

Syr Darya Control and North Aral Sea Project Phase 2 (SYNAS-2)
Land Acquisition Framework

Contents

1. Introduction	3
1.1 Background on Land Acquisition Framework	3
1.2 Objectives Governing Land Acquisition Plan	3
2. Description of SYNAS-2	4
2.1 Linkages to Land Acquisition	5
2.2 Estimated Scale of Land Acquisition	6
3. Policy and Legal Framework on Land Acquisition and Resettlement	6
3.1 Policies and Laws on Land Acquisition in Kazakhstan	6
3.2 Policy of the World Bank on Land Acquisition and Resettlement	7
3.3 Comparison and Gaps between Policies of the World Bank and Kazakhstan	8
3.4 Measures to Address Gaps in Implementation	10
4. Guiding Principles on Land Acquisition within SYNAS II	11
4.1 Guiding Principles for Land Acquisition	11
4.2 Eligibility Criteria for Compensation (Methods of Valuation of Affected Assets)	12
5. Procedures	15
5.1 Preparation of Land Acquisition Plan (LAP)	15
5.2 The Screening Process	15
5.3 Strategy for Information Sharing, Consultations, and Participation of Affected People	16
5.4 Grievance Redress	16
5.5 Monitoring Land Acquisition Activities	17
6. Institutional Arrangements	19
6.1 Institutional Arrangements for LAP implementation	19
6.2 Definition of Responsibilities	19
6.3 Budget Estimates	20

1. Introduction

1.1 Background on Land Acquisition Framework

This Land Acquisition Framework (LAF) provides guidelines on the management of impacts related to land acquisition or restriction of access to land or assets which may arise as result of civil works anticipated under the Syr Darya Control and North Aral Sea Project Phase II (SYNAS-2). Responsibility for management of land acquisition impacts is shared between the communities, local authorities, and central government ministries. Local authorities, led by Rayon administrations with the support of the Project Implementation Unit (PIU), will be the main implementing agency for management of issues of land acquisition or access restrictions. The main tasks in this regard are screening of specific sub-projects for land acquisition and related issues, preparation of land acquisition plans, including stakeholder consultations and compensatory measures, and supervision and monitoring of community-level land acquisition activities in line with the LAF.

Preparation of site-specific Land Acquisition Plans is not possible before appraisal. Precise civil works' footprints, which are needed for land acquisition plans, will be defined in the detailed designs to be prepared during the early phases of project implementation. Nevertheless it was clear during project preparation site visits that construction and operation of some of civil works would necessitate the taking of public lands leased to private users, entailing land tenure and access changes within the areas of location.

1.2 Objectives Governing Land Acquisition Plan

The aim of this LAF is to facilitate a pro-active and synchronised approach to management of land acquisition impacts on project-affected people. Specific objectives of the LAF are to:

- (a) Describe policy and legal frameworks on land acquisition and outline policies to govern land acquisition in implementation of SYNAS-2.
- (b) Outline the preparation process for a Land Acquisition Plan(s).
- (c) Provide guidance on screening of civil works for land acquisition impacts.
- (d) Describe potential socio-economic impacts from land acquisition and prepare a schedule of remedies needed to mitigate such impacts.
- (e) Set out a process for identification of affected people and the types and magnitude of impacts.
- (f) Define the eligibility criteria for compensation to various categories of affected people.
- (g) Describe the methods of valuing affected assets for purpose of compensation.
- (h) Set out a process for consultation with affected people and key stakeholders.
- (i) Give guidance on implementation monitoring and evaluation of the LAP.
- (j) Outline the institutional arrangements, roles and responsibilities for LAP preparation and implementation.
- (k) Provide budget sources and estimates needed to prepare and implement LAPs.

2. Description of SYNAS-2

The SYNAS-2 is designed to further improve environmental and economic conditions along the lower Syr Darya. The project will build on the work done under SYNAS-1 and will aim to control flooding, achieve bulk-water savings, and improve water provision for developing aquaculture in the project areas along the Lower Syr Darya. The SYNAS2 results would thus be cross sectoral and will allow:

- To increase the Syr Darya mean-flow capacity in winter from 500 m³/sec to around 700 m³/sec, thus reducing bulk-water losses, increasing the reliability of irrigation diversions to around 62,000 ha amongst other water uses.
- To protect 30,000 persons against flooding, avoid inundation and damage of civil infrastructure.
- To improve the delta lake's water diversion capacity (for producing fishery and reeds).
- To strengthen the Government capacity in RBM, particularly in modelling.

The project would include three components, operating along the lower Syr Darya in Kazakhstan:

Component 1: Increasing the conveyance and flood-regulation capacity in the lower Syr Darya (US\$43 million):

This component will help increase the Syr Darya mean flow capacity in winter from 500 to 700 m³/s, thus reducing water losses (for improved water provision including to the Delta Lakes and NAS) and contributing to protect settlements, cultivable lands, roads, and rail infrastructure against floods. It includes 3 subcomponents:

A. Riverbed straightening at Turumbet and Korgansha sections- 4,0 km: to increase the river conveyance capacity, to pass winter floods and retain them in the flood-retention reservoir Koksarai.

This includes cutting meanders at two sections along Syr Darya in Zhalagash district, thus increasing river slope, which increases the flow capacity;

B. Rehabilitate and develop 50 Km of flood protection dikes in Kazalinsk and Karmakchi districts;

C. Rehabilitate the left bank irrigation off-take at Kzylorda barrage: the irrigation canal head works would be repaired and protected against high floods; to avoid inundation of 60,000 ha of irrigable lands and damage to civil infrastructure; and

D. Construct road bridges near Birlik settlement in Kazalinsk district: This subproject will be the first road in Kazalinsk district which improves communication and transportation during the freight handling by motor transport. It will replace two existing low-capacity pontoon bridges by modern bridge, thus curbing the risk of ice-jams in winter and also improving the river flow capacity (widening the river bed up to 200m).

