate the functioning of the grievance redress mechanism.

F.3 Functioning of the GRG within the Grievance Redress Mechanism

61. The grievance redress mechanism (GRM) involves the following 2 stages appeals:

Stage 1, Local (Village) Level

The grievances will be first lodged at the level of the complainant's village community. The complainant will report his case to the Local Point of Contact (LPC) The LPC will trigger the action of the Grievance Redress Group (GRG) which will assess the situation and seek a solution through consultation with complainants, local Roads Maintenance Unit (RMU) the oblast Ombudsman, and the selected AP representative.

Stage 2, Central Level

In case within additional 15 days the grievance is still not resolved at local level the complainant will further raise the issue to MOTC's headquarters in Bishkek again with the support of the LPC, AP representatives, and the oblast Ombudsman. The GRG will decide on the eligibility and on the complaint case and prepare the resolution, subject to IPIG/MOTC consent.

62. GRM proceedings will entail one or more meetings for each complain 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.

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

F.4 Composition of GRG

64. GRG will be established by the order of MOTC. The GRG is composed at different levels of appeal by the following individuals/officers:

Local level GRGs

65. Local level GRGs will be established at each Ayil-Okmotu along the project roads with the provision of members of following composition.

Table F1 Composition of local GRGs

Members	Position
Head of Ayil-Okmotu	LPC
Representative of the RMU	Member
2 Representatives of APs	Members
Consultant	Member
Ombudsman of the Oblast	Observer

Central level GRG

66. The central level GRG will be represented by 5 members of the following composition.

Table F2 Composition of Central GRG

Members	Position
Head of IPIG of MoTC	Chairperson
IPIG Project Coordinator	Member
Representative of IPIG safeguards unit	Member
Representative of the RMU	Member
Ombudsman of the Oblast	Observer

67. At each level of appeal, the GRG will be assisted as needed by the professional capacity needed to solve each specific case. This will 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
- Ministry of Agricultural
- State Agency for Environment and Forestry
- Ministry of State Property
- Ministry of Emergency
- Technical expertise from professional engineers

F.5 Duties of GRG Members

Local Point of Contact (LPC) / Head of Ayil-Okmotu

68. Once the LPC Receives written notification of a complaint s/he will:

- draft a complaint memo to be signed by the complainant and the LPC indicating name of complainant, date and place of presentation of complaint, description of complaint and supporting documents, if any;
- for such simple complaints like notification of when construction starts or a copy of the entitlement brochure this should/could be handled at the local level;
- 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 village authorities to organize the meeting(s)
- chair the GRG meetings;
- convey requests and enquiries of the complainants to IPIG/MOTC and to the other members of the GRG at village level;
- maintain records of each meeting and each communication between him/her and the complainants;
- participate as a witness to appeal cases at all levels;
- ensure the administrative and organizational support for GRG members to work;
- disseminate the information on the GRM across the local communities concerned.

RMU Representative

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

- contact the complainant(s) and draft a note with his/her understanding of the complaint;
- recording of complaints and submitted documents of proof;
- participate to all grievance meetings, provide opinions and analysis, take minutes of the discussions
- accompany eventual assessment/valuation specialists in the field
- ensure that claims from damages due to construction works are reviewed by the RMU and technical experts as to costs that may not have been considered in the initial valuation
- based on the position reports of GRG members and on his/her understanding of the case prepare the final grievance report and recommendations to be sent to complainant, other GRG members and 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.
- if the complaint is considered valid and the needed compensation/action is approved by IPIG, proceed for the delivery or compensation or for the execution of the redress action.
- when prompted by the LPC that a complainant with an unsolved grievance wants to lodge the complaint at a higher appeal level inform IPIG/MoTC and proceed with the organization of the central level appeal meeting.

Representatives of the APs

70. Two representatives of the APs from the affected community will participate in all GRG meetings and will:

- participate to all grievance redress meeting;
- 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.

Consultant

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

- contact the complainant(s) and draft a note with his/her understanding of the complaint;
- 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

72. Once notified of a complaint and a summoned by the LPC to a grievance meeting is submitted the Ombudsman will:

- monitor complaint handling process and ensure that decisions made by the GRP are equitable and objective;
- provide independent opinions and recommendations related to the decision made on the case by the GRP team;
- advise the complainant(s) on their rights and entitlements, as necessary ;
- participate to all GRG meetings and site visits;
- participate in eventual assessment/valuation in the field;
- prepare a position memo at the end of the meeting(s) and forward it to LPC/chairperson of the GRG.

GRG Chairperson / Head of IPIG of MoTC

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

- contact the complainant(s) and draft a note with his/her understanding of the complaint;
- trigger the GRG members through a letter of invitation;
- chair the GRG meetings and ensure that minutes of the meeting are shared with all relevant parties;
- review the content of each response prepared after deliberations to ensure accuracy as well as consistency of answers provided to the complainants;
- ensure the administrative and organizational support for GRG members to work;
- support the decision made by the GRG and ensure that the follow-up actions are taken.

IPIG Project Coordinator

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

- contact the complainant(s) and draft a note with his/her understanding of the complaint;
- participate to the appeal meeting, provide opinions and analysis, take minutes of the discussions;
- if needed summon again assessment/valuation specialists and accompany them in the field;
- request the chairperson to organize meetings, as necessary;
- maintain communication between GRG and the complainants; and
- Complaint Register is kept with IPIG and a copy shared with the Consultant.

Representatives of IPIG Safeguards Unit

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

- prepare the chronology of events to understand sequence of developments prompting the complaint;
- provide environmental and resettlement opinion on impacts claimed by the claimant
- examine large claims over USD\$10,000 with financial expert at Ministry and involve a qualified valuer
- request the chairperson to organize meetings, as necessary;
- maintain communication between GRG and the complainants.

Technical Experts

76. Once summoned to provide expert advice for the assessment or valuation of an impact claimed by a complainant the relevant technical expert will carry out the needed investigations and prepare a report to be handed to the complainant and the other members of the GRG. The tasks will include:

- provision of relevant technical opinion for the case reviewed;
- carry out the needed investigations relevant to their expertise;
- provide recommendation when the legal opinion from the relevant state agencies is necessary.

F6. Grievance Resolution Process

77. The LPC of GRGs will be regularly available and accessible for APs to address concerns and grievances. He will assist the aggrieved APs in formally lodging their claims to the GRG. The complaints and grievances from the APs will be addressed through the process described below.

Table F3Grievance Resolution Process

Steps	Action level	Process	Timeline
Step 1	Resolution	At initial stage, the LPC will give hearing to the aggrieved person and try to give acceptable solutions. If any aggrieved AP is not satisfied with the solutions, then the aggrieved AP will lodge grievances in written to the concerned local GRG within 3 days.	3 days
Step 2	GRG Resolution	After receiving written complaints of AP the LPC will review and prepare a Case File for GRG hearing and resolution. A formal hearing will be held with the GRG at a date fixed by the LPC in consultation and the aggrieved APs. On the date of hearing, the aggrieved AP will appear before the GRG at the office of concerned Ayil-Okmotu and produce proof in support of his/her claim. The LPC will note down the statements of the complainant and document all proof. The decisions from majority of the members will be considered final from 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 AP by the LPC within 15 days of submission. If any aggrieved AP is not satisfied with the solutions, then the LPC will lodge grievances in written to the central GRG at MoTC with conclusion and supporting documents prepared at local level.	15 days
Step 3	Resolution of Central GRG	After receiving written complaints of AP the GRG Chairperson of the central GRG will review and prepare a Case File for GRG hearing and resolution. A formal hearing will be held with the GRG at a date fixed by the GRG Chairperson and the aggrieved APs. GRG members will contact the complainant and visit his village. The IPIG Project Coordinator will note down the statements of the complainant	15 days

		and document all proof. The decisions from majority of the members will be considered final from 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 AP by the IPIG Project Coordinator within 15 days of submission.	
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78. The GRM will not restrict or influence the AP from applying to court for legal remedies or ADB accountability mechanism¹.

79. The grievance redress process is shown in the flowchart below.

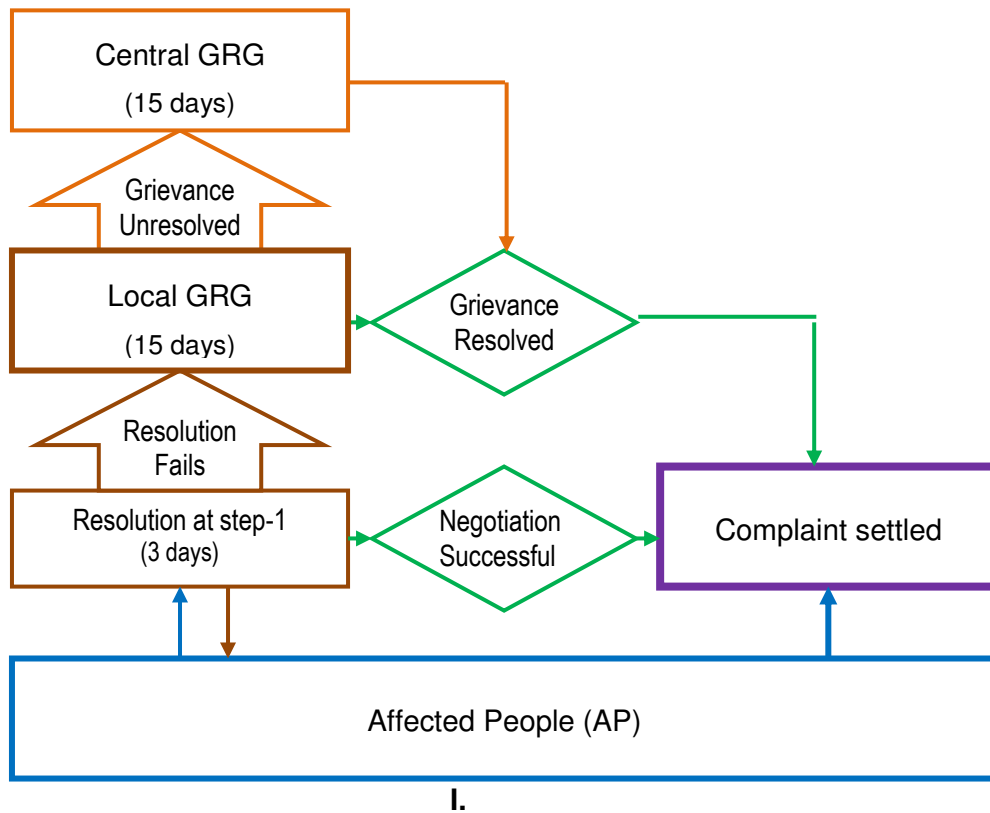


Figure 2 Grievance Redress Process

F7. GRG Complaint Register, Records and Documentation

80. IPIG of 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, and for periodic review of ADB. The ADB Grievance Mechanism Form can be found in Appendix 6.

¹ ADB Weblink: www.adb.org/site/accountability-mechanism/main

G. Legal Framework

G.1 Asian Development Bank Policy

81. The ADB Safeguard Policy Statement (2009) consolidates three (3) existing safeguard policies, namely: (1) Involuntary Resettlement (IR); Indigenous Peoples (IPs); and Environment.

82. The objectives of the IR policy are:

- To avoid involuntary resettlement, wherever possible;
- To minimize involuntary resettlement by exploring Sub-Project and design alternatives;
- To enhance, or at least restore, the livelihoods of all displaced persons in real terms, relative to pre-Sub-Project levels; and
- To improve the standards of living of the displaced poor and other vulnerable groups.

83. Involuntary Resettlement covers physical displacement (i.e. relocation, loss of residential land, or loss of shelter) and economic displacement (i.e. loss of land, assets, access to assets, income sources, or means of livelihoods), as a result of either (i) involuntary acquisition of land; or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas – regardless of whether such losses and involuntary restrictions are full or partial, permanent or temporary. Moreover, the Policy also applies to associated facilities funded through other sources and involuntary resettlement actions conducted by the borrower/client in anticipation of ADB support.

84. Projects financed by ADB, including associated facilities that are financed by the Government or other sources, are expected to observe the following policy principles:

- Early screening to identify involuntary resettlement impacts and risks, and determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis specifically related to resettlement impacts and risks.
- Carry out meaningful consultations with displaced persons, host communities, and concerned non-government organizations.
- Inform all displaced persons of their entitlements and resettlement options and ensure their participation in various stages of the Sub-Project, especially the vulnerable and poor groups.
- Establish a grievance redress mechanism to receive and facilitate resolution of the displaced persons' concerns.
- Support the social and cultural institutions of displaced persons and their host population.
- Improve, or at least restore, the livelihoods of all displaced persons through:
 - (i) Land-based resettlement strategies when affected livelihoods are land-based, wherever possible; or cash compensation/assistance 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/assistance at full replacement cost for assets that cannot be restored; and
 - (iv) Additional revenues and services through benefit sharing schemes, where possible.

