

Uzbekistan**Proposed Bukhara and Samarkand Sewerage Project (II phase)****Resettlement Policy Framework****Project Objectives and Components**

1. The project development objective is to mitigate adverse environmental impacts from wastewater and improve the efficiency and sustainability of wastewater management in Bukhara and Samarkand. This will be achieved through (i) identifying whether faltering service delivery is due to initial poor design and workmanship, or to deferred maintenance and poor operations, (ii) rehabilitating those sections of the existing sewerage system where the deterioration has gone too far to be compensated through crash maintenance programs; (iii) expanding the public sewerage system to selected central historical areas, currently unconnected to public sewerage; and (iv) installing more energy-efficient wastewater pumps and aeration systems at the wastewater treatment plants. Thus, the project will improve service delivery at the least possible cost, reduce energy costs, and redirect manpower and funding away from repairing breakdowns towards preventive maintenance. Ultimately, greater environmental and health benefits should result, both for the resident population and for visiting tourists.

2. In Samarkand, the proposed project will constitute the first segment of a phased approach to improve coverage and efficiency of the sewerage system. The investment component will include:

- Rehabilitation / replacement of existing sewers (54.3 km)
- Construction of new wastewater pumping stations (2 stations)
- Expansion of existing sewer system (6.6 km)
- Rehabilitation of wastewater treatment plants (including influent and effluent samplers, flow measurement, new fine screens, new grit chambers, new aeration system, new return sludge pumps, and rehabilitation of laboratory)

Reasons for a Resettlement Policy Framework (RPF)

3. In the process of project preparation, the World Bank screening confirmed that the proposed project, in particular, the rehabilitation of the existing sewerage pipelines, pumping stations, and the waste-water treatment plants is not expected to involve land acquisition because all of the land needed for these investments is state-owned, located on existing rights of way designated for municipal infrastructure, and not occupied by residents (legal or illegal) or enterprises. Nonetheless, land will be needed for constructing a new sewerage pumping station in Samarkand and new sewerage pipelines in both Bukhara and Samarkand, but the exact locations for their construction in both cities will not be known until after the project is under implementation because the final designs are not yet in place.

4. Although the exact locations of the new pipelines have not been established, a reconnaissance of the potential sites where new construction is likely to occur suggests that there may be a need to displace small enterprises (for example, kiosks along the pipeline right of way) or possibly require residents to cease using small plots of land to grow crops or trees. Thus, in accordance with the Bank safeguard policy OP 4.12 on Involuntary Resettlement, the Government of Uzbekistan prepared and publically discussed and disclosed a Resettlement Policy Framework (RPF) as a condition of project appraisal.

5. The purpose of the RPF is to clarify the policies and principles and organizational arrangements for the delivery of compensation and other entitlements in the event that land acquisition and/or displacement occurs;

the process by which these will be determined and delivered; and arrangements for possible grievance redress mechanisms as well as independent monitoring of the implementation of a specific resettlement action plan (RAP) that may become necessary as a result of the Project. For any project component requiring land acquisition to be financed by the Bank, specific RAPs consistent with the principles in this RPF will be submitted to the Bank for approval when detailed investment planning information and the scope of the civil works becomes available, and the extent of the land acquisition needed for the investment is known.

Legal Framework for Land Expropriation

6. According to the Land Code of the Republic of Uzbekistan, all land in Uzbekistan is state property and permits for use of land are granted and monitored by the State through the rayon and oblast administrations. National legislation envisages the following types of land transfers: for use, lease, or ownership by legal entities (only with objects of trade and services infrastructure), and for lifelong inheritable ownership (with housing), use, or lease by individuals. While all land transactions are subject to State regulation; some transactions occur with special permission of the State

7. The laws and procedures for expropriating agricultural and urban land are treated differently under Uzbek Law. While agricultural land issues are covered and treated under the Land Code, urban land issues are covered under the Civil Code, the Housing Code, and the Urban Construction Code.

8. The Land Code identifies several categories of land users, who are eligible for compensation for losses and damages in connection with land acquisition:

- Land tenants – citizens who were allocated land plots for individual housing construction and/or dehqan farming on the basis of life-long tenure
- Lessees (leaseholders) – farmers, who were allocated land plots for agricultural production purposes, on the basis of a long-term lease
- Land owners – users of land plots occupied by trade and services infrastructure, which are used as private property. Land, occupied by trade and services infrastructure, however, may not be sold separately from the latter
- Land users – all other enterprises, organizations and institutions, which are entitled to use non-agricultural lands. This is the largest category, which includes enterprises and institutions of all types (private and public). Examples include hospitals, schools, private enterprises, and factories.