Component 2: Improving water provision to the Syr Darya Delta Lakes (US\$78 million):

This component will involve two sub-projects operating adjacent to NAS, and benefiting from the water-regulation improvements resulting from Component 1:

A. Rehabilitate delta lake systems in Aralsk district of Kyzylorda oblast (Kamuishlibash and Akshatau lakes): This subcomponent will improve water supply to the lakes, by providing adequate hydraulic structures and conveyance canals, replacing the large number of makeshift intakes and temporary canals. By providing regulated water to the lakes together with operating better the Amanotkel weir and other control structures, the delta lakes will be revived, thus improving the biodiversity of the Syr Darya delta, fish production, and the processing of reeds used for fodder and house construction.

B. Reconstruct/extend fishery ponds at Tastak site of Kamuishlibash fish hatchery (Aralsk district, Kyzylorda oblast): this will help utilize the fish production capacity of the NAS, delta lakes and Syr Darya, through artificial stocking of valuable fish species breeding in the hatchery, thus improving the fishery-dependent employment.

Component 3: Enhancing river basin management, preparing 2 (second) stage of SYNAS 2 project, and project coordination (US\$5 million):

This component will involve three subcomponents:

A. Prepare the feasibility study and detailed designs for SYNAS3: the NAS restoration and the Kyzylorda RBM Center;

B. Strengthen the Government capacity in RBM (TBD by appraisal), through developing limited river-basin modeling and monitoring tools. These include: establishing new hydro posts and refitting gauging stations; developing the Mike 11 model that already exists in the country (was used to prepare SYNAS2); and/or developing a Decision Support System (DSS) using state-of-the-art approaches such as the open-access sources (using SYNAS2 funds, also possibly complemented through support from the ongoing Central Asia Energy-Water Development Program, CAEWDP). During SYNAS2 these tools will be developed up to the level needed to support the NAS feasibility study (as needed to prepare SYNAS3), whereas during SYNAS3 these tools will be developed further to support operational decisions as part of the Kyzylorda River Basin Management Center that will be established by SYNAS3; and

C. Project management, monitoring and evaluation (M&E), audit, and training.

2.1 Linkages to Land Acquisition

The project area, estimated at some 230,000 km², comprises the Syr Darya basin from the Kyzylorda barrage and including the Northern Aral Sea (NAS). Administratively, the project includes part of Kyzylorda oblast within the drainage basin of the Syr Darya. The Syr Darya is considered to originate at the confluence of the Naryn and Kara Darya, in the Fergana Valley. Civil works, including the construction of dikes and works for river-straightening will necessitate land acquisition or restrict access to land.

2.2 Estimated Scale of Land Acquisition

It appears that the areas where civil works are planned are situated in floodplains, which generally precludes the presence of houses or other significant physical assets. Outside of towns and settlements, land is generally owned by the state and managed by the Rayon administration. Land used for agriculture or animal husbandry is typically leased to land users at a modest rent on a 49-year term. Informal use is prohibited. Some areas where construction is anticipated are currently leased out to private users, primarily for harvesting hay and grazing. Land leases are typically on the order of 100ha. In spite of a prohibition on informal use of state land, it is possible that there is some informal use for hay production or grazing. Fortunately, the area is characterized by ample open space where alternative areas in the river's floodplain are generally available. Meetings with Rayon officials indicated that land taken for civil works could be replaced by other land in the vicinity to ensure that the current size or integrity of land leases is maintained. No physical displacement of people is anticipated.

3. Policy and Legal Framework on Land Acquisition and Resettlement

3.1 Policies and Laws on Land Acquisition in Kazakhstan

Land is state owned. It can be transferred, sold, or rented to individuals or enterprises. Generally it is leased for 49 years. Once land is in private hands, the State can reclaim it only for specific uses, and only after compensating the owner. Kazakhstan's laws and regulations regarding land and land ownership derive from the Constitution, which states that land (surface and underground) is in principle owned by the State, but can also be privately owned (Article 6.3). Article 26.3 also states that no one may be deprived of property unless stipulated by a court decision. Forcible alienation of property for public use in extraordinary cases stipulated by law may be exercised on condition of its equivalent compensation.

The *Land Code of the Republic of Kazakhstan* (CODE No. 442 of 20 June 2003) covers the reservation of land for State needs, stating that "[a] land plot may be reserved for state needs by way of purchase or by granting an equivalent land plot with the consent of the owner or land user" (Article 84.1). In the case of land under lease, the land user is compensated for the full amount of losses and may be granted an alternative plot (Article 84.4). The availability of suitable land to swap varies from one location to another, however. Landowners and users must be notified of the decision to purchase a year in advance, unless the owner or user agrees to release the land more quickly (Article 85.2). If part of a land plot is reserved and the remainder of the plot cannot be used as before (creating orphaned parcels), then the whole plot should be purchased (Article 86 para 2).