85. Provide physically and economically displaced persons with needed assistance, including the following:

- (i) If there is relocation, secure tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, economic and social integration of resettled persons 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.

86. Improve the standards of living of the displaced poor and other vulnerable groups, including female heads of households to, at least, the national minimum standards.

87. Develop procedures in a transparent, consistent, and equitable manner, if land acquisition is through negotiated settlement, to ensure that those people who enter into negotiated settlements will maintain the same or better incomes and livelihood status.

88. 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.

89. 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.

90. Disclose both the draft and final Resettlement Plan in a form and language understandable to displaced persons and other stakeholders.

91. Conceive and execute involuntary resettlement as part of a development Project or programme. Include the full costs of resettlement in the presentation of Project's costs and benefits.

92. For a Project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the Project as a stand-alone operation.

93. Pay compensation, and provide other resettlement entitlements, before physical or economic displacement. Implement the Resettlement Plan under close supervision throughout Project implementation.

94. 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.

95. Disclose monitoring reports.

96. Calculation of full replacement cost will be based on the following elements:

- (i) Fair current market value at the time of compensation;
- (ii) Transaction costs;
- (iii) Interest accrued;
- (iv) Transitional and restoration costs; and
- (v) Other applicable payments, if any.

In the calculation, depreciation of structures will not be taken into account.

It is expected that qualified and experienced experts will undertake the valuation of acquired assets.

97. Persons or households without formal legal rights nor recognized or recognizable claims to the acquired land are still entitled to be compensated for their loss of assets other than land, such as dwellings or other improvements on the land at full replacement cost, provided that they have occupied/used the land or structures in the affected land prior to the cut-off date.

G.2 Regulations of Kyrgyzstan on Resettlement Policy

a. The National Constitution

98. The Constitution of the Kyrgyz Republic (June 27, 2010), Article 12 provides that:

- the Kyrgyz Republic recognizes diversity of ownership forms and guarantees the equal legal protection to private, state, municipal and other types of ownership article 12, clause 1).
- Land can be in private, municipal and other types of ownership with an exception of pasturelands 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 the 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 the compensation for the affected property as well as other costs (article 12, clause 2).

b. Civil Code (8 May 1996, # 16; last amended 30 May 2013)

99. The Civil code provides that: a party whose rights are violated can claim full compensation for the losses, unless the national legislation or the agreements (contracts) prepared in line with the national legislation indicate the contrary (article 14, clause 1). The Civil Code also specifies that the compensable losses include:

- i. Costs that the party concerned has incurred or was going to incur in order to reinstate the party's right (article 14, clause 2)
- ii. Losses or damages of the property (article 14, clause 2)
- iii. Lost profit that the party was supposed to receive under the normal conditions, if the party's rights were not violated (opportunity costs) (article 14, clause 2)
- iv. If the person who violated the law, earned an income, the person whose rights were violated can claim compensation of opportunity costs along with other costs in the amount of this income at least.

c. Land Code (2 June 1999, # 45; last amended 26 May, 2009)

100. The Land code provides that:

- land can be acquired (purchased) for the state and public purposes based on an 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).

- 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 the 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.

101. It should be also noted that the Land Code specifies instances when the right to the land and associated structures can be terminated. These include:

- (i) Failure to use the land according to its targeted purpose²;
- (ii) Land needed for state or public purposes;
- (iii) Non-use of land provided for agricultural use for three years;
- (iv) Non-use of land provided for non-agricultural productive purposes for a period stipulated in the original provision
- (v) Non-payment of land taxes
- (vi) Non-payment of social taxes
- (vii) Annulment of license for mining on the basis of the Kyrgyz Republic's mining law.

102. The decision of a court is required to officially terminate the rights to the 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).

103. According to article 49, clause 1, the land owners or user can, unless the legislation, land title or lease contract indicates to the contrary, has the right to:

- Use the land at its own description and in accordance to the targeted purpose of the land (article 49, clause 1, sub-clause 1)
- Build the structures on the land, according to its targeted purpose, following the established procedures and meeting architectural, construction, environmental, sanitary, fire safety and other requirements (article 49, clause 1, sub-clause 6)
- Claim the compensation, as specified by the legislation of the Kyrgyz republic (article 49, clause 1, sub-clause 5.)

104. Finally the Land Code (article 78, clause 2) also 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 weight structures on the lands of common use (clause 78, clause 3).

d. Law on Roads (2 June 1998, # 72, last amended)

² The use of land according to its target 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 in case of the failure to use the land according to its targeted purposes.

105. According to the Law on Roads (article 4) the roads of common use can be only in state ownership and cannot be sold or held in private ownership. The same Law (article 27) also 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 roads of common use and the right of way (article 27) to, among others:

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

106. Article II Rights and limits which are mandatory for registration. Article 7 obligatory for its delay. Article 22: the reasons for suspension on and refusal to register. Article 33. Liabilities for damage.

107. The arbitrary use of the lands of roads can be discontinued without compensating the illegal user(s) the costs incurred for the duration of the unauthorized use of these lands (article 23).

e. Regulation on Assets Valuation

108. 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.

G.3 Project Principles

109. The Sub-Project principles on resettlement policy are as follows:

- Involuntary resettlement and impacts on land, structures and other fixed assets will be avoided or minimised, where possible, by exploring all alternative options.
- Compensation and assistance will be based on the principle of replacement cost at the time of implementation.
- Severely affected household (SAH) is considered as such when they stand to lose 10% or more of their household's assets and shall be considered as threshold.
- Displaced persons without title or any recognisable legal rights to land are eligible for compensation for non-land assets at replacement cost.
- Residential and agricultural land for replacement should be close to the previous places as much as possible, and suitable to the displaced persons.
- Meaningful consultations will be carried out with the displaced persons and concerned groups to ensure participation from planning up to implementation. The comments and suggestions of the APs and communities will be taken into account.
- The RP will be disclosed to APs in a form and language(s) understandable to them prior to submission to ADB.
- Resettlement identification, planning and management will ensure that gender concerns are incorporated.
- Special measures will be incorporated in the Resettlement Plan to protect socially and economically vulnerable groups, such as: households headed by women,

children, disabled, the elderly, landless and people living below the generally accepted poverty line.

- Existing cultural and religious practices will be respected and preserved, to the maximum extent practical.
- Culturally appropriate and gender-sensitive social impact assessment and monitoring will be carried out in various stages of the Project.
- Resettlement transition stage should be minimised.
- Restoration measures will be provided to displaced persons before the expected starting date of construction in the specific location.
- Budget for payment of compensation, assistance, and resettlement and support will be prepared sufficiently and made available during Project implementation and by the provinces.
- Reporting and independent monitoring should be defined clearly as part of the management system of resettlement.

110. Notice contractors cannot be given until the MOTC officially confirmed in writing, stating that:

- (i) Payment has been fully disbursed to the displaced persons and rehabilitation measures are in place;
- (ii) Already-compensated/assisted displaced persons have cleared the area in a timely manner; and
- (iii) The area is free from any encumbrances.

111. Cut-off date is the date of completing DMS for which land and/or assets affected by the Project are inventoried following Detailed Design.

H. Entitlements, Assistance and Benefits

H.1 Eligibility

112. Eligibility will be determined with regard to the cut-off date, which is taken to be the date of completing the DMS for which land and/or assets affected by the Projects are measured. The APs will be informed of the cut-off date for each Project component, and any people who settle in the Project area after the cut-off date will not be entitled to compensation and/or assistance.

113. In addition, legal rights to the land concerned determine the extent of eligibility for compensation with regard to land.

114. There are three types of APs, namely:

- i) Persons with Legal Land Ownership Documents to the land lost partially or entirely;
- ii) Persons who lost land they occupy, partially or in its entirety, and who do not currently possess ownership (such as tenant), but have a claim that is recognisable under national laws; or
- iii) Persons who lost land they occupy in its entirety or partially who do not have any recognisable claim to that land.

115. APs included under i) and ii) above shall be compensated for the affected lands and assets upon land.

APs included under iii) shall not be compensated for the affected land, but for the affected assets upon land and are entitled to assistance, if they have to relocate.

116. People who move into the Project area after the Project cut-off date are not entitled to compensation or any other form of resettlement assistance, except people who have been miscounted in the IOL or affected during Project construction. Likewise, occupiers who engage in new construction will receive no compensation for these if they are built after the cut-off date, except where they involve routine maintenance and repairs or affected during Project construction. They will be given sufficient advance notice, and requested to vacate premises and dismantle affected structures prior to Project implementation. However, their dismantled structures will not be confiscated and they will not have to pay any fine or sanction. Forced eviction will only be considered after all other efforts have been exhausted.

H.2 Entitlements

117. 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.

118. The compensation strategy for entitlements is based on the type of impact. This could be major impacts such as relocating a house or minor impacts such as moving a kiosk back. The valuation of a house or a shop is based on the Replacement Cost Survey for major impacts. The compensation formulas are found in the Valuation Report in Appendix 8.

119. The unit rates or amount for allowances indicated in the entitlement matrix can be adjusted during the RP updating to reflect the actual situation at the time of implementation. However, the adjusted amounts and unit rates cannot be lower than the provisions in the Entitlements Matrix.

120. Below is the Entitlements Matrix that should be followed when preparing the Resettlement Plan. It incorporates the actual findings of the assets and impacts that the Resettlement Team found on the ground and has been endorsed by IPIG.

Table H1 Entitlement Matrix for LARP I and LARP II

Impact type	Eligible APs	Entitlements	Note
Land	Owner/Tenant	N/A	All land affected is public and within the ROW. It will not be acquired nor compensated
Buildings (structures, houses, sheds)	Owner	Cash compensation at replacement cost for materials, labor, transport of materials, and reinstallation of facilities	Determined by the independent evaluator. No deduction for depreciation or salvageable materials
Shops	Owner	Cash compensation at replacement cost for materials, labor, transport of materials, and reinstallation of facilities	Determined by the independent evaluator. No deduction for depreciation or salvageable materials
Fences	Owner	Compensation for fence relocation + eventual damages	Determined by the independent evaluator.
Business (big size)	Owner	Compensation of business income lost for the period of business stoppage (due to new shop construction and business re-establishment) based either on tax declaration/patent fee or (if this is unavailable minimum non-taxable income	The compensation will be subject to independent valuation
Business (small size)	Owner	Compensation of business income lost for the period of business stoppage (due to shop relocation or new construction and business re-establishment) based either on tax declaration/patent fee or (if this is unavailable minimum non-taxable income	The compensation will be given for 1 month.
Business (big and small size)	Tenants	Compensation of business income lost for the period of business stoppage based either on tax declaration/patent fee or if this is unavailable minimum non-taxable income plus rental fee	The compensation will be subject to independent valuation
Temporary business	Owner/tenants	Compensation for temporary business stoppage due to relocation to new place	The compensation will be given for one week
Trees	Owner	Compensation based on the value of the tree wood	Determined by the independent evaluator.

Impact type	Eligible APs	Entitlements	Note
		to be calculated based on tree diameter (for non-productive trees) Compensation at current market prices for xxx years harvest given the age of trees (for productive trees).	Tree replanting will be done in the spring of 2015 for MOTC's trees along the highway.
Labourers		Cash compensation for lost wages or salary equal to current wages	Compensation will be given for 1 month
Severe impacts Allowance	AP suffering > 10% income losses	A 1 month allowance based on minimum subsistence level	Minimum subsistence level for Chui region is xxx and for JalalAbad region is xxx
Vulnerable people allowance	AH below poverty line or headed by women/disabled	3 months allowance based on minimum subsistence level Free assistance for legal registration of the new businesses	The 2013 KGZ Poverty Line is KS 54600 per year. The monthly rate is KS 4550som.

I.Relocation of Housing and Settlements

121. There are two households that are affected by relocation. One will be fully compensated for the house as she is the owner. The other person is occupying a government house. There is no large relocation site or settled area required.

122. All AHs that have to relocate will be get relocation assistance. Temporary Relocation Assistance for renting temporary resettlement house is also available for the two vulnerable women who are losing housing.

123. In the DMS database 12 APs preferred compensation in land for affected shops and 35 preferred compensation in cash.

J. Income Restoration and Rehabilitation

J.1 Challenges in Livelihood Restoration

124. In addition to compensation for the loss of land and non-land assets, the Affected Persons (APs) will be provided with cash compensation for life stabilization as per Government laws and regulations and ADB requirements. Challenges to livelihood restoration in the Kyrgyz Republic are provided with cash compensation.