9. Legislation envisages compensation for damages to land users in full, including lost profits, in the following instances: (a) seizure, purchase or temporary occupation of land; (b) limitation of the rights of users; (c) deterioration of land quality due to the effects of construction works, servicing, and other activities that lead to reductions in the quantity or quality of agricultural products. According to the legislation, compensation for loss of agricultural production is not provided if: (i) land is acquired for the construction and servicing of individual housing; (ii) land is acquired for the construction of schools, boarding-schools, orphanages, preschool and healthcare establishments; and (iii) land was allocated for water management purposes and for the construction of irrigation and water related facilities.

Agricultural Land

10. According to the legislation of the Republic of Uzbekistan, the following State organizations are responsible for implementing resettlement activities: Regional and district hokimiyats; Regional land acquisition commission; District department of Geocadastr; District evaluation commission; District HGME; District department of nature protection; District SES; and the District departments of fire supervision. The procedures, functions, and powers of organizations responsible for implementation and observation of procedures for land acquisition for purposes other than agriculture and forestry, are established by the

Resolution of the Cabinet of Ministers No. 248 of 27 May 1992. According to the Resolution, the following are the procedures for acquiring agricultural lands:

- The PIU submits an application to the Oblast Hokimiyat for the selection of lands subject to acquisition for construction of facilities within the project framework.
- The Oblast Hokimiyat considers the submission within five days, and requests the *permanent regional land acquisition commission* to: (a) define the location of constructions and facilities, and (b) select a land plot for design of their construction. During detailed design there will be established a commission consisting of representatives of all interested shareholders
- The department of the Goskomzemgeodezkadaster (Geocadastre) within the city hokimiyat selects alternative land plots to be allocated for construction of the facilities. It also (a) assesses the losses of land incurred by land users (b) defines options to restore land for farming, including removal and temporary storage of topsoil; (c) elaborates proposals for compensation with an equivalent land area of the same or better quality in other areas in consultation with citizens; and (d) in the case of permanent occupation of irrigated lands, estimates the requirements and cost for the reclamation of replacement lands.
- Simultaneously, a detailed estimate of the potential losses of agricultural production and other potential damages to land owners and land-users is obtained. The procedures for assessing the compensation for losses of agricultural production are specified in the RCM No. 223 of 16 June, 1995. Accordingly, any losses of agricultural production are assessed by an Evaluation Commission, whose members are determined by the head of the district hokim, along with the respective landowners and land-users. The findings of the evaluation commission is finalized in a certificate of the right to land use, which has to specify the acquired agricultural lands, the agreed conditions, and the total value of the losses of agricultural production and losses of land users. All of the above documents will be submitted to the regional land acquisition commission for approval.

According to information received from Project Coordination Unit of “Uzkommunkhizmat” agency, Phase II of “Bukhara and Samarkand Sewerage Project” will be implemented without demolition of any buildings, houses and other structures.

Urban Land and Structures

11. In compliance with the Housing Code of the Republic of Uzbekistan, the Cabinet of Ministers of the Republic of Uzbekistan issued Resolution Number 97 on May 29, 2006 setting out the procedures for the compensation individuals and legal entities in the event that the urban land they occupy or use is needed to be acquired for State and public needs. The following are the general provisions and specific procedures covered in the Resolution No. 97.

12. General Provisions. The following are the general principles and procedures that will be carried out for acquiring a land plot or portion thereof (hereafter referred to a land plot) and compensating individuals and legal entities for residential , manufacturing, or other special purpose buildings, facilities, and plantings subject to demolition in connection with land withdrawal for government or public needs.

- (a) Withdrawal (or acquisition) of a land plot for public needs shall be carried out with landowner's consent or upon agreement with the land-user/tenant, by a resolution of the Hokim of a particular jurisdiction (rayon, town, city, oblast), or by the resolution of the Cabinet of Ministers of the Republic of Uzbekistan.
- (b) If the landowner, land-user, or landholder disagrees with the resolution of the Hokim of the relevant jurisdiction or the Cabinet of Ministers on withdrawal of a land plot, then the resolution may be appealed in a court.
- (c) A resolution on the withdrawal of a land plot and demolition of residential, manufacturing, or other assets (that is, buildings, facilities, and plantings) shall be made in accordance with the general layouts, as well as the detailed plans for the development of residential areas and neighborhoods in cities and settlements.
- (d) Unjustified demolition of residential, manufacturing, or other buildings, facilities, or plantings shall be prevented.
- (e) Based on a resolution of the Cabinet of Ministers, the Hokims of the respective rayons/towns shall adopt their own resolutions on withdrawing a land plot and demolishing residential, manufacturing, and other buildings, facilities, and plantings.
- (f) The Hokimiyats of the respective rayons/towns shall notify the owners of relevant residential, manufacturing and other buildings, facilities, and plantings in writing and against a receipt about the resolution at least six months before the targeted demolition date. The notification shall be supported by copies of the respective resolutions on withdrawal of the land plot and demolition of residential, manufacturing, and other buildings, facilities, and plantings located on the land plot.
- (g) Landowners may appeal the Resolution of the respective Rayon/Town Hokim on demolition and approval of the value of residential, manufacturing, and other-purpose buildings, facilities, and plantings subject to demolition in the Khokimiyats of the Oblasts as well as in the court system.
- (h) The value of residential, manufacturing, or other-purpose buildings and facilities built without proper authorization shall not be reimbursed.
- (i) If the withdrawn lands are allocated to enterprises, institutions, or agencies, those entities will be responsible for the payment of compensation, provision of houses or apartments, and temporary housing, as well as the reimbursement of all relocation costs based on the decision of the respective Rayon/Town Hokim.