The price of a land plot purchased for State needs is determined by agreement with the owner or land user (Article 87.1). The payment price includes the market value of a land plot or rights to it and of real estate situated on it, as well as all losses caused to the owner or land user due to loss of a land plot, including losses that they incur in connection with the premature termination of obligations to third parties (Article 87.2). If the owner or land user agrees, another plot of equal value can be substituted instead of cash compensation (Article 87.3). If an owner disagrees with the decision to purchase (reserve) or disagrees with the price offer or other conditions of the purchase, the authority that issued the decision to purchase can file a lawsuit to ask the court to purchase the plot (Article 88 para 1) after the year of notification has passed (Article 88 para 2). In disputed cases, the land cannot be accessed until the court adjudicates a settlement that specifies levels of compensation and losses (Article 166.7). Compensation must be paid to the owner or user before the reservation is processed by the rayon level office of the Land Resources

Management Committee under the Ministry of National Economy and registered at the Public Service Centres, then allow work to begin on the land.

When residences are affected, the *Law on Housing Relations* also applies. If a house is demolished for State need, the owners can choose either to receive a new residence or receive compensation at the market value of the house. An owner who chooses their placement option can select a home from a list of available homes. If the value of the selected house is higher than the market value of the building to be demolished, the exchange is completed; if the cost of the selected building is lower than the market value of the one to be demolished, the owner is compensated in cash for the difference.

Disagreements over the evaluation are settled in court. Although the legal framework for reserving land and compensating owners is clear, procedures are not fully defined. The process was once regulated by Government Resolution No 403, *On the Approval of Provisions for Procedures to Withdraw and to Buyout Land Areas for State Needs* (8 April, 1996). The resolution expired in February, 2005, however, and has not been replaced. The calculation of "market value," in particular, is subject to interpretation in the absence of standardized procedures, and officials are thought to set values below actual transaction values. Final design teams frequently commission professional assessors to prepare land acquisition estimates, but there is some question regarding the extent to which their estimates are based on site-specific information. Consequently, challenges are not uncommon.

3.2 Policy of the World Bank on Land Acquisition and Resettlement

World Bank policies on resettlement are outlined in Operational Policy (OP 4.12), and the overall objective of this safeguard is to avoid or minimize involuntary resettlement where feasible, exploring all viable alternative project designs. Further the policy encourages community participation in planning and implementing resettlement. The policy covers direct economic and social impacts that both result from Bank-assisted investment projects, and are caused by (a) the involuntary taking of land resulting in (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not the affected persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons. More specifically, where involuntary taking of land is unavoidable, the policy stipulates criteria for eligibility to compensation, resettlement assistance and rehabilitation assistance measures to displaced persons on the following conditions:

- a) Those who have formal legal rights to land, including customary and traditional rights recognized under the laws of Kazakhstan. This class of people includes those holding leasehold land, freehold land and land held within the family or passed through generations.
- b) Those who have no formal legal rights to land at the time of census but have a claim to such land or assets provided that such claims are recognized under the laws of Kazakhstan. This class of people includes foreigners.
- c) Those who have no legal right or claim to the land they are occupying to the land they are occupying. This class of people includes squatters and those that settle at a place on semi-permanent basis, or those settling at a place without any formal grant or authority.

Displaced persons classified under paragraph (a) and (b) shall be provided compensation, resettlement assistance and rehabilitation assistance for the land, building or fixed assets on the land and buildings taken by the project in accordance with the provisions of this framework if

they occupy the project area prior to the cut-off date (date of commencement of the census). Displaced persons classified under paragraph (c) shall be eligible for compensation for the assets but not land.

In addition, the World Bank policy on resettlement stipulates those displaced persons who encroach on the project area after the cut-off date shall not be entitled to compensation, or any resettlement assistance or any other form of rehabilitation assistance.

3.3 Comparison and Gaps between Policies of the World Bank and Kazakhstan

Land and Housing Codes in Kazakhstan regarding the acquisition of land and assets for State needs are generally concordant with the World Bank's Resettlement Policies. The main differences between the Land Code of the Republic of Kazakhstan and the World Bank policy on involuntary resettlement are as follows:

- a) **Encroachment and Informal Land Use:** The World Bank resettlement policy stipulates that (i) illegally built structures of squatters as eligible for compensations on their assets and (ii) for involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons, the type of measures necessary to mitigate adverse impacts is determined with the participation of the displaced persons during the design and implementation of the project. The Kazakh Land Code does not entitle encroachers to compensation for the loss of access to the lands they use informally, but it does not explicitly say they cannot be compensated.

According to the land code of RK, unofficial land use is considered as illegal without processing of title-establishing documents on land acquisition. Compensation cannot be processed from legal point of view and cannot be included into the compensation cost. However, during displacement all title-establishing documents are processed for the displaced persons for newly acquired land as compensation.

All proposed measures will be developed taking into account mitigation and minimization during land acquisition and displacement of affected persons.

- b) **Land Swaps vs. Cash Compensation:** The World Bank policies prefer land for land compensation, particularly for peoples with traditional land-based modes of production. The Kazakh Land Code does not particularly favour land swaps, but offers owners the option to swap land, including agricultural lands or buildings in lieu of compensation without depreciation.
- c) **Market Value vs. Replacement Cost:** The World Bank policies require that the displaced persons are provided prompt and effective compensation at *full replacement cost* for losses of assets attributable directly to the project. This includes the cost of purchase or construction of an equivalent asset (market value) plus any applicable taxes and fees. According to the Kazakh Land Code, compensation includes the market value of a land plot or rights to it and of real estate situated on it, as well as all losses caused to the owner or land user due to loss of a land plot; however, it does not clearly state whether the losses may be calculated by the market value or replacement cost. In case housing structure is involved, the *Kazakh Law on Housing Relations* stipulates that the owner can receive a new residence or receive compensation at the *market value* of the house.