125. There are four families that have been classified as vulnerable through measuring income and disability as shown in the next table. As well, both affected APS that require relocation according to the DMS are female headed classified as vulnerable and disabled.

Table J1 Vulnerable Households

Vulnerable Households	Number of Affected Households (AHs)
Female Headed Households	2
Household Head with Disability	1
Poor Household	1

K. Resettlement Budget and Financing Plan

126. This Chapter presents and describes the financial aspects of the implementation of the resettlement process at this stage of pre-preliminary design. Section K1 describes the basis for the compensation standards. Section K2 contains the resettlement budget for the CAREC Corridor 3 (Bishkek-Osh Road) Improvement Project.

K.1 Basis for Compensation Standards

127. The most important aspect to the composition is the methodology used is for Replacement Cost of the Structures. Detailed methodology is found in Appendix 8 as used in valuating the structures and assets.

K.2 Detailed Impacts, Compensation and Entitlements

128. The estimated resettlement cost for the CAREC Corridor 3 (Bishkek-Osh Road) Improvement Project for Kara Balta was calculated based on the Replacement Cost Survey completed on June 25th, 2013. *The valuation figures are preliminary and will be finalized only after the valuation report is cleared by Gosstroy through a positive legal opinion at the stage of detailed design preparation.*

129. The budget tables provides the overall cost estimates for this Project including the following:

- The compensation price for assets
- The compensation price for houses as per the grade and type of house
- No budget for fruit trees nor for crops as these were not found in the IOL by the Valuator
- Loss of income costs has been estimated, however, will need to be updated in greater detail during the Detailed Design.
- It is not possible to provide the detailed assessment of job loss at this stage, however, the estimate of the number of employees for shops and petrol stations is based on DMS.

130. The major cost are the two petrol stations which counts for 63% of the structures.

131. The Compensation Package has identified some costs based on the poverty criteria of 4 poor/disabled households. Three months at subsistence level has been provided along with the transport and a package for each vulnerable person who has to move.

132. Other costs include the External Monitor has been costed for an international consultant over 2-3 missions. Contingency has been set at 5% under inflation.

133. The estimated total cost of resettlement for the improvement of the highway is estimated US\$1,011,185 or Som 49,453,002.

Table K1 Karabalta Budget

#	Items		Unit	Total	AHs	Unit cost (soms)	Total (soms)	Total (USD)
	Replacement Cost							
A	Land							
	Residential Land		m ²	394.0	3	348	137,000	2,823
	Other Non - Agriculture Land		m ²					
	Total affected land		m ²	394.0	3		137,000	2,823
B	Structures							
1	Houses							
		Major affected house	m ²	158.8	2	7,641	1,212,998	24,996
		Minor affected (house)	m ²					
2	Shops, summer café, kiosks							
		Major affected (shop, cafes, kiosks)	m ²	878.0	38	6 964 to 21 060	9,365,185	192,986
		Minor affected (shop, café, kiosks)	m ²	31.9	1	6964 to 21 060	522,522	10,767
3	Petrol Stations		pcs	2.0	2	13,917,280	27,834,560	573,580
4	Secondary Structures							
	Major	Awnings/ Shade	m ²	365.7	13	1,500	548,490	11,303
	Major	Sheds	m ²	5.7	1			
	Major	Storehouse	m ²	84.6	1	5,100	431,460	8,891
	Major	Gates	m ²	27.9	4	9,500	265,050	5,462
	Major	Metal Fence	m ²	209.9	9	1,663	348,930	7,190
	Major	Brick Fence	m ²	24.0	2	4,400	105,600	2,176
	Major	Mud/Clay Fence	m ²	25.0	1	800	20,000	412
	Major	Concrete Fence	m ²	145.6	5	3,800	553,204	11,400
	Major	Paving Stone	m ²	221.8	5	650	144,170	2,971
	Major	Concrete site		329.0	6	300	98,700	2,034
	Major	Sign Boards	m ²	88.5	9	12,125	1,073,063	22,112

	Major	Ovens, pcs	m ²	1.0	1	10,000	10,000	206
	Major	Porch/Concrete stairs, m ²	m ²	22.0	1	3,500	77,000	1,587
	Major	Other Assets	pcs					
	Sub Total (A to B) (Replacement Cost)						42,747,932	880,896
C	Business loss							
	Business Loss for totally affected structures				38	4,193	478,002	9,850
	Business Loss for Petrol Stations		2				972,300	20,036
	Business Loss for partially affected structures				1			
	Temporary Loss of business income				33	279	9,207	190
	Temporary Loss of employment/work		actual lost wages		30	during RP updating		
	Permanent Loss of employment/work		actual lost wages		40	during RP updating		
	Sub Total (C)						1,459,509	30,076
D	Rehabilitation Assistance							
	Transportation Assistance				42	5,000	210,000	4,327
	Temporary Relocation Assistance				2	30,000	60,000	1,236
	Transitional Subsistence Allowance				2	15,000	30,000	618
	Repair Allowance		tbd during Detailed Design					
	Basic Infrastructure Allowance		tbd during Detailed Design					
	Income Restoration Programme		tbd during Detailed Design					
	Vulnerability Allowance				4	4154	49848	1,027
	Sub Total (D)						349,848	7,209
E	Other Costs							
	External Monitoring				1		2430750	50000
	Contingency		5%				2464963	50214
	Sub Total E						4895713	100214
F	Grand total						49,453,002	1,011,185

L. Institutional Arrangements

L.1 Institutional Arrangements

134. Several agencies and parties have been involved and will be involved in this LARP preparation and implementation. These include IPIG MOTC, the LARP Commission, Resettlement team of Kocks Consulting Company (Consultant) consisting of International and National Resettlement Consultants, surveyors, Ombudsman's representative and the NGO sector. Their role is described in the text below. Figure 3 describe the functions of the different agencies/parties involved in LARP preparation and implementation.

135. Based on MOTC' request the two LARP Commissions have been established, one in the Chui region and the second in the Jalal-Abad region. Firstly, before the SES survey and the AP census LARP Commissions made preliminary cadastral surveys to determine the preliminary list of potential APs and later LARP Commissions were involved again in the DMS to fix the final list of AP.

136. As the EA MOTC has overall responsibility for the preparation and implementation of this LARP. IPIG has a specific role in this. There is a Safeguards Unit within IPIG consisting of four staff. Safeguards Staff is responsible for the overall management of all works concerning LARP drafting, review and implementation.

137. The survey and hiring of the independent valuator was done by Consultant. The valuator assessed lost income, loss or stoppage of business, loss of employment, shift/removal of fences and trees (wood and productive) cut-off. Then valuator's valuation report will be examined by the Department of State Expertise of the State Agency for Construction and Regional Development of the Government of the Kyrgyz Republic. Only after having legal expertise conclusion, will the result of the valuator's assessment be included in the LARP.

138. Following TA completion, a new consulting company will be engaged for construction supervision that includes resettlement specialists (international and national) who will update the LARP and submit the final LARP to Government and ADB. Following LARP approval by ADB, IPIG will start the process of implementation including drafting the Governmental Decree endorsing the LARP and the compensation disbursement and implementing it.

139. The EA will be responsible for close monitoring of physical relocation/dismantling of impacted facilities. The EA will supervise the relocation and reinstallation with support from the supervision consultant.

140. The EA warrants that before the construction works commencement the road will be clean of any facilities subject to removal or relocation and the Contractor will not have any obstacles to his activities.

141. In the meantime, starting 17 July 2013 the GRG will function and any claims, requests or recommendations both at pre-construction or construction stage will be registered properly and addressed by GRG members.

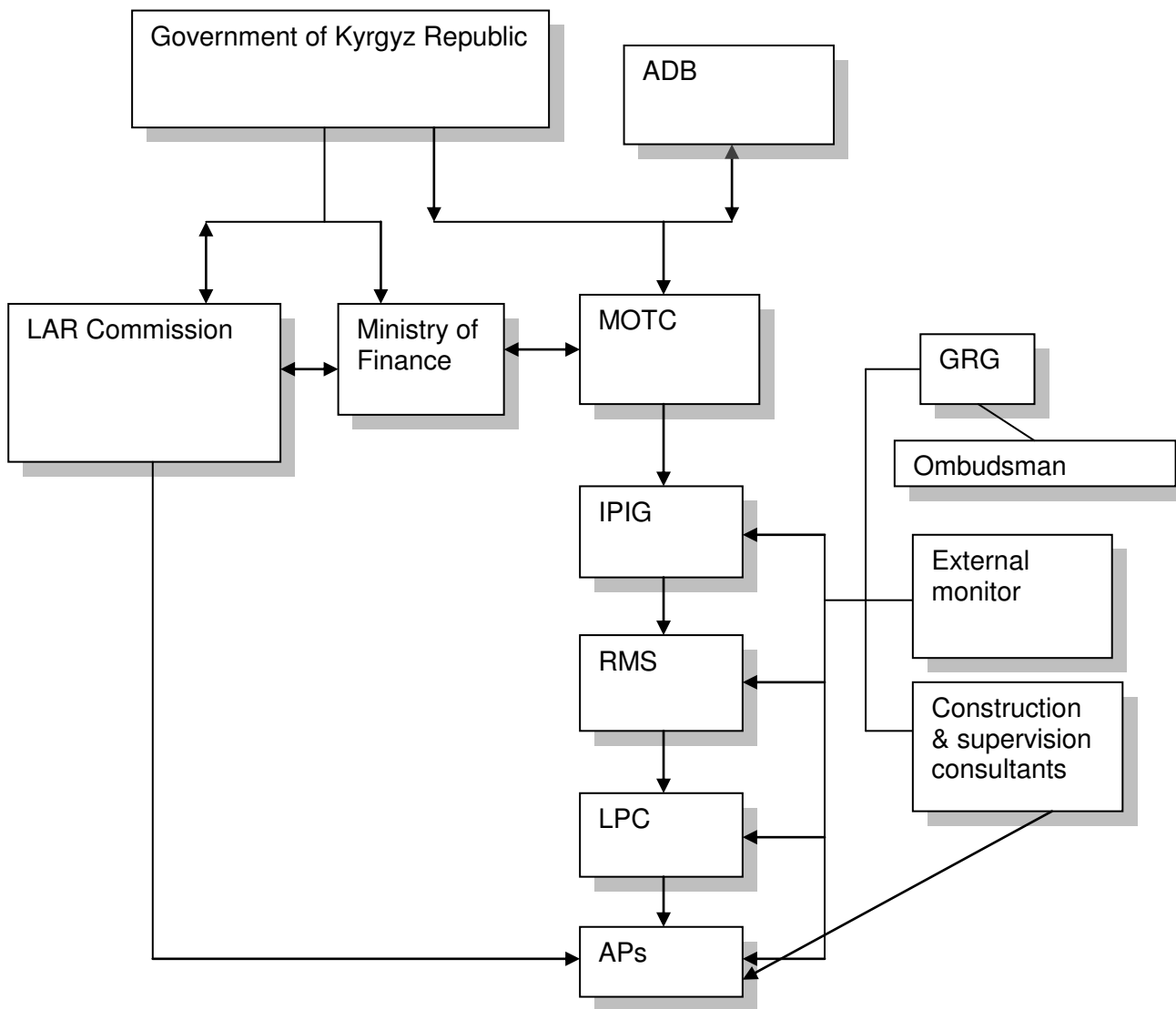


Figure 3 Organizational Framework

M. Implementation Schedule

142. The Implementation Schedule is provided in Table M1. The dates reflect the timing of construction now scheduled to commence in October 2015. Based on this start date all APs should have been paid out compensation prior to civil works and construction starting.

143. RP updating is will be done after Final Design and there maybe some additional APs that were not covered at this stage and they could be done prior to the conclusion of Preliminary Design which will be completed by end August.

Table M1 Implementation Schedule

Resettlement Implementation Activities	Tentative Schedule
RP Preparation	April – August 2013
Disclosure of RP to APs and Local Officials	July-August 2013
Preliminary Design	June - August 30, 2013
Final Design	September 2013 – September 2014
Updating RP (updating DMS+ Valuation)	After final design is established
Implementation of Updated RP	October 2014 – July 2015
Procurement of Civil Works Contracts	September 2014 – August 2015
Compensation Paid out in Full to all APs	31 August 2014
Income Restoration Programme	1 September – February 2015
Construction starts	October 2015
External Monitoring	October 2015 then intermittent

N. Monitoring and Reporting

N.1 Monitoring and Reporting

144. The Project will establish systems for internal and external monitoring and evaluation. The main purpose of the monitoring and evaluation programme is to ensure that resettlement and acquisition of land and properties have been implemented in accordance with the policies and procedures of the RPs. External monitoring and evaluation, in particular, will focus on the social impacts on the APs, and whether or not the APs have been restored a standard of living equal to, if not better than, that which they had before the Project.