13. The following are the specific procedures and terms for compensating individuals and legal entities for houses, buildings, facilities, and plantings.

Procedure for Calculating Compensation to Individuals and Legal Entities for the Residential Houses or Apartments, Buildings, Facilities, and Plantings to be Demolished

- (a) The respective Hokimiyats shall establish commissions (hereafter referred to as the "Commission") to determine the size and type of compensation. The Commission will be headed by the Deputy Hokim of the rayon/town and include the representatives of financial and other departments of Hokimiyats, the State Inspector for Supervision over Land Use and Protection, local authorities, landowner (that is, land-user or landholder) in charge of the land plot to be withdrawn, representative of the enterprise, institution, or agency to which the land plot is to be allocated, as well as representatives of other relevant authorities at the discretion of Hokimiyats.
- (b) The technical condition of houses or apartments, buildings, and facilities are appraised, and the value of plantings to be withdrawn will be determined by the Rayon/Town Land Resource and State Cadastre Departments at the expense of the applicant. In case of disagreement with the results of the appraisal by the Rayon/Town Land Resource and State Cadastre Departments, the owner has the right to contract independent licensed appraisers which will be paid for by the applicant. The appraisal materials are to be submitted to the Commission.
- (c) If the land plot to be withdrawn is owned by an individual who has acquired a lifetime ownership with the right of inheritance through an auction, the individual will be provided with lifetime ownership to an equivalent new land plot with the right of inheritance. The appraisal will be performed by the licensed appraisers of the Rayon/Town Land Resource and State Cadastre Departments in current prices at the expense of the applicant.
- (d) Any materials resulting from the dismantlement of houses or apartments, other buildings, and facilities (except unauthorized constructions) shall remain at the disposal of the developer or landowner (land-user, landholder) who pays full-scale compensation to the owner. In specific cases, at the request of the owner of the demolished property or plantings, and by the decision of the respective Hokim, the materials resulting from the dismantling of the property may be transferred to the owner. In this case, the Commission shall determine the value of the materials transferred to the owner at current market prices, taking into account wear-and-tear.
- (e) The specific timing and procedures of monetary compensation payment shall be set forth by resolutions of the relevant jurisdiction. However, monetary compensation is to be paid prior to commencement of demolition process.

Procedure and Terms for the Provision of Housing to the Owners of Houses to be Demolished

- (a) If privately owned are to be demolished, the individuals, members of their families, as well as the individuals permanently residing in these houses or apartments at their own choice and subject to agreement of the parties, will be provided with an equivalent suitable dwelling with the floor space meeting the public norms on an ownership basis, and will receive compensation for the value of the plantings, or will get compensated for the value of demolished houses or apartments, other buildings, facilities, and plantings. Equivalence is determined as being an amount equal to the value of the house or apartment to be demolished. If the value of the house or apartment to be demolished is higher than the value of the housing provided, the owner will be compensated for the difference.
- (b) The respective Rayon/Town Hokimiyats will be responsible for providing housing and/or paying other types of compensations to the owners of the demolished houses or apartments out of the funds from local budget revenues.
- (c) In order to get living quarters, the owner of the residential house or apartment to be demolished after receipt

of a notification about the upcoming demolition shall, within a month's time, file an application agreed with family members and other people residing (registered) in the house or apartment to the respective Rayon/Town Hokimiyat requesting assignment of living quarters in exchange for the housing to be demolished, specifying family members, number of permanently residing persons, as well as any available benefits which entitle them to extra housing floor space in addition to the public norm.