The lost irrigated lands are compensated by the identical agricultural lands, i.e identical soil fertility level and productivity. Compensation is meant to give the owners an opportunity to restore the pre-project level of livelihood. These procedures are related both to the legislation of RK and procedures of World bank.

According to the RK legislation compensations are paid for the damage sustained to agricultural lands and assets. The cost of the loss of asset is calculated at the market value, including the cost of transfer and registration fees and taxes. The same legislation regulates that depreciation costs are not included in valuation of the lost assets. The World Bank policy also states that depreciation cannot be taken into account.

New agricultural lands for agricultural activities can be allocated to land users similar to all agricultural lands allocated for long term lease.

- d) **Consultation and Participation:** Under Kazakh law, consultation with affected people (APs) and communities in respect to land acquisition or the removal of assets are not required, except with regard to the amount of compensation being offered (see below). This differs from the World Bank's policy which requires that APs and affected communities must be fully informed and consulted on compensation, entitlements and resettlement options by way of individual meetings with APs, public hearings with communities, information dissemination campaigns and opportunities to participate in monitoring and grievance redress. The people must be fully informed and participate in land acquisition planning. The RK legislation stipulates that all procedures involving valuation of the lost assets and agricultural production are conducted in strict compliance with the established order. According to this order all affected people are required to provide a complete information on the loss incurred, while the local administrations are required to inform these people of the outcome of the process of valuation of compensations for the losses incurred, including the land being offered. When disputes arise, they are settled in the order established by the legislation, as well as through mediation via local Akimats. The governing bodies are required to consult with the affected people on compensation.

- e) **Other Assistance:** Kazakh law allows for the replacement of land or assets acquired. However, the World Bank's policy requires clients to go beyond this and provide additional assistance for livelihood rehabilitation, to vulnerable affected persons and for relocating households.

The national legislation stipulates assistance to vulnerable PAP. These groups include families with many children; families without breadwinners including women -headed households; elderly and underage children.

- f) **Timing of Land Acquisition:** World Bank policies clearly stipulate resettlement as an upfront project – in that all issues of land acquisition and relocation of project affected people has to be done prior to commencement of the project on the acquired site.

The Kazakh legislation stipulates that measures including valuation of the losses, working out of arrangements for relocation of the PAP as well as provision of corresponding material and financial resources be taken prior to project commencement.

3.4 Measures to Address Gaps in Implementation

Land and Housing Codes in Kazakhstan regarding the acquisition of land and assets for State needs are mostly concordant with the World Bank's Resettlement Policies in most topics. In the absence of standard regulations and procedures, implementation may vary in practice, however. The four steps described below ensure more consistent implementation, and compliance with Bank policies and international good practice during implementation.

- a) **Encroachment and Informal Land Use:** In the context of this Project and regarding the issue of land use without title, the WB safeguards policies will be adhered to during Project implementation, including the World Bank's procedures for compensating land users without formal title (those who lack formal legal rights but have a recognized or recognizable claim under national law should be compensated for loss of land; those with no recognizable right or claim to the land they are occupying should be provided with resettlement assistance in lieu of compensation for the land they occupy. All affected people should be provided compensation for loss of assets other than land).
- b) **Land Swaps vs. Cash Compensation:** All affected persons will be informed of the option to swap land and all local administrations will be requested to assess the availability and location of substitute lands. Where land is available for swap, officials involved in the land acquisition process will be instructed to offer affected persons the option to swap land and buildings for compensation instead of cash, if they choose.
- c) **Market Value vs. Replacement Cost:** Since construction footprints are only expected in floodplain areas where construction is generally precluded, the project does not anticipate any loss of assets attributable directly to the project; however, in case there is any, compensation will be provided at the replacement cost, as defined above.
- d) **Access to and exchange of information:** Affected people must be informed about procedures, options, and rights pertaining to land acquisition (expropriation) and consulted on, offered choices among, and provided with technically and economically feasible alternatives such as option to swap land or to swap land and buildings for compensation instead of cash. Project management will play an important role in the public information process by preparing and distributing two brochures that describe the process and clarify rights and responsibilities, compensation rates, payment schedules and grievance redress options.

The degree of involvement will be determined, the identification of reasons of non-sufficient participation of the affected population, the quantity of recipients of compensation which took part in the consultations and meetings at the stages of land acquisition. The analysis of disputes and claim is carried out. The settlement of disputes is conducted. The appropriate brochures will be developed for more full coverage of population.
- e) **Other Assistance:** The project does not anticipate displacement of affected people, since no assets are likely to exist in the floodplains where project footprints are expected and there is ample alternative space available for replacement of affected lands. However, in case land acquisition and restriction to access affect the livelihoods of land users in any way (including relocation), the project will provide additional assistance for livelihood rehabilitation, to vulnerable affected persons and for relocating households.

Assistance for livelihood restoration, when needed is required for all affected people, including vulnerable population. The vulnerable people will require additional assistance and include: families with many children, families without breadwinners including women-headed households, elderly and underage children.

- f) **Timing of Land Acquisition** All issues relating to land acquisition and relocation of affected people need to be resolved prior to the project commencement on the acquired site. In particular, new agricultural lands should be allocated, compensations for lost assets paid including lost crops, and construction lands for housing allocated.

4. Guiding Principles on Land Acquisition within SYNAS II

4.1 Guiding Principles for Land Acquisition

The following principles will be applied in the acquisition of private land or uptake of leased public lands for the SYNAS-2 project, which reflect the principles incorporated in the resettlement policies of the World Bank. The principles apply in case of temporary or permanent impacts on households resulting from loss of land, structures or other fixed assets; changes in land use or business; restrictions on the use of land, housing or businesses. The principles apply to all “affected persons”, including those without formal licenses or titles, who experience impacts as the result of land acquisition or resettlement for State Needs.