145. The objectives of the monitoring and evaluation programme are:

- (i) To ensure that the standard of living of APs is restored or improved;
- (ii) To monitor whether or not the time lines are being met;
- (iii) To assess if compensation, rehabilitation measures and social development support programmes are sufficient;
- (iv) To identify problems or potential problems; and
- (v) To identify immediate/rapid response methods mitigate problems or potential problems.

N.2 Internal Monitoring

146. IPIG will be in charge of internal monitoring. It has to monitor compensation payments, relocation and the livelihood programme.

N.3 External Monitoring

147. An external monitor will be recruited and provide a first monitoring report by end of AP compensation payments and thereafter on a quarterly basis. The specific tasks expected to be undertaken by the External Monitor are:

- Prepare a monitoring plan that covers 100% of the APs;
- Review public consultations with APs;
- Scrutinize the Complaint Register that will be held with IPIG
- Review all compensation payments for acceptance and eligibility
- Monitor the Income Restoration Strategy including its effectiveness on women and vulnerable groups
- Examine the capacity of the GRG in resolving complaints at all levels
- Assess the LAR Commission's capacity to carry out DMS and updating technical issues of RP and;
- Prepare monitoring reports in a format agreed to with IPIG and ADB.

148. A Compliance Report will be prepared. The compliance report will prepare an outline during the first mission. The outline should cover: Introduction; Methodology and Approach; Assessment and Analysis of AP Compensations Payments (who, when, where); Grievance Reviews and Complaint Registrar; Public Consultations and Focus Group Meetings; Informal Consultations; Changes in Vulnerability of Affected Population; Summary of Grievances at each Level; Solutions and Recommendations for Government and for ADB.

Appendices

TA-8107KGZ:

CAREC Corridor 3 (Bishkek-Osh Road) Improvement Project: Phase 4 (45169-002)

The Government of the Kyrgyz Republic has requested for a Project Preparatory Technical Assistance (PPTA) from the Asian Development Bank (ADB) to identify, formulate, and prepare an ensuing loan and/or grant for the CAREC Corridor (Bishkek-Osh) Improvement Project, Phase 4. The project covers the road sections of Bishkek to Kara Balta (road km 9 - km 61) and Madaniyak to Jalalabad (from road km 503 – km 569).

The Bishkek-Osh Road is located in the west-central part of the country and links the country's two major cities and other important settlement areas in the country. This road plays an important role to boost up trade, and to keep cultural ties intact between north and south.

The outcome of the project will be efficient movement of freight and passenger traffic along the Bishkek-Osh road. The project outputs will be

- (i) 60 km of rehabilitated road from Bishkek to Kara Balta,
- (ii) 70 km of rehabilitated road from Madaniyak to Jalalabad,
- (iii) Strengthened road asset management system, and
- (iv) improved road safety.

As part of the preparatory work for this Feasibility Study a Socio-Economic Survey (SES) is to be conducted along the road to be rehabilitated. A questionnaire has been prepared and a team of surveyors will ask you the questions. Your answers are confidential. Your answers will assist the team in preparing the project by giving ideas and concerns. Thank you for supporting the Road Rehabilitation Project and answering our questionnaire.



Location Map of Bishkek – Kara Balta Road Section

**TA-8107KGZ:
CAREC Corridor 3 (Bishkek-Osh Road) Improvement Project:Phase 4 (45169-002)**

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- (i) 60 km of rehabilitated road from Bishkek to Kara Balta,
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- (iii) Strengthened road asset management system, and
- (iv) improved road safety.

As part of the preparatory work for this Feasibility Study a Socio-Economic Survey (SES) and a **Census and Detailed Measurement Survey (DMS)** is to be conducted along the road to be rehabilitated. The questionnaires have been prepared and a team of surveyors will ask you the questions. Your answers are confidential. Your answers will assist the team in preparing the project by giving ideas and concerns. **The cut off date for DMS Registration for all affected persons is Sunday June 16th by 5:00 pm.** Please make sure your name is on the list by that time. Thank you for supporting the Road Rehabilitation Project and answering our questionnaires.



Location Map of Bishkek – Kara Balta Road Section

RESETTLEMENT INFORMATION BROCHURE

MINISTRY OF TRANSPORT AND COMMUNICATIONS KYRGYZ REPUBLIC

CAREC Corridor 3 (Bishkek-Osh Road) Improvement Project, Phase 4

A. Project Introduction

The Ministry of Transport and Communications of the Kyrgyz Republic, as Executing Agency, is intended to implement the CAREC Corridor 3 (Bishkek-Osh Road) Improvement Project, Phase 4. The project will be financed by Asian Development Bank.

The main components of the project are:

- rehabilitation of the road from Bishkek to Kara- Balta, km 8.5 - 61 (Moskovskiy, Sokulok and Jayil Rayon of Chui oblast)
- rehabilitation of the road from Madaniyat to Jalalabad, km 507.5 – 574.5 (Bazar-Korgon, Nooken and Suzak rayons of Jalalabad oblast)

The proposed project will

- improve the national and regional connectivity by rehabilitating an estimated 119.5 kilometers of crucial road sections between Osh and Bishkek
- improve access to markets
- ensure efficient movement of freight and passenger traffic along the Bishkek-Osh road

B. Anticipated Positive Socio Economic Impacts of the Project

- Lower transport costs due to improved road condition
- Reduce accident rates
- Shorten travel times for people and products due to reduced congestions and improved road condition
- Reduce deterioration of vehicles
- Increase local and international travel
- Create income-generating opportunities for local communities
- Create work opportunities

To comply with requirements of the ADB Safeguard Policy Statement (SPS 2009), Kocks Consulting Company is drafting Resettlement Plan (LARP) detailing Project impacts, compensation entitlements, compensation mechanisms and procedures and GRG functioning.

This Information Brochure summarizes the main points to be included to LARP. Its objective is to disclose and summarize for the benefit of affected persons (APs) and the public the impacts of project in Bishkek-Kara-Balta and Madaniyat-Djalal-Abad sections. This brochure will be sent to all APs and distributed to project area civil society organizations, and local governments. LARP will be in Russian and Kyrgyz languages.

C. Resettlement Policy and Principles

The compensation program under LARP is based on the following principles:

- ✓ Involuntary resettlement is to be avoided or at least minimized;
- ✓ If impacts are unavoidable appropriate compensation at replacement value will be provided so as to preserve APs pre-project living standards and livelihood status;
- ✓ APs will be assisted to restore their livelihood;

- ✓ APs will be fully informed and consulted on LAR compensation options and implementation; and AP's participation, particularly that of women and vulnerable groups, will be ensured in LARP planning and implementation;
- ✓ Compensation will be carried out with equal consideration of women and men;
- ✓ Particular attention should be paid to poor or women/disabled person-headed households; and appropriate assistance should be provided to them;
- ✓ Vulnerable and severely impacted APs will be provided special allowances;

D. Compensation Eligibility and Entitlements

The impacts caused by road rehabilitation will be compensated based on the laws of Kyrgyz Republic and the requirements of the ADB Safeguards Policy of 2009. Compensation eligibility and entitlements matrix's aim is to assist APs to maintain or improve their standard of living after the Project. APs eligible to compensation or at least rehabilitation provisions under the Project are:

- ✓ All APs losing land, whether covered by legal title/traditional land rights, legalizable, or without legal status;
- ✓ Tenants and sharecroppers whether registered or not;
- ✓ Owners of buildings, crops, plants, or other assets attached to the land; and
- ✓ APs losing business, income, and salaries.

Compensation eligibility will be limited by a cut-off date which is Sunday June 16th, 2013 by 5:00 pm (the day of the end of the AP Census and Detailed Measurement Survey). APs after the cut-off date will not be eligible for compensation. Impacts occurred/detected after this date will be handled by the Grievance Resolution Group (GRG) and compensated if found valid and eligible by the GRG.

Compensation/rehabilitation provisions for the APs are defined in the table below.

E. Entitlement Matrix

Impact type	Eligible APs	Entitlements	Note
Land	Owner/Tenant	N/A	All land affected is public and within the ROW. It will not be acquired nor compensated
Buildings (structures, houses, sheds)	Owner	Cash compensation at replacement cost for materials, labor, transport of materials, and reinstallation of facilities	Determined by the independent evaluator. No deduction for depreciation or salvageable materials
Shops	Owner	Cash compensation at replacement cost for materials, labor, transport of materials, and reinstallation of facilities	Determined by the independent evaluator. No deduction for depreciation or salvageable materials
Fences	Owner	Compensation for fence relocation + eventual damages	Determined by the independent evaluator.
Business (big size)	Owner	Compensation of business	The compensation will

Impact type	Eligible APs	Entitlements	Note
		income lost for the period of business stoppage (due to new shop construction and business re-establishment) based either on tax declaration/patent fee or (if this is unavailable minimum non-taxable income	be given for 3 months (2 months for petrol station and shop reconstruction and 1 month for shop re-establishment).
Business (small size)	Owner	Compensation of business income lost for the period of business stoppage (due to shop relocation or new construction and business re-establishment) based either on tax declaration/patent fee or (if this is unavailable minimum non-taxable income	The compensation will be given for 1 month.
Business (big and small size)	Tenants	Compensation of business income lost for the period of business stoppage based either on tax declaration/patent fee or if this is unavailable minimum non-taxable income plus rental fee	The compensation will be given for 3 months for big size and 1 month for small size business
Temporary business	Owner/tenants	Compensation for temporary business stoppage due to relocation to new place	The compensation will be given for one week
Trees	Owner	Compensation based on the value of the tree wood to be calculated based on tree diameter (for non-productive trees) Compensation at current market prices for xxx years harvest given the age of trees (for productive trees).	Determined by the independent evaluator. Tree replanting will be done in the spring of 2015 for MOTC's trees along the highway.
Labours		Cash compensation for lost wages or salary equal to current wages	Compensation will be given for 1 month
Severe impacts Allowance	AP suffering > 10% income losses	A 1 month allowance based on minimum subsistence level	Minimum subsistence level for Chui region is xxx and for JalalAbad region is xxx
Vulnerable people allowance	AH below poverty line or headed by women/ disabled	A 1 month allowance based on minimum subsistence level Free assistance for legal registration of the new businesses	The 2013 KGZ Poverty Line is KS 54600 per year. The monthly rate is KS 4550som. Allowance for this assistance is included in the buildings compensation costs

F. Compensation Rates

The table below specifies the compensation rates for affected items. Details will be provided in the RP.

Compensation/Rehabilitation unit rates

Item		Unit	Unit value (SOM)
Buildings impacts	Specified for each building in the RP		
Trees (non-productive)	Market value of wood	m ³	Variable according to volume of wood
Trees (productive)	Market value of 15 years harvest	Unit	Variable according to the age of tree
Fences relocation	Relocation/damages cost	m.	xxx
Business Losses	Specified for each shop (kiosk), gasoline station owner		
Severe Impacts Allowances	1 month at minimum subsistence level	unit	xxx
Vulnerable people allowances	1 months at minimum subsistence level	unit	xxx

Complaints and Grievance Redress Mechanism

Grievance redress mechanism will be established to receive, manage, review, and facilitate the resolution of issues, concerns, complaints, or grievances raised by APs regarding Resettlement implementation. APs will be fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, survey, time of compensation and implementation of the project. Care will always be taken to prevent grievances rather than going through a long redress process.

Based on this mechanism, aggrieved APs may access the GRM through Local Points of Contact (LPC) and will be assisted by the MoTC IPIG Safeguard Unit and a Grievances Redress Group (GRG). The GRG will be established for the duration of project implementation.