- (d) After the respective Rayon/Town Hokimiyats approves the Commission resolution on the size and type of compensation, assignment of living quarters in exchange for the demolished residential house or apartment, or, at the request of the owner, on provision of monetary compensation, the owner shall file with the Hokimiyat a letter providing a guarantee to vacate the residential house (apartment) subject to demolition.
- (e) A house or apartment may only be demolished subject to agreement of the parties and after the owner was provided with living quarters in exchange for the house or apartment to be demolished.
- (f) In specific cases, subject to agreement of the owner of the house or apartment to be demolished, the Rayon/Town Hokimiyat may provide living quarters in houses, which are in the course of construction, specifying in the resolutions the exact timing when the house is to be commissioned. If the living quarters in the houses being constructed are not provided by the established date, the Hokimiyat shall be responsible for providing the living quarters within a month's time.
- (g) Belongings of the owner of the residential house (apartment) to be demolished shall be moved to a new location at the expense of the developer or landowner (land-user, landholder) to whom the plot was allocated.
- (h) The respective Rayon/Town Hokimiyats will compensate the owner of the house to be demolished due to the withdrawal of the land plot.

Procedure and Terms for Provision of Land Plots for Private Housing Construction to Individuals in Exchange for Residential Houses (Apartments) to Be Demolished

- (a) In case of demolition of privately owned residential houses or apartments in connection with a land plot acquired for public purposes, the owners of the property, their family members, as well as individuals permanently residing in these houses or apartments at their request could be provided with a land plot for private housing construction within the established norms. Here, temporary housing under the terms of a lease shall be provided for the development period of up to two years along with full-scale compensation for the value of the houses or apartments, buildings, facilities, and plantings to be demolished.
- (b) A land plot for private housing construction and monetary compensation shall be provided to the owner of the demolished houses or apartments by the respective Rayon/Town Hokimiyat. If the withdrawn land plots are to be allocated to enterprises, institutions, or agencies, these entities will be responsible for providing compensation land plots for private housing construction and compensation payments to the owners of the demolished residences.
- (c) To obtain a land plot, the owner of a house or apartment to be demolished after receipt of notification on the upcoming demolition shall, within a month's time, file with the respective Rayon/Town Hokimiyat an application for assignment of a land plot for private housing construction specifying the family members, number of permanently residing persons, and the need for temporary housing.
- (d) After the respective Rayon/Town Hokimiyat approves the Commission resolution on the size and type of compensation, the owner shall file with the Hokimiyat a letter providing a guarantee to vacate the house (apartment) subject to demolition within the term specified by the respective Rayon/Town Hokimiyats.

- (e) A house or apartment may be demolished only after the owner is provided with a land plot for private housing construction and with temporary housing on terms of a lease for the period of development of the land plot of up to two years.

Procedure for Compensating Legal Entities for Damages Resulting from Land Withdrawal for Government and Public Needs

- (a) In the case of withdrawal of a land plot that accommodates residential, manufacturing, or other buildings, facilities, or plantings owned by a legal entity, the legal entity is to be provided with equivalent property and is fully compensated for all damages due to the withdrawal of land plot for public needs.
- (b) Land-owners/users/tenants/proprietors of land plots in urban areas shall be compensated for the damages in agriculture and forestry-based production in accordance with the land laws of the Republic of Uzbekistan.
- (c) Legal entities shall be compensated for damages resulting from withdrawal of land plots by the respective rayon/Town Hokimiyat. If the withdrawn land plots are to be allocated to enterprises, institutions, or agencies, then payment of compensation, provision of living quarter and temporary housing, as well as moving the property to the new location shall be carried out at the expense of such enterprises, institutions, and agencies according to the resolution of the respective Rayon/Town Hokimiyat.
- (d) To be compensated for the withdrawal of a land plot, the legal entity following the receipt of notification of the upcoming demolition shall, with a month's time, file an application specifying the type of compensation with the respective Rayon/Town Hokimiyat.
- (e) After the respective Rayon/Town Hokimiyat approve the resolution of the Commission, the legal entity shall file with the Hokimiyat a letter providing a guarantee to vacate the residential house, other buildings, and facilities subject to demolition within the term specified by the respective Rayon/Town Hokimiyats.
- (f) Residential, manufacturing, and other special purpose buildings as well as facilities belonging to a legal entity may be demolished only after the type and size of compensation and timing of payment thereof are agreed to with the owner.