- (a) Avoid or minimize land acquisition and resettlement.
- (b) Affected persons are entitled to be compensated at full replacement cost for their lost assets, incomes and businesses, including temporary losses or impacts, without adjustments for depreciation.
- (c) Compensation should enable affected persons to restore at least their pre-project incomes and standard of living by the end of the Project.
- (d) Affected persons must be consulted and participate in land acquisition planning.
- (e) Affected persons must be fully informed of their compensation options.
- (f) Land-for-land swap is the preferred compensation for lost agricultural land, if it is available, unless an affected person chooses cash compensation.
- (g) Costs of transfer of property—purchase or swap—are waived or borne by the investor, including taxes, fees, documentation and court appeals.
- (h) Compensation will be made giving equal consideration to women and men.
- (i) Lack of formal title or use agreement does not bar affected persons from entitlements or assistance required to achieve the objectives of the policy.
- (j) Relocated affected persons receive relocation and transition subsistence allowances.

- (k) Special attention should be given to households headed by women and other vulnerable persons and appropriate assistance provided to assure that their living standards are maintained or improved.
- (l) Land acquisition and resettlement are executed as part of the Project and fully funded.
- (m) Compensation will be fully provided before land can be entered for civil works or demolition.

4.2 Eligibility Criteria for Compensation (Methods of Valuation of Affected Assets)

In order to reconcile the provisions of the Kazakh land code and the World Bank policy on involuntary resettlement, an entitlement and compensation matrix was prepared and is presented below (Table 1). This matrix sets out the agreed (World Bank – Client) basis for identifying what type of impacts will be compensated and who is entitled to what. Although no physical displacement of residents or impacts on structures or other fixed assets are anticipated in the SYNAS-2 project, since the anticipated construction footprints will likely take place only in protected floodplains owned by the public administration, as a precautionary measure, the principles include measures to compensate for such scenarios.

In order to assess the values of land to be withdrawn and structures to be demolished, designers will be required to contract licensed evaluators. Based on the land requirement data to be compiled by the designers, the evaluators will contact potentially affected parties to assess the value of their properties. Evaluation methods to estimate compensation for structures would be similar to common international practices based on (i) expenses, (ii) profits, and (iii) comparison with similar structure with a known cost. All base costs will be aligned with current market values. In the case of agricultural land plots the method will be based on the assessment of agricultural losses in case of withdrawal. The compensation amounts calculated by the evaluators will then be negotiated between the owners/lesers and the oblast administration.

Table 1: Entitlement and Compensation Matrix

Asset	Specifications	Affected People	Compensation Entitlements
Permanent Loss			
Privately owned land	All land losses irrespective of severity of impact	Owner	<ul style="list-style-type: none"> ● Reconfiguration of the plot to retain the equal size and productivity of the original plot; or ● Land for land compensation with plots of equal value and productivity to the plots lost; or ● Cash compensation for affected land at replacement cost (market value) with no deductions for taxes, transaction, registration or transfer costs ● If the residual portion of a plot is too small to use, the whole plot is purchased and compensated or exchanged
		Long term leaseholder According to the national legislation land for agricultural production is provided for a long term lease by the state irrespective of project interventions.	<ul style="list-style-type: none"> ● Reconfiguration of the plot to retain the equal size and productivity of the original plot; or ● Cash compensation for the lease already paid, calculated based on the proportion of the plot lost and market value of gross yield (3-year average) of the lost area; or ● If reconfiguration of the plot is impossible or the residual portion of the plot is too small to use, renewed lease in an alternative plot

Asset	Specifications	Affected People	Compensation Entitlements
		Short term leaseholder	<ul style="list-style-type: none"> ● Cash compensation for the lease already paid, calculated based on the proportion of the plot lost and market value of gross yield (3-year average) of the lost area; or
		Sharecropper	<ul style="list-style-type: none"> ● Cash compensation, market value of share of lost harvest ● Provision of livelihood restoration assistance, either through alternative land for sharecropping or other employment type
		Agricultural worker	<ul style="list-style-type: none"> ● Cash compensation equal to salary in cash and kind for rest of agricultural year
		Encroachers and informal users	<ul style="list-style-type: none"> ● Cash compensation equal to market value of lost harvest ● Provision of livelihood restoration assistance, either through alternative land for sharecropping or other employment type
	Severe impact—more than 10% of income loss	Owner, leaseholder	<ul style="list-style-type: none"> ● Cash compensation equal to market value of two crop years ● Land for land compensation with plots of equal value and productivity to the plots lost; or ● Cash compensation for affected land at replacement cost (market value) with no deductions for taxes, transaction, registration or transfer costs ● If the residual portion of a lot is too small to sue, the whole plot is purchased and compensated or exchanged
		Sharecropper	<ul style="list-style-type: none"> ● Cash compensation equal to twice market value of share of lot harvest ● Provision of livelihood restoration assistance, either through alternative land for sharecropping or other employment type
State land	All losses, irrespective of severity of impact	Long term leaseholder	<ul style="list-style-type: none"> ● Reconfiguration of the plot to retain the equal size and productivity of the original plot; or ● Cash compensation for the lease already paid, calculated based on the proportion of the plot lost and market value of gross yield (3-year average) of the lost area; or ● If reconfiguration of the plot is impossible or the residual portion of the plot is too small to use, renewed lease in an alternative plot
		Short term leaseholder	<ul style="list-style-type: none"> ● Cash compensation for the lease already paid, calculated based on the proportion of the plot lost and market value of gross yield (3-year average) of the lost area; or
		Encroachers and informal users	<ul style="list-style-type: none"> ● Cash compensation equal to market value of lost harvest ● Provision of livelihood restoration assistance, either through alternative land for sharecropping or other alternative type of employment matching the previous income level.
Residential and commercial land		Owner	<ul style="list-style-type: none"> ● Land for land compensation, plotequivalent in productivity and value(unless the affected person agrees to exchange for lesser value plus cash to compensate the difference)
		Renter, Leaseholder	<ul style="list-style-type: none"> ● 1-3 months allowance
		Squatter	<ul style="list-style-type: none"> ● Free or leased plot on State land
Houses, buildings and structures		Owners of	<ul style="list-style-type: none"> ● House for house swap; if replacement is lower