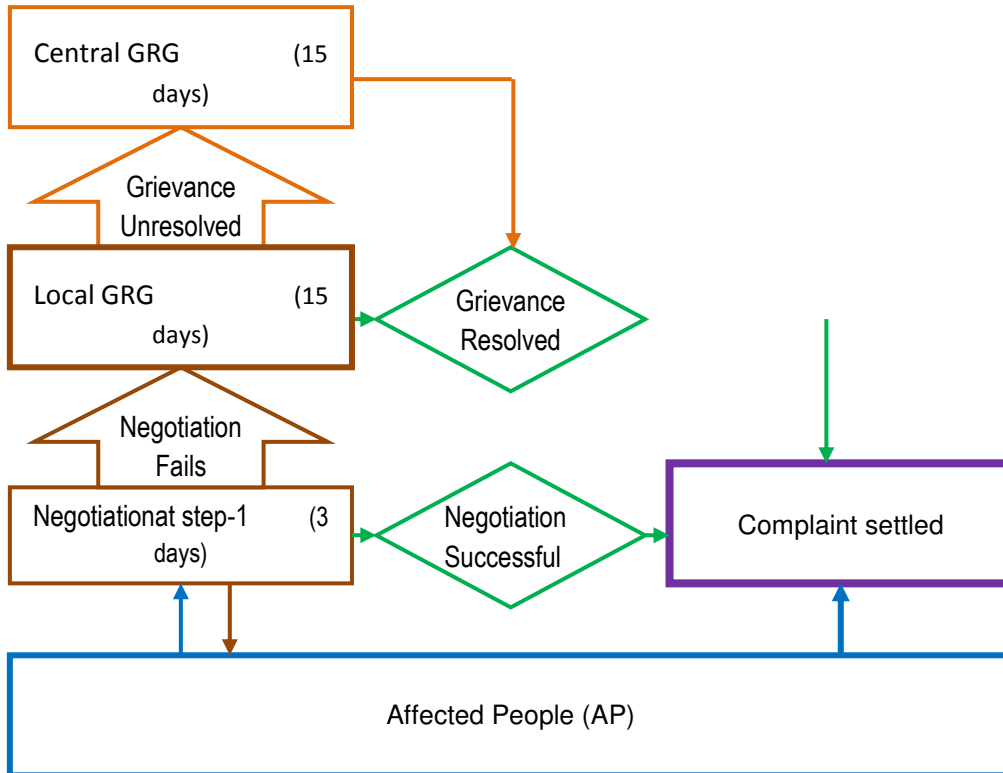
The Grievance Redress Process involves the following stages:

At the initial stage, the LPC will give hearing to the aggrieved person and try to give acceptable solutions. If any aggrieved AP is not satisfied with the solutions, then the aggrieved AP will lodge grievances in writing to the concerned local GRG within 3 days.

After receiving written complaints of AP the LPC will review and prepare a Case File for GRG hearing and resolution. A formal hearing will be held with the GRG at a date fixed by the LPC in consultation and the aggrieved APs.

On the date of hearing, the aggrieved AP will appear before the GRG at the office of concerned Ayil-Okmotu and produce proof in support of his/her claim. The LPC will note down the statements of the complainant and document all proof. The decisions from majority of the members will be considered final from 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 AP by the LPC within 15 days of submission. If any aggrieved AP is not satisfied with the solutions, then the LPC will lodge grievances in written to the central GRG at MoTC with conclusion and supporting documents prepared at local level.

After receiving written complaints of AP the GRG Chairperson of the central GRG will review and prepare a Case File for GRG hearing and resolution. A formal hearing will be held with the GRG at a date fixed by the GRG Chairperson and the aggrieved APs. GRG members will contact the complainant and visit his village. The IPIG Project Coordinator will note down the statements of the complainant and document all proof. The decisions from majority of the members will be considered final from 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 AP by the IPIG Project Coordinator within 15 days of submission.



Contact Information

For additional information please contact the following:

Renata Esembaeva – PR Manager, IPIG MOTC
 Tel: 31 40 54
 Fax: 31 43 78

Project Information and the disclosed Resettlement Plan will also be accessible on IPIG and MOTC web sites: www.piumotc.kg and www.mtc.gov.kg

Minutes of Public Consultation with Affected Persons (APs) in Sokuluk

Date:

July 2, 2013, 11:00

Venue:

Sokuluk Rayon Administration

Attended by:

IPIG

Svetlana Keldibaeva, IPIG

KOCKS Consultant

Aina Argymbaeva, National Resettlement Expert

Vasiliy Chernyh, Chief Design Engineer

Nargis Dzholdosheva, Interpreter

Nancy Laatunen, International Resettlement Expert

Zhibek Kadyrbekova, Consultant

ADB

Nurzhan Dzhumabaev, ABD Consultant

8 APs attended the meeting

Background and Introduction by Presenters

The meeting was opened by Ms. Svetlana Keldibaeva. She introduced the project to APs and explained the summary of the project to them. Ms. Nancy Laatunen provided slides with information about ADB compensation policy, schedule of the project, valuation system, vulnerable groups and Grievance Redress Mechanism (GRM). Mr. Nurzhan Dzhumabaev outlined the organizational structure of the GRM. His presentation was followed by Ms. Aina Argymbaeva, who appraised APs that their condition will be monitored even after the compensation payments are made. The meeting was finalized by Mr. Vasiliy Chernyh, who provided a slide presentation explaining the design of the future road.

Questions from Affected Persons and Answers

1. First question from AP: If I leave my complaint at Ail Okmotu, wouldn't it be ignored?
Answer (ADB Consultant): No, there is a person who is responsible for all the complaints. It is Ms. Renata Esenbaeva, PR manager, GRIP MoTC. You can find her contacts in your brochures, so you can phone her and ask her if she has received your complaint.
2. Next question from AP: My house is three meters away from the road. But I will have my fence demolished. The problem is that the fence serves as protection from cars driving on the road. For example, last year one car rammed into our fence, thanks to that, our house was not damaged. However, now it is going to be demolished, so can I have my house replaced too?
Answer (engineer): There is no need to. The road will not go near the vicinity to your house. There will also be a sidewalk, a curb and a drain. You will not need the fence.

3. Next question from AP: I have a pavilion on the bus stop. This bus stop will be demolished. What will happen to my pavilion?
Answer (engineer): Almost every bus stop will be reconstructed and transferred. Your pavilion may be moved with the bus stop.
4. Next question from AP: Will the utilities be also removed?
Answer (engineer): Yes, almost all the utilities will be removed. They will be reconstructed in 2014 in the beginning of the road construction.
5. Next question from AP: What is the number of the lanes in the new road?
Answer (engineer): 4-6 lanes depending on the rayon.
6. Next question from AP: What is the category of the new road?
Answer (engineer): The category of the new road is 1-B.
7. Next question from AP: Can you make the road narrower because my house is near the road?
Answer (engineer): No I cannot. I have fixed parameters which I cannot change.

Minutes of public consultation with Affected Persons (APs) in Moskovskiy Rayon

Date:

July 2, 2013 14:00

Venue:

Moskovskiy Rayon Administration

Attended by:

IPIG

Svetlana Keldibaeva, IPIG

Local Authorities:

Vyacheslav Tubar, Deputy Head of Architecture Department
Aydar Dzhumaliev, Leading Specialist of State Administration
Dzhumar Hiyazov, Chief Specialist on Land Issues
Kylychbek Kadyrkulov, Head of Petrovskiy Ail Okmotu

KOCKS Consultant

Aina Argymbaeva, National Resettlement Expert
Vasiliy Chernyh, Chief Design Engineer
Nargis Dzholdosheva, Interpreter
Nancy Laatunen, International Resettlement Expert
Zhibek Kadyrbekova, Consultant

ADB

Nurzhan Dzhumabaev, ADB Consultant

14 APs attended the meeting

Background and Introduction by Presenters

The meeting was opened by Ms. Svetlana Keldibaeva. She introduced the project to APs and explained the summary of the project to them. Mr. Vasiliy Chernyh provided a slide presentation explaining the design of the future road. His presentation was followed by Ms. Nancy Laatunen who provided slides with information about ADB compensation policy, schedule of the project, valuation system, vulnerable groups and Grievance Redress Mechanism (GRM). Mr. Nurzhan Dzhumabaev provided more information about the last one. The meeting was finalized by Ms. Aina Argymbaeva, who appraised APs that their condition will be monitored even after the compensation payment.

Questions from Affected Persons and Answers

1. First question from AP: When the GRM will start working?
Answer (ADB Consultant): Probably till the end of this month.
2. Next question from the Head of Petrovskiy Ail Okmotu: Why weren't we warned that there are several structures that will be demolished in our village?
Answer (engineer, IPIG): There are no structures affected in your village. That is why you were not informed.

3. Next question from AP: I have a shop in Belovodsk village that will be affected. There are also several other shops standing in the row next to mine. How did that happen that my shop will be affected and theirs will not?
Answer (engineer): There is a turn near your shop, that is why your shop affected and theirs are not.
4. Next question from AP: Why don't you construct a loop road?
Answer (engineer): Because loop road construction takes more money than rehabilitation of the existing one.
5. Next question from AP: What will we do in 10 years when the road will need to be widened again?
Answer (engineer): In 10 years widening of the road will be impossible, so there will be loop road constructed then.
6. Next question from AP: Will the road be constructed at once?
Answer (engineer): No, it will be done by parts. In 2014 the utilities will be reconstructed, the new bridges, drains will be built. In 2015 the actual road rehabilitation will be started which will end approximately in 2016.

The meeting was concluded by Mr. Kylychbek Kadyrkulov. He made a little speech; he wished this project to be successful. He wished everything to be done properly so that nobody would be left out without their houses, shops, kiosks and fences and wanted to make sure people had any compensation.

Minutes of public consultation with Affected Persons (APs) inJayil

Date:

July 2, 2013, 16.30

Venue:

Ail Okmotu in Novo-Nikolaevka

Attended by:

IPIG

Svetlana Keldibaeva, IPIG

KOCKS consultant

Aina Argymbaeva, National Resettlement Expert

Vasiliy Chernyh, Chief Design Engineer

Nargis Dzholdosheva, Interpreter

Nancy Laatunen, International Resettlement Expert

Zhibek Kadyrbekova, Consultant

ADB

Nurzhan Dzhumabaev, ABD Consultant

1 AP out of 3 attended the meeting

Background and Introduction by Presenters

The meeting was opened by Mr. Vasiliy Chernyh, he told about the design of the new road. His presentation was followed by Ms. Nancy Laatunen who informed the AP about ADB compensation policy, schedule of the project, valuation system, vulnerable groups and GRM.

Questions from Affected Persons and Answers

1. First question from AP: Who will evaluate our structures?

Answer (International Resettlement Expert): Qualified valuator will.

2. Next question from AP: Can the AP learn the price that was put by valuator on their structure?

Answer (National Resettlement Expert): No, the prices are not accurate now; when they are definitive we will invite you individually and announce the price to you.

3. Next question from AP: Can the AP tell the price of their structures, demand the exact amount of money?

Answer (National Resettlement Expert): No, you cannot, but I assure you, our valuator will evaluate your structures precisely.

Complaints and Grievance Submission Form

Rayon	
Name, Last name	
Contact Information	<input type="checkbox"/> Mail: Please indicate the postal address: _____ _____ _____ <input type="checkbox"/> Telephone: _____ <input type="checkbox"/> E-mail: _____
Please indicate the preferable means of communication (Mail, Telephone, E-mail)	
The language desirable for the communication	<input type="checkbox"/> Kyrgyz <input type="checkbox"/> English <input type="checkbox"/> Russian
Describe the grievance/claim: What is the complaint about? What is the claim?	
Date of Negotiation:	Resolution of Negotiation:
What is the basis of your claim?	
Signature: _____	
Date: _____	



SES Enumerators Training



Engineer meeting with DMS enumerator



LAR Commission member taking measurements at petrol station with DMS team



Female employees of petrol station affected by unemployment



AP discussion with engineer at Public Consultation



AP discussion with engineer at Public Consultation



NurzhanDzhumabaev
ADB Resettlement Consultant explaining
the Grievance Redress Process to APs



Group discussion at Public Consultation



Group discussion with IPIG Safeguard Specialist Svetlana Keldibaeva



Group discussion with Kocks Engineer



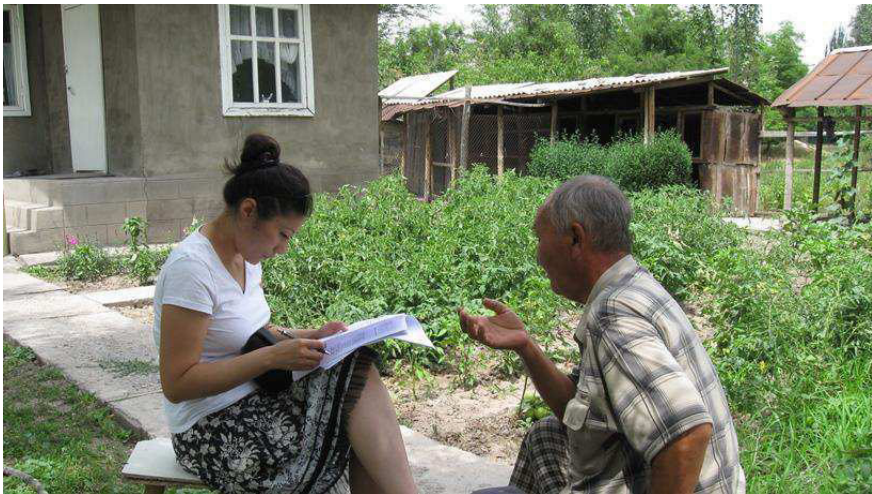
Public Consultation Participants



Project Affected House



Temporary Affected Drinks Sale Lady



DMS interview caught on 3rd time during field visit



Enumerators working on Data Cleaning of DMS questionnaires

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REPORT

#251-2.IS-06/13

**on the property valuation, that are covered in scope of
Phase 4 of the CAREC Corridor 3 (Bishkek-Osh)
improvement project: Karabalta section**

**Report ordering
party**

KOCKS CONSULT GMBH

**Appraiser,
Performer**

LLC Center for independent evaluation and
analysis «Business Expert»

Valuation Date

June 25th 2013 year

The report is confidential
drawn up in duplicate
invalid without seal

Place of seal

Confirmed by
Potapova M. A.,
Director General

Bishkek 2013

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Outgoing #251-2.IS - 06/13
June 25th 2013 year
KOCKS CONSULT GMBH

Dear Sirs,

Hereby we are sending you the report (hereinafter - the “Report”) on the property valuation, that are covered in scope of Phase 4 of the CAREC Corridor 3 (Bishkek-Osh) improvement project: Kara-Balta section as of June 25th, 2013. (“Property Valuation Date”).