Procedure and Terms of Movement and Restoration in a New Location of Residential Houses, Buildings, and Facilities Subject to Demolition

- (a) At the request of individuals and legal entities, the residential, manufacturing, and other-purpose buildings and facilities owned by them, which are subject to demolition may be moved and restored in a new location in accordance with a resolution of the respective Rayon/Town Hokimiyats, and shall be funded out of local budget revenues. The individuals and legal entities who own the housing shall be provided with temporary housing under a lease for the period of land plot development up to two years.
- (b) The property will be moved and restored within the limits of a given locality on land plots assigned in accordance with the established norms, subject to a condition that the technical state of houses, buildings, and facilities allows for their movement, *i.e.* the condition of the engineering structures and structural components must be able to withstand disassembly, transport, and reassembly in a new location. The Commission will determine the feasibility of moving the houses, buildings, and facilities based on a feasibility study and design estimates developed by specialized design agencies at the expense of the developer to whom the withdrawn land plot is allotted. The movement of residential, industrial, or other buildings and facilities and their restoration in a new location shall be carried out within the timeframe set forth by the respective Rayon/Town Hokimiyats. However, the term should

not exceed a period of one year.

- (c) All costs associated with the movement of residential, manufacturing, and other buildings and facilities and restoration thereof in a new location, rent of temporary housing, movement of property of individuals or legal entities to the temporary housing and from there to the restored buildings/facilities based on the decision of the respective Rayon/Town Hokimiyats shall be borne by the developer or land owner (land-user, landholder) to whom the plot was allocated.
- (d) Relocation of equivalent residential, manufacturing, or other-purpose buildings and facilities owned by a legal entity shall be carried out only after the type, the size, and the timing of payment of compensation are agreed to with the owner.

Procedure and Terms of Settlement in Cases of Construction of Houses and Buildings in a New Location for Individuals and Legal Entities Whose Residential Houses (Apartments) are Subject to Demolition

- (a) At the request of individuals and legal entities whose houses or apartments are subject to demolition, residential houses and buildings may be constructed in a new location and transferred to their ownership. In this case, no monetary compensation for the demolished residential houses or apartments is paid.
- (b) Construction of residential houses and buildings in a new location and their transfer to the ownership of individuals and legal entities whose residential houses or apartments are subject to demolition shall be carried out by the respective Rayon/Town Hokimiyats.
- (c) If the withdrawn land plots are to be allocated to enterprises, institutions, or agencies, then the construction of residential houses and buildings in a new location and transfer thereof to the ownership of individuals and legal entities, whose residential houses or apartments are subject to demolition, will be carried out at the expense of such enterprises, institutions, or agencies.
- (d) Construction of residential houses and buildings in a new location for individuals and legal entities, whose residential houses or apartments are subject to demolition shall be carried out within the limits of a given locality (population center). Here, for the period of construction of residential house/building at the new location, the respective Rayon/Town Hokimiyats will provide the individuals and legal entities concerned with temporary housing on terms of a lease.

- (e) All costs related to the leasing of temporary housing, movement of property of the individuals and legal entities to the temporary housing, and from there to the residential houses built in a new location based on the decision of the respective Rayon/Town Khokimiyats, shall be borne by the developer or land owner (that is, land-user, landholder) to whom the withdrawn land plot was allocated.
- (f) In order to get the residential house/building constructed in the new location in exchange for the house or apartment to be demolished, the individuals and legal entities, owning houses or apartments subject to demolition shall, within one month after receipt of notification about demolition, file an application specifying the family members, number of permanently residing persons, as well as the available housing benefits with the respective Rayon/Town Hokimiyats.

Additional Procedures or Principles Relating to Expropriation of Urban Land

14. Based on the Civil Code, the Housing Code, and the Urban Construction Code, the real estate value and corresponding compensation are determined on the basis of the registered price in the Cadastre. However, this price may be an underestimation of the real price of the property. In some cases, the registered price can be several times below a real estate's actual market value. The real estate owner is given a choice between cash compensation or the provision of real estate of equal value on a different plot of land. Given that all land in Uzbekistan is state-owned, loss of land is not compensated in cash. Enterprises or businesses that are expropriated will be compensated by a new plot of land and building, thus allowing affected people to pursue their activities.

15. There is no provision for compensation for loss of income or profits. This is in contrast to the Land Code, according to which farmers are compensated for lost income.

16. It is important to note that because of State ownership of lands in Uzbekistan, land use is only possible with the permission of local authorities on the basis of a lease or on other terms. Accordingly, land use issues are fully covered by land legislation and are not governed by provisions of customary law, traditional practices, or neighborhood relationships, etc. Thus, according to Uzbek laws, those who use or occupy land without a lease or other type of official permission will not be entitled to legal compensation. The State will have the right to seize the land from those "illegal land users."

Review of the Consistency of Uzbek Legal Framework for Expropriation with OP 4.12 and Gap Filling Measures

17. The following describes the few inconsistencies between the Uzbek legal framework and the World Bank policy. Wherever Uzbek Laws and World Bank policies are not in agreement, the World Bank policies and principles agreed upon in this RPF will be followed within the scope of the proposed project, regardless of the source of funding.