Asset	Specifications	Affected People	Compensation Entitlements
		permanent structures	value, cash compensation for the difference, or <ul style="list-style-type: none"> ● Cash compensation at full at full replacement value for affected structures and other fixed assets based on the material cost, construction and labor. The PAP will get full replacement cost and also can retain any salvageable material which value is not deducted from the replacement cost.
		Owners of temporary, structures (kiosks, stalls)	<ul style="list-style-type: none"> ● Approved and suitable site to re-locate
Trees	Trees affected	All affected persons, including squatters	<ul style="list-style-type: none"> ● Cash compensation reflecting income replacement. Economic trees value based on age category and valued at gross market value of one year income times the number of years to grow a tree to similar productivity, plus purchase price of seedlings and starting materials
Business employment	Temporary or permanent loss of business or employment	All affected persons, including squatters	<ul style="list-style-type: none"> ● Owner: if permanent, cash compensation equal to one year income; if temporary, cash compensation for the period of loss. Employees: Compensation based on tax declaration or official minimum salary (whichever is greater)
		Business owner	<ul style="list-style-type: none"> ● Allowance for lost profit during interruption, up to 3 months
Relocation		All affected persons affected by relocation	<ul style="list-style-type: none"> ● Allowance sufficient to cover transport expenses and livelihood expenses for one month due to relocation
House renters		Renters with leases	<ul style="list-style-type: none"> ● Three months rent at prevailing market rate and assistance in finding alternative accommodation
Community assets			<ul style="list-style-type: none"> ● Rehabilitation or replacement of affected structures to pre-project function
Vulnerability		Affected persons who require special support to avail themselves of project benefits	<ul style="list-style-type: none"> ● Special programs providing additional compensation, allowances for adjustment, and other initiatives, based on finding of the social assessment and census of affected persons. This category includes: families with many children, people with disabilities, families without breadwinners including women-headed households, elderly and underage children, people with disabilities.
Temporary loss			
Land used for construction activities	Subject to negotiation between owner and contractor	Owner (private or public)	<ul style="list-style-type: none"> ● Contractor pays cash compensation at local commercial rental rates for duration of use Land restored to original status at end of rental Measures on restoration will be included in compensation agreements between contractors and affected people. ● Environmental safeguard requirements apply
Land for borrow pits	Subject to negotiation between owner and contractor	Owner (private or public)	<ul style="list-style-type: none"> ● Contractor pays cash compensation for rental and materials at market rates ● Land restored to original status at end of rental ● Environmental safeguard requirements apply

5. Procedures

5.1 Preparation of Land Acquisition Plan (LAP)

The final LAPs will be prepared through the following steps:

- a) An inventory of land use and users and their properties such as owned or leased land, enterprises, structures, or agricultural activities
- b) Local consultations to engage affected persons in the design of the Plan. Affected people will be consulted and will participate in land acquisition Plan.
- c) Publication of the plan for comment
- d) Submission of the final plan and cost estimates to the World Bank for no objection / concurrence before funding is authorized.
- e) These steps also provide the basis for future tracking impact on affected persons as well as the effectiveness of LAP implementation and determine whether additional mitigation measures should be developed. A socioeconomic assessment to supplement current information will be executed early in project implementation to establish a baseline for monitoring and evaluation.

When all detailed designs are available and approved by state expertise, these cost estimates will be refined through negotiations with the affected persons. Also early in project implementation social and economic assessments of affected households and bypass areas will be carried out to provide a baseline for monitoring impacts of the project in order to determine whether any additional mitigation measures are needed to achieve the fundamental principle of ensuring that livelihoods are not negatively affected by the project.

5.2 The Screening Process

This section describes the methodology used to identify and inventory land owners, physical structures and informal land users along the Project alignment. The approach for the identification of affected structures and land parcels relies on two main sources: (1) existing cadastre and land use data maintained by the Land Resource Agency and (2) the construction survey to be conducted by all designers for each individual lot, (typically at a scale of 1:2,000), in which all structures within the construction sites will be detected and geo-referenced. This is also applied to structures as well as to economically valuable trees and to crops.

Informal land users, i.e. owners of structures within the construction site without formal title will be compensated for the lost assets equally to users with title, after receiving instructions and assistance to license / legalize their businesses or residences. For the purpose of estimating project costs, their properties will be evaluated in the same manner as registered businesses / residences.

If existing **long term leases of State land** are terminated to acquire land for the Project (permanently or temporarily), the lease holders are compensated according to their advance payments for the leases. Furthermore, lease holders are reimbursed all expenditures and other losses related to standing crops, and investments in trees, etc.