If you have questions, we are ready to provide you with all necessary explanations.

With best regards,

Potapova M.A.
Director General

Nirenberg I.B
Executive Director

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1. General provisions of the report

In accordance with the Agreement, dated on June 12nd 2013, which was entered into a pact between KOCKS CONSULT GMBH (“Customer”) and LLC “Center for independent valuation and analysis “Business Expert” (“Appraiser”), the work was performed on the property valuation covered in scope of Phase 4 of the CAREC Corridor 3 (Bishkek-Osh) improvement project: Karabalta section.

Types of the affected assets and their location

The project is expected to include the following impact:

Table.1. Assets that will be affected

Items		Unit	Total	Affected assets
Land				
Non - Agriculture Land	Residential Land	m ²	394,0	3
	Other Non - Agriculture Land	m ²		
Total affected land		m ²	394,0	3
Main Structures (houses, shoppes, kiosks, all)				
	Totally affected house	m ²	158,8	2
	Partially affected (house)	m ²		
	Totally affected (shop, cafes, kiosks)	m ²	878,0	38
	Partially affected (shop, café, kiosks)	m ²	31,9	1
	Petrol Stations	pcs	2,0	2
Secondary Structures				
	Awnings/ Shade (permanent)	m ²	365,7	13
	Sheds	m ²	5,7	1
	Storehouse	m ²	84,6	1
	Garage (Residential)			
	Gates	m ²	27,9	4
	Metal Fence	m ²	209,9	9
	Brick Fence	m ²	24,0	2
	Mud/Clay Fence	m ²	25,0	1
	Concrete Fence	m ²	145,6	5
	Paving Stone	m ²	221,8	5
	Concrete site		329,0	6
	Sign Boards	m ²	88,5	9
	Ovens, pcs	m ²	1,0	1
	Porch/Concrete stairs, m ²	m ²	22,0	1
	Other Assets	pcs		
Total				104
Total Number of Affected Households				70

Owners of the valuated property

Property actual owners are indicated in the summary table of the results. Rights to the valuated property are mostly not documented, as this kind of property is outside the allocated land owners.

Date of the inspection and collection of the necessary information

The affected assets was inspected by an expert appraiser of the I category I. Nirenberg in periods from 15 to 25 June 2013, with the assistance of local architects, interviewers and designer of the road Vasiliy Chernyh.

Type of valuation (based on Terms of Reference)

The replacement cost of the structures- present value of the cost of building (purchase) of another object that is equal to the utility of the valuated object. The valuation is made on the basis of the mass appraisal.

The market cost of the land - is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.¹

All calculations are based on the mass appraisal on the basis of the most common objects in the group. Objects evolved considerably in characteristics within the group, were assessed individually. The number of such objects is slight.

Goal and purpose of evaluation

Project assessment of influence Chui region, to define relevant type of value for the subsequent payment of compensation.

Property².

The legal concept, that covers all the interests, rights and benefits, associated with the property. The property consists of private property rights, which gives the right of interests to the owner that is owned by.

Standard procedural framework assessment basis

While carrying out this assessment, Appraisers were guided by the requirements of the following documents:

- Assessment Standards that are compulsory to be applied by entities of valuation activities in the Kyrgyz Republic, approved by the Governmental Decree on 03.04.2006 #217.
- Temporary Rules of appraiser's activities and assessment organizations in the Kyrgyz Republic, approved by the Government of the Kyrgyz Republic on August 21, 2003 # 537.
- International Valuation Standards (IVS), 8th edition, 2007 year.
- Regulation on Safeguard Measures Policy of Asian Development Bank;
- Terms of reference for the evaluation;
- Entitlement matrix provided by the Customer;

Property valuation approaches³

Comparative approach - an approach of valuation, according to which the value of the property is determined at the level of prices of similar objects with the corresponding adjustment of differences between them.

Cost approach - an approach to evaluate the property, according to which the value of the property consists of the cost of acquisitions and / or restoration of all components excluding aggregate wear.

¹Valuation standards, obligatory for subjects of valuation activity in Kyrgyz Republic approved by KR Government Regulation from 03.04.2006 № 217.

²International Valuation Standards (IVS), 8th edition, 2007 year

³Property valuation standards, that must be applied by all entities of valuation activities in the Kyrgyz Republic, approved by Government Regulation dated from April 3, 2006 #217

Income approach - an approach of valuation, according to which the value of the property is determined as the present value of the property that is equal to the present value of expected future income from its usage and / or sale, based on the structure, income, time and risks.

Selection of approaches to the property valuation

In accordance with the technical specifications and ADB requirements the following approaches were used to evaluate the property that has been influenced:

- i) the cost approach was used in order to estimate the cost of damage to structures;
- ii) the comparative approach has been applied to assess the residential land plots.

Period of valuation works

15June- 25June 2013

Valuation date

25June 2013 (the last day of inspection)

Exchange rate (NBKR)

48,5278 KGS/USD on 25 June 2013.

Source information

Customer provided the following information:

1. Appendix № 1 to the terms of reference indicating the approximate quantity and location of objects that will be affected;
2. Entitlement matrix, developed by an international resettlement specialist;
3. List of affected parties with contact information and location of objects that will be affected.

To carry out valuation work in the period from the following information was collected:

1. Interviews with the owners of the affected assets;
2. Results of the study of local building materials markets and the labor market of construction services;
3. Photo-video and visual inspection. The results of this inspection was provided to the Customer office on CD;
4. Information on transactions with land.

Cost of comparison unit of building-analogue according to Integrated Indexes of Reconstruction Cost (IIRC) in costs of 1969 is estimated into current cost of construction, with the help of coefficient recalculating system of indexes of initial costrecalculation into present cost.

$$C_U = C_{U1969} \times I_{1984} \times I_{1991} \times I_{2013} / K_{rate.} + P_{developer}$$

Where, C_U - cost of unit index, som

C_{U1969} - cost of unit index in costs of 1969, rub

I_{1984} - index of recalculation of initial cost into costs of 1984 = 1,196⁴

I_{1991} - index of recalculation of initial cost into costs of 1991 = 1,620⁵

I_{2013} - summary index of construction products on 1 April 2013 = 21 170⁶

$K_{rate.}$ - exchange coefficient of ruble into som = 200;

$P_{developer}$ – developer profit, defined at the level of 30% for the region;

Within this group there are no objects evolved considerably in execution, quality of work performed or used supplemental materials.

The following are the results of calculations:

Table 3.1.1 Unit costs calculation

#	Object	Directory	Unit	Unit cost, roubles	Unit cost, soms	Unit cost incl. indirect costs, soms
1	House (clay)	dir.26, part 2, section 1, table 11	m ²	15,10	9 900	11 880
2	House (clay brick)	dir.26,part 2,section 1, table 11	m ²	21,73	14 300	17 160
3	House (burnt brick)	dir.26,part 2, section 1, table 1	m ²	24,66	16 200	19 440
4	Shop (clay/other)	dir.26, part 2, table 121	m ²	19,17	12 600	15 120
5	Shop (burnt brick)	dir.36, table 6	m ²	24,70	16 200	19 440
6	Sheds	dir.28, table 161	m ²	7,0	4 250	5 100
7	Storehouse	dir.28, table 162	m ²	7,0	4 250	5 100
8	Garage	dir.28, table 160	m ²	16	10 500	12 600
9	Petrol station	dir.28, section 2, table 33	1 pc	48 047	9 853 791	13 917 280

Group 2. Metal constructions: kiosks, awnings, fences, gates, petrol station sign boards

The unit cost for this group was determined on the basis of the information provided by the manufacturers of the similar constructions.

The information was taken from the free market as a result of a request for producing of the most typical object of evaluation, made of metal.

The following are the contact details of manufacturers and their proposed price, including the cost of the work, materials and their delivery:

⁴ Resolution of the USSR Ministry of Construction of 11.05.1983 № 94;

⁵ Letter from the USSR Ministry of Construction 06.09.1990 № 14-D;

⁶ State Agency of Architecture, Construction and Housing and Communal Services

Table 3.1.2 Manufacturers prices for the assets of the Group 2

Poruducers tel. #	Kiosk, som/m ²	Awning, som/m ²	Metal fence, som/m	Gates, som/m ²	Sign board of petrol station, som/m ²
0 (558) 05 37 76		1 200	1 600	9 000	
0 (312) 93 27 77		1 200	1 800	9 500	
0 (555) 91 35 00		1 500	1 900	10 000	
0 (312) 93 19 67	5 844	1 800			
0 (772) 76 67 05	5 357				
0 (551) 53 89 81	4 870	1 800	1 900		
0 (557) 18 00 77			1 800		12 125
0 (701) 77 50 05			1 800		12 125
Average for budget	5 357	1 500	1 800	9 500	12 125

The following are the unit costs for the objects within the Group 3.

Table 3.1.3 Features and unit costs of the assets of the Group 2

№	Asset	Features	Unit	Unit cost, soms
1	Kiosk	Welded metal frame filled with metal sheets, insulated foam 5 mm.	m ²	5 357
2	Awning	Metal roofing on metal or wooden crate with metal or wooden bases	m ²	1 500
3	Metal fence	Sheet metal on metal bases or metal bars on a light foundation	m	1 800
4	Gates	Metal-leaf gates with a gate on metal poles	m ²	9 500

If there are objects greatly evolved within their group by quality of work performed and the materials used, the cost of such objects was valued individually. The number of such objects is small.

Group 3. Other assets: fences made of variable materials, paving stones, concrete sites, porches, ovens

The unit costs for assets of this group was determined on the basis of the cost estimate drawn up for each type of object on the basis of data on the cost of materials and labor in local markets. The calculation was made for 1 unit of each object as m, sq.m. or 1 pc.

Table 3.1.4 Cost estimate on 1 meter length of the brick fence

Nº	Title	Unit	Quantity	Cost per unit	Total
Materials					
1	Concrete mix for foundation	m ³	0,30	3 000,00	900
2	Concrete mix for masonry	m ³	0,30	3 000,00	900
3	Brick	pcs	110,00	8,00	880
Total for materials:					2 680
Services					
1	Leveling the site	1 m ²	1,00	70,00	70
2	Pouring the foundation	1 m ³	0,30	1 500,00	450
3	Masonry	1 pcs	200,00	6,00	1 200
Total for services:					1 720
Replacement cost per 1 meter					4 400

Table 3.1.5 Cost estimate on 1 meter length of the mud/clay fence

Nº	Title	Unit	Quantity	Cost per unit	Total
Materials					
1	Concrete mix for foundation	m ³	0,10	3 000,00	300
2	Clay/mud mix	m ³	0,50	300,00	150
Total for materials:					450
Services					
1	Leveling the site	m ²	1,00	70,00	70
2	Pouring the clay/mud mix	m ³	0,50	560,00	280
Total for services:					350
Replacement cost per 1 meter					800

Table 3.1.6 Cost estimate on 1 meter length of the mud/clay fence

Nº	Title	Unit	Quantity	Cost per unit	Total
Materials					
1	Concrete mix for foundation	m ³	0,30	3 000,00	900
2	Concrete mix for wall	m ³	0,50	3 000,00	1 500
Total for materials:					2 400
Services					
1	Leveling the site	m ²	1,00	70,00	70
2	Pouring the foundation	m ³	0,30	1 500,00	450
3	Pouring the wall	m ³	0,50	1 500,00	750
Total for services:					1 270
Replacement cost per 1 meter					3 670

Table 3.1.7 Cost estimate on 1 square meter of the paving stones;

№	Title	Unit	Quantity	Cost per unit	Total
Materials					
1	Sand	kg	150	0,50	75
2	Concrete mix	m ³	0,01	3 000,00	30
3	Pavers	m ³	1,00	370,00	370
Total for materials:					475
Services					
1	Leveling the site	m ²	1,00	70,00	70
2	Laying pavers	m ³	1,00	130,00	130
Total for services:					200
Replacement cost per 1 sq.m.					675

Table 3.1.8 Cost estimate on 1 square meter of the concrete site;

№	Title	Unit	Quantity	Cost per unit	Total
Materials					
1	Concrete mix	m ³	0,10	3 000,00	300
Total for materials:					300
Services					
1	Leveling the site	m ²	1,00	70,00	70
2	Pouring site	m ³	1,00	200,00	200
Total for services:					270
Replacement cost per 1 sq.m.					570

Table 3.1.9 cost estimate on 1 square meter of the porches;

№	Title	Unit	Quantity	Cost per unit	Total
Materials					
2	Concrete mix	m ³	0,45	3 000,00	1 350
Total for materials:					1 350
Services					
1	Leveling the site	m ²	1,00	70,00	70
2	Laying pavers	m ³	0,45	2 000,00	900
Total for services:					970
Replacement cost per 1 sq.m.					2 320

The cost of the oven was determined according to the prices of the local manufacturers at the level of 8 000 to 12 000 soms. The unit cost was determined as average – 10 000 soms for 1 oven.