18. *Treatment of those without legal rights to use land.* While World Bank OP 4.12 embodies the principle that a lack of legal land title does not disqualify people from resettlement assistance, under relevant Uzbek legislation, discrepancies with this principle arise. However, as mentioned above, within the scope of this project, informal users of land without title or lease who use the land will be entitled to rehabilitation assistance or some form of support to assist persons who have lost their source of livelihood in either improving their livelihoods or at least restoring their income levels to pre-project levels.

19. *Loss of Income.* It should also be noted that in most cases less than 10-20% of an individual's land holdings can be expected to be adversely affected by any land acquisition needed for the project; thus, no significant loss of income is expected and impacts can be generally considered to be minor. While the Land Code allows the provision of compensation for lost agricultural income, there is no provision for loss of income from businesses under the Uzbek law. Therefore, under the project, income restoration assistance will be provided to people who

lose a share of their holdings, and those who lose their business or source of livelihood. This will be in the form of “Rehabilitation Assistance” meaning assistance comprising job placement, job training, cash compensation, transition support, or other forms of support to assist displaced persons in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

20. *Loss of Structures.* It is not expected that there will be any residential structures that will need to be acquired in the project site. However, in the event that there are other structures (barns, kiosks, small commercial buildings etc.,) that will need to be demolished, “depreciation” will not be considered in calculating the compensation payable for affected structures, if cash is being offered as compensation. Typically, alternative structures are offered as compensation.

21. *Additional measures*

- Affected persons will be consulted in the course of the preparation and implementation of a specific Resettlement Action Plan (RAP).
- All households, regardless of their legal status, will be informed six to eight months in advance of the construction works to ensure that they are fully aware of the planned project activities and the options they will have regarding how they will be compensated for the loss of their home, business, trees, and crops. The final designs for the sewerage pipelines will indicate the number and location of structures and land currently in use, and affected persons will be called to the hokimiyat to discuss procedures and entitlements.
- All households, regardless of their legal status, will be informed about the expected Project activities at least six to eight months in advance, and will be instructed not to plant any trees in the rights of way of sewerage pipelines or other sewerage facilities.
- In addition, the local authorities also agree not to require illegal occupants to pay any charges for demolishing a building or illegally planted tree.
- Compensation will assist affected persons in restoring their pre-project incomes and standard of living following the implementation of the RAP.
- Costs of transfer of property—purchase or swap—are waived or borne by the investor, including taxes, fees, documentation and court appeals.
- Compensation will be fully provided before any civil works or demolition may begin.
- Under Uzbek law, compensation is not provided if agricultural land is acquired for the construction and servicing of individual housing; or the construction of schools, boarding-schools, orphanages, preschool and healthcare establishments; or for water management purposes and for the construction of irrigation and water related facilities. However, under the Project, the above mentioned conditions will not preclude payment of compensation.

Valuation and Compensation for Losses (Agricultural Land)

22. In the case of agricultural land, the leasehold and dekhan farmers affected by the proposed project will be compensated for any reduction in income they will experience due their not being able to cultivate the land to be acquired. The following describes the methods by which compensation for both permanent and temporary losses of land will be calculated.

Calculation of compensation for permanent acquisition of land under annual crops. Agricultural producers shall be paid the amount of gross annual income for one year from standing crops on their affected plot. Gross income shall be calculated as current prices of crops, based on average production during the previous three years, and crop area (prices for crops shall be multiplied by crop area) and then multiplied by the average production for the previous three years (see table 1). Valuation shall be performed separately for each crop, so that an average weighted annual income is obtained.

Calculation of compensation for temporary acquisition of lands under annual crops. For the first year, the calculation is performed in the same way as for permanent acquisition (multiplication of current

crop price by crop area, and by average production). If temporary acquisition lasts for more than one year, agricultural producers shall receive compensation for the second and any consecutive years equal to annual net income in current prices, received from all standing crops on the plot. Net income is calculated by extracting gross expenditures for crop production from gross annual income. Valuation shall be performed separately for each crop, so that an average weighted annual net income is obtained.