The compensation amounts for non-agricultural lands and real estate structures on them are determined through socio-economic surveys and via negotiations with owners based on market prices. The market prices are calculated in accordance with norms and standard, legal methodologies by licensed evaluators. In this case, both parties must reach reasonable agreement on the compensation amount. If this does not happen, the compensation claim can be determined by the court. Full-scale inspections to refine the physical and juridical parameters of the structures will be

required at the time of transaction.

5.3 Strategy for Information Sharing, Consultations, and Participation of Affected People

Initial rounds of consultation on the impact of the project will be organized in the communities where construction is planned to share information with the communities and take stock of the residents' concerns and preferences. Follow up meetings will be then organized for discussion of the LAPs.

Each affected persons will also be individually consulted by Rayon Akim on compensation options. Affected persons will also be allowed to express any additional concerns during the socio-economic census.

5.4 Grievance Redress

Effective grievance procedures significantly reduce the anxiety people generally experience when they involuntarily lose assets. During the land acquisition process, complaints regarding valuation, payment, support and follow-up are inevitable, and if well managed, need not pose a significant obstacle to Project implementation. All Project-related complaints will follow the existing pattern and will be described in the Project's information brochures and posted in local offices:

- Each Contractor will be required to nominate a grievance coordinator who receives direct complaints related to temporary land use during the construction period. The complaints are logged and, if not immediately resolved, passed on to the PIU grievance coordinator.
- A grievance focal point will be established within the PIU. The responsible staff will be the social specialist hired for the PIU, who will act as primary point of contact within the Project structure. The specialist will act as coordinator and first resolution instance, working with Contractors to find timely solutions. The grievance coordinator will maintain a log of all grievances received and their status and potential deferral. Grievances which cannot immediately be resolved are passed on to the respective rayon or oblast authorities.
- Affected persons take their complaints to the rural Akimat, who registers the complaint and attempts to resolve it. If the complaint is not resolved in one week, it is passed to the rayon/oblast level
- A designated person in the rayon/oblast administration receives the complaint, registers it and attempts to resolve it. If there is no resolution in two weeks, it is passed to the oblast level.
- A designated person in the oblast administration receives the complaint and attempts to resolve it. As part of the process of resolving the complaint, the Committee for Water Resources under the Ministry of Agriculture of the Republic of Kazakhstan will convene a grievance redress committee that includes a Government representative, Professional (licensed valuers), independent (academic/NGO) representatives as well as a representative of the complainant.
- If there is no resolution within two weeks, the case will be presented to a Kazakh court and resolved according to Kazakh legislation, with the covenant, that for all project related resettlement issues the specific agreements between Government of Kazakhstan and World Bank will supersede national law.

All contact details and a clear description of the grievance mechanisms will be published in print media, distributed via brochures and displayed on the website before the start of any physical works in the Project area. Logs, reports and grievance resolution outcomes will be subject to external monitoring and evaluation.

During construction the individuals, whose interests are affected, as well as others, may complain on the disturbance created to the traffic, noise, intrusion to the territory and other problems. All complaints related to the Project will be considered with the help of the dispute (related to the resettlement) resolution mechanisms, which have commonly accepted structures and will be described in the information brochures on the Project and in the placards, which will be displayed in the local offices:

The Project's procedure will differ from Kazakh standard practice in the way that each of the authorized officials in the district and oblast executive offices or public authorities/local self-government (if available) will be obliged to register the complaints and follow up on the status, and report to the management of the Project (Committee and PIU, with copies to World Bank) monthly. The reports and the process of dispute resolution will be observed/monitored by the group of the external monitoring and assessment as well as the Management of the Project.

Also, the individuals dissatisfied with the attention paid to their complaints may refer to the Management of the Project. The monitoring and assessment specialist of the PIU will receive such complaints and register them. The specialist will search for possibilities to resolve the complaint, and will keep the plaintiff informed of the status of his complaint. The officials of any level that receive urgent complaints may forward the complaints, when necessary, to the Management of the Project.

5.5 Monitoring Land Acquisition Activities

The PIU will recruit a specialist who will coordinate with government agencies responsible for land acquisition and assist with preparation of specific land acquisition plans to ensure compliance with the LAF and timely management of land acquisition issues before construction of a given package or sub-project. This specialist will develop indicators, monitor key aspects of land acquisition, and keep monitoring data on file with the PIU. The specialist will submit progress reports on land acquisition to be incorporated into Project reports as needed. Expenditures for this internal monitoring shall be incorporated into the project budget. The monitoring data should be of sufficient quality to facilitate external audits, if needed. A general system of monitoring indicators is shown in the following Table 2.

Table 2 Monitoring and Evaluation Matrix

Purpose	Activities	Monitoring Indicators
Identification of compensation recipients	Checking the list of compensation recipients against eligibility criteria for compensations.	Number of persons in the list of compensation recipients, who do not meet eligibility criteria (mistaken inclusion)