3.2. Market cost of the land

The valuation of object by comparison approach maintains on the level of sale costs of objects, similar to the valuated object, considering difference of deal and features influencing its value.

The value of object, according to this approach, is estimating by formula:

$$V_i^a = V_i + \sum_{j=1}^m \Delta V_{ij},$$

Where: V_i^a – cost of valuate object;
 V_i – sale cost of i-like object;
 m – number of comparison factors;
 ΔV_{ij} – difference of sale costs of i-like object in relation to j-like factor of comparison.

The value of similar objects is corrected to the valuated object. In case the similar objects are in worth condition, their cost is to be corrected and decreased, if condition of objects is better – their cost to be corrected and increased.

First stage of comparison approach application is collection and analyses of market information, determination of similar object. We have used the following resources on information- data base of “Business-Expert”, web sites of realtor agencies www.dom.kg, www.dom.lg.kg, www.doska.kg, www.domik.kg, verbal consultations of realtors, published issues “Vecherny Bishkek”, “Allo, reklama”, “Megaplois”, “Nedvizhimost”.

To valuate the property objects by comparison approach the objects –analogues with alike parameters were founded. The unit of comparison –is cost of 1m² analogue. Corrections were determined by expert way. To determined corrections the qualitative analyses was applied.

Information on all analogues was taken from free market, clarified by private phone call to the buyer, and considers as a reliable. The phone numbers of analogue buyers attached to clarify the reliability of this information personally.

The average value of land in the Chui region, located along the main road is 500 som / sq.m.

4. Valuation summary

Table 4.1 Summary table

Items		Unit	Total	Affected assets	Unit cost (soms)	Total (soms)	Total (USD)
Land							
Non - Agriculture Land	Residential Land	m ²	394,0	3	348	137 000	2 823
	Other Non - Agriculture Land	m ²					
Total affected land		m ²	394,0	3			137 000
Main Structures (houses, shoper, kiosks, all)							
	Totally affected house ⁷	m ²	158,8	2	7 641	1 212 998	24 996
	Partially affected (house)	m ²					
	Totally affected (shop, cafes, kiosks)	m ²	878,0	38	6 964 to 21 060	9 365 185	192 986
	Partially affected (shop, café, kiosks)	m ²	31,9	1	6 964 to 21 060	522 522	10 767
	Petrol Stations	pcs	2,0	2	13 917 280	27 834 560	573 580
Secondary Structures							
	Awnings/ Shade (permanent)	m ²	365,7	13	1 500	548 490	11 303
	Sheds	m ²	5,7	1	0	0	0
	Storehouse	m ²	84,6	1	5 100	431 460	8 891
	Garage (Residential)						
	Gates	m ²	27,9	4	9 500	265 050	5 462
	Metal Fence	m ²	209,9	9	1 663	348 930	7 190
	Brick Fence	m ²	24,0	2	4 400	105 600	2 176
	Mud/Clay Fence	m ²	25,0	1	800	20 000	412
	Concrete Fence	m ²	145,6	5	3 800	553 204	11 400
	Paving Stone	m ²	221,8	5	650	144 170	2 971
	Concrete site		329,0	6	300	98 700	2 034
	Sign Boards	m ²	88,5	9	12 125	1 073 063	22 112
	Ovens, pcs	m ²	1,0	1	10 000	10 000	206
	Porch/Concrete stairs, m ²	m ²	22,0	1	3 500	77 000	1 587
	Other Assets	pcs					
Total				104		42 747 931	880 896
Total Number of Affected Households				70			

Table 4.2 - Affected Households Losing Houses by Severity of Loss

Rayon	Partial Only	Partial but No longer Viable
Sokuluk		
Moskovskii		2 ⁸
Jayilskii		
Total	0	2

⁷One of the house belongs to the local authorities

⁸One of the house belongs to the local authorities

Table 4.3 - Floor Area of Affected Houses by Type

Rayon	Totally affected	Partially affected
	Clay/Clay brick house (only type)	Clay/Clay brick house (only type)
Sokuluk		
Moskovskii	158,75	
Jayilskii		
Total	158,75	

Table 4.4 - Inventory of Affected Secondary Structures by m²

Rayon	Awnings/ Shade (permanent)	Sheds	Storehouse	Garage (Residential)	Gates	Metal Fence	Brick Fence	Mud/Clay Fence
Sokulukskii	178,3	0,0	84,6	0,0	6,4	175,2	16,0	25,0
Moskovskii	187,4	5,7	0,0	0,0	21,5	14,7	8,0	0,0
Jayilskii	0,0	0,0	0,0	0,0	0,0	20,0	0,0	0,0
Total	365,7	5,7	84,6	0,0	27,9	209,9	24,0	25,0

...Extension of Table 4.4.

Rayon	Concrete Fence	Paving Stone	Concrete site	Sign Boards	Ovens, pcs	Porch/Concrete stairs	Other Assets
Sokulukskii	26,3	202,4	195,8	0,0	0,0	22,0	0,0
Moskovskii	119,3	19,4	133,3	88,5	1,0	0,0	0,0
Jayilskii	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total	145,6	221,8	329,0	88,5	1,0	22,0	0,0

Table 4.5–Affected assets by names at Karabalta section

	Name/Surname	KM	Land, m ²	Clay houses, m ²	Shops/Cafes/Kiosks, m ²				Secondary Structures, m ²												Petrol station			
			Land with title documents, m ²	Totally affected house	Totally affected shop (other material)	Partially affected shop (other material)	Totally affected shop (burnt brick)	Totally affected kiosk	Awnings/ Shade (permanent)	Sheds	Storehouse	Gates	Metal Fence	Brick Fence	Mud/Clay Fence	Concrete Fence	Paving Stone	Concrete site	Sign Boards	Ovens, pcs		Porch/Concrete stairs, m ²		
1	Arliza Amina	29,85						13,3																
2	Asanbaev Kenzhebek	29,8																	10,8					
3	Madjaza							30,0																
4	Zhumashev Sanvoz	30,2						3,8																
5	Ismailova Gulzat	31,25																						
6	Davuzova Sabina	33,4						12,0																
7	Ismailova Sezim	32,45						18,0																
8	Tsunvazova Aisha	32,45					27,6																	
9	Ermolenko Irina	39,85																				8,5		
10	Balbakova Alina	33,75																				10,8		
11	Korolinskaia Iena	33,2																				8,5		
12	Maivozova Rabia	32,5					27,6																	
13	Orozbaev Medetbek	32,45							16,0													1,0		
14	Maitanova Minara	33,5						30,0	48,4							19,4								
15	Madmusaeva Jazgul	40,2						14,4	40,0															
16	Maydunova Gulnaz	40,3						17,7																
17	Satymkulova Zhamilya	40,3						24,5																
18	Kaldybaev Alzhol	40,3						13,6																
19	Baimurzaev Kubani4bek	40,5																				10,8		
20	Aitiev Aibek	40,6																				10,8		
21	Shekerbekova Umut	35,2																				8,5		
22	Shabadhojaeva Tursunai	41,4	154,0	65,3																		67,7		
23	Malinovskaia Ludmila	42,4						18,3																
24	Sivilova Tatiana	42,6									9,9					11,0								
25	Nazarenko Tatiana	43,1						15,0	18,0													18,0		
26	Shbdinaliev Kuban	41,4									9,6					81,3								
27	Yangulina Bati	42,6						10,1																
28	Ysmanova Jamila	42,6												8,0										
29	Moldokulov Baktibek	42,7						28,3																
30	Namazov Aidar	42,7						23,0																
31	Kasimbekov Samat	42,7						3,1																
32	Turdubaev Beren	42,8					31,9		30,0															
33	Musuralieva Mirzada	44,7							35,0			2,0				27,0		47,6						

Report on valuation of the affected assets at Karabalta section

34	Tezekbaev Aibek	44,3										14,7						9,0				
35	Ismailova Burul	41,4	120,0	93,5					5,7													
36	Imanaliev Talantbek	174+07										10,0										
37	Abdraimova Nurila	160+68													21,0							
38	Matkasimov Abdikalik	160+60	120,0		25,6										25,0							
39	Bolotbekova Aitogul	16+60					24,0															
40	Asmanova GAina	33+17					34,4													119,3		
41	Janibekov Mamat	17+20					18,0	30,3														
42	Suirkulova Anarkan	16+50						16,5				18,7								117,1		
43	Adileev Bolotbek	11+32									6,4	16,0										
44	Petrol Station Bishkek oil compamy	8+94																			1	
45	Novikova Zinaida	179+80										43,1										
46	Asanbaeva E	185+27					15,0															
47	Alishev Alik	190+01			75,0																	
48	Jenishov Joomart	177+23					27,3															
49	Koissubaev Azat	63+00					15,0	21,6												21,6		
50	Atabekov Bakytbek	176+21					16,8															
51	Omuralieva Umzana	173+53						42,9												42,9		
52	Egorova Natalia	24+81					15,0															
53	Hihizov Rashid	190+70						22,0												54,9		
54	Yusupova Rabiya	202+82					24,0	24,0														
55	Hromova Antonina	191+07					15,0															
56	Ivkina Tatyana	190+36										21,4										
57	Ajigulov Nurdin	187+81						21,0				21,0										
58	Pansheza S.	119+03													5,3	27,3						
59	Ryspaeva Kyial	17+34																			22,0	
60	Alishov Aibek	139+36					21,9															
61	Alishev Begimbai	61+75										19,0										
62	Jeenbaeva A.	24+20					6,3															
63	Rojkova A.	24+20					15,4															
64	Abdykerimova Ail	Frunze 125										42,0										
65	Kubanichbekov Timur	196+92					84,6					84,6								15,1		
66	Sofyana	32,45					27,6															
67	Rahim	32,45					27,6															
68	Omurzakov Z.	515+91										20,0										
69	Sabirova G.	524+08					15,0															
70	Djumataev M.	456+84				44,5																
	Total		394	159	145	32	195	538	366	6	85	28	210	24	25	146	222	329	89	1	22	2
	Total assets		3	2	3	1	5	30	13	1	1	4	9	2	1	5	5	6	9	1	1	2