Table 1. Method for calculating compensation for losses of annual crops

Main crops	Average production in project area for the last three years (c/ha)	Average market price (UZS/kg), current year	Annual income (thous. UZS from 1 ha)	Net income from 1 ha, (thous.UZS)	Permanent land acquisition for 1 year –loss compensation per 1 year for 1 ha	Temporary land acquisition for 1 year –loss compensation per 1 year as for 1 ha
	1	2	3	4*	5	6
Cotton						
Wheat						

Note: Examples of calculations in case works affect two agricultural seasons
Column 4* equal revenue minus expenses (operating+administration) minus applicable taxes

Calculation of compensation for permanent seizure of the lands occupied by permanent crops. The agricultural producers are paid the sum of gross profit for one year, gained from all the trees on the site. The gross profit from a tree is calculated as a cost of production in actual prices on the basis of the data on average crop capacity of one tree for the last three years and data on the number of trees. The calculations are taken for every type of trees in order to obtain a weighted average value of the annual profit. In addition, the agricultural producers are to be paid for a loss of profit which could be gained from all the trees throughout the remaining years of the fruit bearing period. The compensation for the loss of profit for one tree is calculated as the net profit for the previous year in actual prices multiplied by the number of years of the remaining productive life of the tree. The period of fruit bearing is calculated as the difference between the maximum age of fruit bearing and the age of the tree at the time of the calculation. To calculate compensation for permanent acquisition of land occupied under permanent crops, one needs data on every type of tree as follows: number of trees, average crop capacity of one tree for the last three years, actual prices for fruit product, age of trees, and maximum age of fruit bearing.

If the farmers-gardeners are offered the lands equal in quality in lieu of the seized ones, then, in addition to the compensation of the profits for one year, they will be given the funds to plant a new garden. The compensation would include the cost for planting saplings (the cost of the saplings themselves, transportation costs and costs for planting), as well as the loss of profit for the period when a

tree achieve the age of fruit bearing (table 1 presents the costs for new tree planting and the age of the tree at the start of fruit bearing for the different types of trees).

Calculation of compensation for temporary seizure of lands occupied by permanent crops. These costs include the costs for restoring a garden, sapling planting, as well as loss of the profit for the period when the tree achieves the age of fruit bearing. To calculate compensations for a new garden planting in case of granting new land and in case of temporary seizure of the lands, one needs the data for every type of trees: number of trees, cost for planting one tree, net profit from one tree for one year in actual prices, and starting age of fruit bearing.

Entitlements and Compensation

22. The following entitlement matrix describes the eligibility for compensation and/or assistance for impacts/losses for different types of assets and categories of project affected persons, applicable under the Project.

Entitlement Matrix

Asset	Impact	Affected Parties	Compensation Entitlements
Loss of garden plot (tomorka) or dekhan farm plot land used for vegetables, or other crops	All permanent losses irrespective of the severity of impact	Owner of house, dekhan farmer (legal or illegal user or occupant of garden plot)	Land for land compensation with a plot of equal value.
Loss of business income	Permanent or temporary loss of income	Business owners, workers, including those who own or work in shops, kiosks, or other businesses that are not legally registered	<p>Owner: provision of allowance for lost income during interruption (up to 3 months) plus start up costs.</p> <p>Worker: provision of compensation equal to one year of wages based on tax declaration or official minimum salary</p> <p>Provision of rehabilitation assistance if required (assistance with job placement, skills). training).</p>
Loss of agricultural income (trees)	Permanent impact	Leasehold farmers, dekhan farmers, and households who lose a significant share of land holdings, covering both legal and illegal land users.	<p>Cash compensation equivalent to gross income for 1 year (based on the average of the prior 3 years); and either</p> <p>(a) If given replacement plot of equal value, cash compensation based on net value of average yearly production times the number of years to grow another tree of similar productivity,</p>

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Asset	Impact	Affected Parties	Compensation Entitlements
			<p>plus purchase price of seedlings and starting materials, or</p> <p>(b) If replacement plot is not allocated, cash compensation based on net value of average yearly production times the number of years of the remaining productive life of the tree(s).</p> <p>(c) Rehabilitation assistance if required (assistance with job placement, skills training).</p>
<p>Loss of income from annual crops during construction</p>	<p>Temporary impact</p>	<p>Leasehold farmer, dekhan farmer, covering both legal and illegal users of land</p>	<ul style="list-style-type: none"> • Gross income from all crops. If construction lasts more than one year, the farmer will be compensated for each year that the land is needed for project construction. • Contractor pays monetary compensation for period of usage in accordance with local commercial rental rate. • Land shall be rehabilitated to original state at the end of the lease period. • Measures to protect the environment shall be taken.
<p>Loss of annual</p>	<p>Permanent</p>	<p>Leasehold farmer,</p>	<ul style="list-style-type: none"> • Land as compensation for land with a plot of equal cost and productivity; or

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Asset	Impact	Affected Parties	Compensation Entitlements
crops	impact	Dekhan farmer	<ul style="list-style-type: none">• Gross income from all crops grown on affected land for 1 year, and reduction of state order amount in the case of land under cotton or wheat production

Land Acquisition Planning and Implementation

23. Once the final design of project investments is completed and accepted by the oblast and city, and the scope of any land acquisition is determined, a specific abbreviated RAP will be submitted to the World Bank for approval. If approved, all compensation and other entitlements will need to be paid prior to proceeding with the civil works. The RAP will include the following:

- Census of affected persons and an inventory of assets to ascertain their current standard of living and assess expected impacts
- Description of compensation and other assistance to be provided
- Description of the local consultations carried out to engage affected persons in designing the RAP
- Local publication of the RAP for comment in the appropriate medium, location, and language
- Institutional responsibility for implementation and procedures for grievance redress
- Arrangement for monitoring and implementation
- Time-table and budget

24. The PIU will be responsible for the application of the RPF, including commissioning and overseeing the census of affected persons, inventorying of assets, and preparing the abbreviated specific RAP in collaboration with local officials and with the participation of affected persons. The implementation of the specific RAP will begin only after approval by the Bank. The borrower will be responsible for covering all costs associated with preparing and implementing the specific RAP.

25. The RAP will be implemented by hokimiyat level officials, for the most part, with support from the oblast administration, civil works contractors, and officials of the Mahalla Committee. Evaluation and compensation will be managed by the oblast level Commission established for this purpose. The Commission will include representatives from hokimiyat and raion/oblast administrations and officials representing different relevant offices (for example, vodokanal, agriculture, roads, land resource management, and registration). For purposes of eligibility, the cut off date in any location is the adoption of the final detailed design. Persons who occupy affected areas after that date are not entitled to compensation provisions.

Grievance Redress Measures

26. During the land acquisition process, complaints regarding valuation, payment, support, and follow-up are inevitable. As discussed above, national laws and bylaws provide for procedures for multi-party consultations and coordination at all stages of land acquisition in order to avoid possible conflicts and violation of land users' rights. These procedures envisage participation of all land users and their representatives in decision-making on the selection of the acquired land, on land acquisition, in preparation of land marking plans, etc., and on the extent of losses and damages incurred. Decisions and certificates, not agreed upon or not endorsed by all consultation participants (including users of land plots and users of neighboring plots), shall have no legal effect. If persons, legally entitled to use land plots subject to acquisition, disagree with decisions of organizations and institutions in matters of compensations and other decisions, they may submit their claims to local authorities (district and regional hokimiyats).

27. All project-related land acquisition complaints will follow the following steps, as will be described in the project's public information brochures and posted in local offices:

- Affected persons take their complaints to the Chairman of the Mahalla who registers the complaint and attempts to resolve it. If the complaint is not resolved in one week, it is passed to the city hokimiyat level
- A designated person in the hokimiyat receives the complaint, registers it, and attempts to resolve it. If there is no resolution in two weeks, the person has the option to take the case to the civil court system.

- While reports and grievance resolution will be handled by the hokimiyat, persons who feel that their grievances are not given adequate attention may also seek assistance from the PIU in presenting their concerns to the hokimiyat, or their case in the civil court system. Contact details will be announced to the local population at the time of RAP consultation meetings.

Monitoring and Evaluation

28. Land acquisition activities are subject to internal and external monitoring. The PCU will hire an independent consultant to carry out an independent assessment of the land acquisition process to ensure that the land acquisition and provision of compensation were carried out as planned. Specific monitoring indicators will include:

- Information campaign and consultation with the affected person(s)
- Status of land acquisition and payments for compensation
- Selection and distribution of replacement land areas structures
- Payments for loss of income

29. The cost of administrative oversight and monitoring and evaluation activities will be included in the respective vodokanal or hokimiyat budget and reflected in the budget of the specific RAP.

Community Consultation and Disclosure of Resettlement Policy Framework

30. During the preparation of the RFP, the Samarkand PCU with Samarkand RPE "Suvokava" held consultations with communities, teachers and administrators, and students in Samarkand. The draft RFP was placed on website <http://www.suvokova.uz/> on July 14, 2015, and hard copies were made available in the *vodokanals* and other government offices for public viewing on April 14, 2015. The draft RPF was discussed at stakeholder consultations in Samarkand on April 14, 2015.

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Annex 1

Sample Format for Urban Land

Name of PAP	Inventory of Assets Acquired through Land Acquisition and Value of Compensation Awarded										Compensation		
	Land				Buildings			Other Fixed Assets			Total Value Of Comp.	Date Of Comp.	Date of Possession
	<%	>%	Sq. mete rs or ha.	CompV alue	Partly	Fully	Comp Value	Trees/ Crops	Temp.	Comp Value			

Annex 2

Sample Format for Agricultural Land

№	Name of the farm enterprise	Name, surname of the head of farm enterprise	Which crop is grown	Quantity if lots to be acquired	Amount of land to be acquired, ha (temporary use)	Amount of land to be acquired, ha (permanent use)	Total area, ha
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							