Purpose	Activities	Monitoring Indicators
	Identification of persons, who may claim eligibility to compensation, but are not included in the lists of compensation recipients. Separate check should be performed on each type of compensation	Number of persons, who meet the criteria, but are not included in the list of compensation recipients (mistaken exclusion)
Controlling types of compensation	Confirmation of temporarily or permanently affected areas against the final LAP	Area of land subjected to temporary acquisition, for which compensations have been paid
		Area of land subjected to permanent acquisition, for which compensations have been paid
Controlling compensation	Examination of financial documents	Number of persons, who received compensation in time and in full amount, disaggregated by compensation types
	Identification and analysis of reasons for compensations not being paid in full amount and in time	Number of persons, who did not receive compensation in time and in full amount, disaggregated by compensation types
		Number of persons, who received compensation in time, disaggregated by compensation types
		Amount of funding allocated for payment of compensations
	Identification of reasons, for which funds for compensations have been under/overspent	Rate of spending of funds allocated for compensations, % of envisaged by the final LAP
Additional compensation	Monitoring time limits of temporary land acquisition	Number of persons, on whose plots temporary acquisition needs to be extended
		Area, on which construction works will be continued after the established deadline
Household Impact (Income Restoration)	Follow up socio-economic survey of affected households (year 3)	Changes in household income/ livelihood by comparing the results of the socio-economic census to a follow up survey.
Consultations and participation	Determining the level of involvement, and identification of reasons of inadequate participation	Number of compensation recipients, who participated in consultations and coordination meetings at each stage of land acquisition
	Analysis of disputes' and complaints' content.	Number of complaints
	Resolution of conflicts	Number of complaints granted

Project Management may contract an external monitoring agency for conducting an independent evaluation of land acquisition, which will be used for preparation of the annual report on monitoring and evaluation for the World Bank. The external organization responsible for monitoring will decide whether the conditions of the resettlement plan during its implementation have been observed, whether the sources of income of the individuals, whose interests have been

affected, were restored, and whether any unplanned or unexpected consequences of land acquisition have occurred.

6. Institutional Arrangements

6.1 Institutional Arrangements for LAP implementation

The Project Implementation Unit (PIU) will play a key role in resettlement and land acquisition management during Project implementation. According to the PIU's terms of reference (TOR) there will be safeguards specialists, including a social expert for land acquisition-related issues, working in the PIU for the duration of the Project. This will include continued socio-economic monitoring of implementation and impacts of LAPs, specifically, (i) monitoring WRC activities related to LAPs, (ii) monitoring individual construction sites, (iii) liaison with Kazakh regional and local authorities on resettlement issues, (iv) an early contact point for grievance redress, (v) reporting on safeguards compliance status in Project implementation.

The PIU will carry out an independent assessment of the land acquisition process to inform Project management (WRC and World Bank), and prepare an annual resettlement monitoring and evaluation report to submit to the World Bank. Specific monitoring and evaluation indicators include:

- Information campaigns and consultations with affected persons (how many, when carried out, issues discussed, issues resolved afterwards)
- Status of land acquisition and payments for compensation (number of transactions, percentage of total volume)
- Selection and distribution of replacement land areas
- Compensation for affected structures and other assets
- Assessment of livelihood impacts
- Assistance with restoration of means of livelihood
- Resolution of grievances.

6.2 Definition of Responsibilities

The following sections outline key responsibilities of the institutions involved in resettlement planning and implementation.

- a) Water Resources Committee: Agrees on WB safeguards implementation as part of Loan Agreement.
- b) World Bank: Ensures supervision of all project phases and initiates corrective action as required.
- c) PIU: Engages specialist / social scientist to ensure coordination and effective management of land acquisition aspects. This specialist ensures that PIU contracts social economic census or other studies as needed, establishes monitoring indicators,

- implements grievances procedures; ensures compliance with WB safeguard policies, oversees implementation by contractors and assists Rayon officials as needed.
- d) KZ Authorities: Formally approve LAP, verify census and studies, facilitate consultations.
 - e) Rayon Authorities: Responsible for negotiation with affected persons and finalizing LAPs.
 - f) Project Component Designers: Conducts scoping surveys.

6.3 Budget Estimates

Table 3: Indicative annual budget for land acquisition by the community

Serial Number	Losses budgeted for expected on proposed site	Unit of budget	Budget Estimates (Tenge)	Source of funding
1.0	Reconfiguration of leased land	Land exchange	2,0-3,5 mlnKZT.	Governmental budget
2.0	Reconfiguration of leased land	Land exchange	2,0-3,5 mlnKZT	Governmental budget
3.0	Reconfiguration of leased land	Land exchange	2,0-3,5 mln KZT	Governmental budget
4.0	Reconfiguration of leased land	Land exchange	2,0-3,5 mln KZT	Governmental budget
Total			8,0-15,0 mln KZT	Governmental budget

Table 4: Indicative annual budget district level support services for land acquisition

Serial Number	Main activities budgeted for	Unit of budget	Budget Estimates (Tenge)	Source of funding
1.0	Preparation Land Acquisition Plan	Lump sum	2,0-3,0 mln KZT	Governmental budget
2.0	Monitoring activities	Lump sum	2,0-3,0 mln KZT	Governmental budget
3.0	Sensitization of the communities on resettlement issues	Lump sum	2,0-3,0 mln KZT	Governmental budget
4.0	Administrative costs	Lump sum	2,0-3,0 mln KZT	Governmental budget

Table 5: Indicative annual budget for national level support services to resettlement activities.

Serial Number	Main activities budgeted for	Unit of budget	Budget Estimates (Tenge)	Source of funding
1.0	National stakeholder awareness workshops on resettlement issues	Lump sum	0,5-1,0 mln KZT	Governmental budget
2.0	Preparation of checklists for social and economic impacts of resettlement	Lump sum	0,5-1,0 mln KZT	Governmental budget

3.0	Monitoring activities	Lump sum	0,5-1,0 mln KZT	Governmental budget
5.0	Administrative costs	Lump sum	0,5-1,0 mln KZT	Governmental budget

The administrative oversight and monitoring and evaluation activities are included in the PIU's TOR and will be budgeted in the price quotations of the Consultants bidding for the assignment.