Report on valuation of the affected assets at Karabalta section

44	Petrol Station Bishkek oil company	8+94	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13 917 280	13 917 280
45	Novikova Zimaida	179+80	-	-	-	-	-	-	-	-	-	77 490	-	-	-	-	-	-	-	-	-	-	77 490
46	Asanbaeva E	185+27	-	-	-	-	-	80 355	-	-	-	-	-	-	-	-	-	-	-	-	-	-	80 355
47	Alishev Alik	190+01	-	-	1 228 500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 228 500
48	Jenishov Joomart	177+23	-	-	-	-	-	146 246	-	-	-	-	-	-	-	-	-	-	-	-	-	-	146 246
49	Koissubaev Azat	63+00	-	-	-	-	-	80 355	32 400	-	-	-	-	-	-	-	6 480	-	-	-	-	-	119 235
50	Atabekov Bakytbek	176+21	-	-	-	-	-	89 998	-	-	-	-	-	-	-	-	-	-	-	-	-	-	89 998
51	Omuralieva Umzana	173+53	-	-	-	-	-	-	64 350	-	-	-	-	-	-	-	27 885	-	-	-	-	-	92 235
52	Egorova Natalia	24+81	-	-	-	-	-	80 141	-	-	-	-	-	-	-	-	-	-	-	-	-	-	80 141
53	Hihizov Rashid	190+70	-	-	-	-	-	-	32 940	-	-	-	-	-	-	-	-	16 470	-	-	-	-	49 410
54	Yusupova Rabiya	202+82	-	-	-	-	-	128 568	36 000	-	-	-	-	-	-	-	-	-	-	-	-	-	164 568
55	Hromova Antonina	191+07	-	-	-	-	-	80 355	-	-	-	-	-	-	-	-	-	-	-	-	-	-	80 355
56	Ivkina Tatyana	190+36	-	-	-	-	-	-	-	-	-	38 520	-	-	-	-	-	-	-	-	-	-	38 520
57	Ajigulov Nurdin	187+81	-	-	-	-	-	-	31 500	-	-	-	37 800	-	-	-	-	-	-	-	-	-	69 300
58	Pansheza S.	119+03	-	-	-	-	-	-	-	-	-	-	-	19 988	17 745	-	-	-	-	-	-	-	37 733
59	Ryspaeva Kyial	17+34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	77 000	-	77 000
60	Alishov Aibek	139+36	-	-	-	-	-	117 318	-	-	-	-	-	-	-	-	-	-	-	-	-	-	117 318
61	Alishev Begimbai	61+75	-	-	-	-	-	-	-	-	-	34 200	-	-	-	-	-	-	-	-	-	-	34 200
62	Jeenbaeva A.	24+20	-	-	-	-	-	33 749	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33 749
63	Rojkova A.	24+20	-	-	-	-	-	82 444	-	-	-	-	-	-	-	-	-	-	-	-	-	-	82 444
64	Abdykerimova Ail	Frunze 125	-	-	-	-	-	-	-	-	-	75 600	-	-	-	-	-	-	-	-	-	-	75 600
65	Kubanichbekov Timur	196+92	-	-	-	-	1 781 676	-	-	-	431 460	-	-	-	-	9 828	-	-	-	-	-	-	2 222 964
66	Sofyana	32,45	-	-	-	-	581 256	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	581 256
67	Rahim	32,45	-	-	-	-	581 256	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	581 256
68	Omurzakov Z.	515+91	-	-	-	-	-	-	-	-	-	7 200	-	-	-	-	-	-	-	-	-	-	7 200
69	Sabirova G.	524+08	-	-	-	-	-	80 355	-	-	-	-	-	-	-	-	-	-	-	-	-	-	80 355
70	Djumataev M.	456+84	-	-	728 910	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	728 910
	Total		137 000	1 212 998	2 376 738	522 522	4 106 700	2 881 747	548 490	0	431 460	265 050	348 930	105 600	20 000	553 204	144 170	98 700	1 073 063	10 000	77 000	27 834 560	42 747 931
	Total APs		3	2	3	1	5	30	13	1	1	4	9	2	1	5	5	6	9	1	1	2	70

5. Assumptions and limiting conditions

WHILE CALCULATING OBJECTS VALUATION THE APPRAISER WERE GUIDED BY THE FOLLOWING ASSUMPTIONS AND LIMITATIONS THAT ARE AN INTEGRAL PART OF THIS REPORT:

- The evaluation report is considered as a single, logically finished document (herewith appendixes are considered as an integral parts of it.) Evaluators do not bear responsible for possible misreading of some numbers, facts, quotes, and parts of the Report, «torn» out of context.
- The present report is valid only on specified goals therein. The appraiser shall not be liable in the event of its use by third parties, that are not indicated in the valuation agreement;
- The object value is determined as of June 25, 2013. The appraiser does not bear responsibility for the change of economic, legal and other factors, that may occur after the present date, and to influence the market situation and, consequently, the market object value;
- While carrying out this work, it is assumed that the information obtained from the customer or a third-party experts, is reliable and trustworthy;
- Appraisers are not responsible for the legal description of rights of valuated property. During the evaluation submitted documents were not under the legal expertise;
- While carrying out the valuation, it was expected the absence of any underlying factors, affecting the value of the property being valued. The appraiser is not responsible for the detection of such facts.
- The report is advisory in nature and contains certified appraiser's professional opinion, as to the property being valued.

6. The valuation certification

During the evaluation work performance, the appraisers were guided by legislation of the Kyrgyz Republic. The persons signing this report have a professional education in the field of property valuation.

On the basis of our knowledge, experience and opinion, we certify the following:

- The report is written in accordance with the valuation standards and in accordance with generally accepted valuation methods;
- Appraisers personally inspected the property being valued;
- our judgments and conclusions are limited only by the given Report, assumptions and valuation limiting conditions;
- we don't have present or future interest in the valuated property and have no prejudice against the Customer;
- our fee and the amount of work payment does not depend on the result appraised value;
- we commit ourselves not to disclose confidential information, received from the customer, and all of the conclusions contained in the Report;
- Appraisers are not liable for the usage of Report findings on other dates for any other functions.

<u>Potapova M. A.</u> Expert appraiser	<u>25.06.2013</u> (date)	_____ (signature)
<u>Nirenberg I. B.</u> Expert appraiser	<u>25.06.2013</u> (date)	_____ (signature)

7. Information about the Appraisers

The present work was carried out by experts of the LLC “Center for independent evaluation and analysis “Business Expert”. The Center's specialists operate on the basis of the Charter, registered in the Ministry of Justice of the Kyrgyz Republic, the certificate series UR # 0067235 dated from 13.09.2010 year.

Below is a list of the main participants of work therein:

<u>Potapova M. A.</u>	General Director of LLC “Center for independent evaluation and analysis” Business Expert”.
	Expert appraiser of I Category, qualification certificate series # 011, issued on May 7 th , 2012.
	<ul style="list-style-type: none"> • Member of the Advisory Board “Association of Kyrgyz Appraisers”; • Member of the Working Group on the ADB RETA-7433 project “Strengthening the security measures in land acquisition and resettlement in the West and Central Asia matters”
<u>Nirenberg I. B.</u>	Work Experience in the property valuation - 7 years.
	The Executive Director of LLC “Center for independent evaluation and analysis Business Expert”, expert appraiser of I Category, qualification certificate series # 015, issued on May 7 th , 2012.
	<ul style="list-style-type: none"> • Member of the “Association of Kyrgyz Appraisers” • Member of the Working Group on the ADB RETA-7433 project “Strengthening the security measures in land acquisition and resettlement in the West and Central Asia matters” <p>Work Experience in the property valuation activity - 4 years.</p>

MAIN WORKS.

performed by company specialists in course of professional activities:

- valuation on the property that are covered in scope of 3A component “Water supply and Sanitation” of the project on “Emergency assistance for rehabilitation and reconstruction” in Osh and Jalal-Abad regions of the Kyrgyz Republic;
- property valuation of 46 residents of Kara-Suu and Kara-Bulun villages, that became victims during automobile road rehabilitation, road of international importance Bishkek-Naryn-Torugart, under the CAREC project Transport Corridor 1 by order of the Ministry of Transport and Communications of the Kyrgyz Republic in the framework of Asian Development Bank mission;
- valuation of land plots for electrical substations and residential buildings in Talas region for balancing Talas company of high-voltage electrical networks JSC “NESK”;
- financial and economic assessment of the project law of the Kyrgyz Republic “On introduction of amendments to several legislative acts of the Kyrgyz Republic” (in Kyrgyz Republic laws “On Licensing” and “On drug substances, psychotropic substances and precursors”) by the order of the State Service of the Kyrgyz Republic on Drug Control .
- assessment of collateral value for the purpose of credit provision, valuation of market cost for the purpose of re-evaluation in accordance with IFRS, as well as evaluation of existing business and test conduction on the assets impairment of the CJSC “South Kyrgyz Cement” cement plant,

- including the valuation of Aksai deposits of limestone, Ordo-Shah gypsum deposits, deposits of Nadir iron and Karavan loam deposits; work with the international company KPMG Almaty, Moscow, as well as JSC “BTA Bank” in Almaty,
- financial performance analysis and stock valuation of “Ak-Kuu” Sokuluk poultry farm;
 - valuation of shares of the construction company CJSC “Alamudunenergo”;
 - analysis of the financial performance and valuation of shares of CJSC “Tobacco-fermentation plant”;
 - valuation of property prices of CJSC “UniCredit Bank” in amount of 17 units for insurance purposes;
 - valuation of the property (real estate, equipment) of JSC “Transnational corporation” Dastan” on an ongoing basis;
 - valuation of assets (aircraft, engines, equipment, real estate) at the request of “Airline Kyrgyzstan” on an ongoing basis;
 - property valuation of Bishkek Finance and Economics Academy in accordance with International Valuation Standards (IVS) in cooperation with the University of Management and Design for the purpose of credit provision to the International Finance Corporation (IFC), which is the member of the World Bank Group;
 - real estate valuation by request of the State Communications Agency of the Kyrgyz Republic;
 - valuation of stock of shares of JSC “KyrgyzGas”, collaboration with the international company “Deloitte and Touche”, Moscow;
 - valuation of assets of JSC “BTA Bank” for purposes of IFRS in framework with the international auditors of “Deloitte and Touche” company, Almaty;
 - property complex valuation of JSC “Ak-Suu Vita” (Ak-Suu sugar corn processing plant);
 - valuation of one share cost of JSC “Tokmok milk factory”, LLC “Yelimai” dairy property complex for purposes of reassessment in accordance with IFRS;
 - valuation of pharmaceutical company LLC “Pharmaco Group”;
 - valuation of one share cost of JSC “Kyrgyzmedtehnika”;
 - valuation of one share cost of JSC “Bishkekbiofarm”;
 - property valuation of Trade Center LLC “Bishkek City” for purposes of the revaluation;
 - valuation of the property complex (real estate for production purposes) LLC “Spais Food” for the purpose of credit provision;
 - property valuation of CJSC “Shoro”;
 - valuation of brown coal deposits of Kashkasu Kabak basin for the purpose of mining;
 - valuation of state-owned shares of JSC “Airline company Kyrgyzstan”;
 - valuation of commercial real estate of LLC “Broodmaster-Bishkek”;
 - valuation of the recreation center “12 Kamin”;
 - valuation of “Ala-Too” hotel, resorts as “Asyl-Tash”, “Belek”, “Raduga”;
 - valuation of quartzite deposit “Otmek” Talas region;
 - valuation of JSC “Maili-Suu Electric Bulb Plant”;
 - valuation of business operating enterprise that produces of plastic containers LLC “HTI-Group”;
 - valuation of business operating tannery JSC “Bulgaary”;
 - valuation of business valuation taxi company “Doka-taxi”;
 - valuation of distilleries LLC “Bukai”, LLC “Kyrgyzalkotreyd”, JSC “Vinogradar”;

8. Terms and definitions

Below is the list of professional definitions and terms used in the report. Listed terms and definitions are adopted in accordance with the evaluation standards, which are mandatory to apply to all subjects of assessment activities in the Kyrgyz Republic, approved by the Regulation of the Government of the Kyrgyz Republic on April 3, 2006 # 217, as well as the Civil Code of the Kyrgyz Republic.

Evaluation object is the property rights to be evaluated.

Property – is the term used to refer:

- 1) The assemblage of things and tangible assets that are owned by a person (natural or legal), state or municipal body, or belong to the organization on the right of economic or operational management. Such property also includes: money, securities and intangible assets;
- 2) The assemblage of things and property rights to acquire things or satisfactory property from other persons (asset);
- 3) The assemblage of things, property rights and responsibilities that characterize the property status of its owner (assets and liabilities).

Loss – are expenses, of the person whose right are violated, made or will make in order to restore the violated rights, loss of or damage his/her property (**actual damage**), as well as revenues that that person would have received under ordinary business conditions, if his/her rights were not violated (**lost profits**)

Evaluation report - a document about the evaluation results that is submitted by the appraiser to the customer in order to confirm his professional opinion about the property value.

Valuation Date - the date (day, month, year) on which the evaluation is conducted and the property value is identified.

Improvements – are created as a result of economic activity, any engineering structures, buildings, facilities, networks and systems, as well as drainage systems, landscaping and other works, inextricably related with land plots. Improvements include all owned designed elements and parts, pipelines and networks and its equipment, that is necessary in order to improve the performance of its basic functions (building construction, products and components, heating utility plants, electricity, water supply and others, as well as its engineering equipment - elevators, pumps, fans, air conditioners, thermal heaters, electrical panels, lighting and plumbing fixtures and other).

Price - the actual amount of money, required, offered or paid for the valued property or similar property.

Customer - an individual or a legal entity, by whose order the valuation work is conducted.