

**Resettlement Policy Framework**

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Republic of Uzbekistan

**Fergana Valley Water Resources Management  
Project Phase-II**

World Bank

Ministry of Agriculture and Water Resources of Uzbekistan

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## Abbreviations

<b>AH</b>	-	Affected household
<b>CC</b>	-	Civil Code
<b>CoM</b>	-	Cabinet of Ministers
<b>FVWRMP-II</b>	-	Ferghana Valley Water Resources Management Project Phase-II
<b>GOU</b>	-	Government of Uzbekistan
<b>GRM</b>	-	grievance redress mechanism
<b>IR</b>	-	involuntary resettlement
<b>KMK</b>	-	Construction norms
<b>LC</b>	-	Land Code
<b>MAWR</b>	-	Ministry of Agriculture and Water Resources
<b>NGO</b>	-	Non-Governmental Organization
<b>OP</b>	-	Operational Policy
<b>PAP</b>	-	Project affected Person
<b>PIB</b>	-	Public Information Booklet
<b>PIU</b>	-	Project Implementation Unit
<b>PMC</b>	-	Project Management Consultant
<b>RAP</b>	-	Resettlement Action Plan
<b>ROW</b>	-	Right of Way
<b>RPF</b>	-	Resettlement Policy Framework
<b>RUz</b>	-	Republic of Uzbekistan
<b>SCLRGCS</b>	-	State Committee on Land Resources, Geodesy and Cartography and State Cadastre
<b>TOR</b>	-	Terms of Reference
<b>UZS</b>	-	Uzbek Sum
<b>WB</b>	-	World Bank
<b>WCA</b>	-	Water Consumers Association

## Glossary

Cadastral Service	State committee of the Republic of Uzbekistan for land resources, geodesy, cartography and state cadastre
Compensation	Payment in cash or in kind to which the project affected persons are entitled in order to replace land or other assets taken for project use.
Construction documents	Construction documentation is a ground for issuance of permits for the construction. Construction documentation defines scope, design and technical specifications, cost of construction, reconstruction and rehabilitation as well as improvements of buildings, structures and other facilities.
Cut-off-date	Date after which people WILL NOT BE considered eligible for compensation, i.e., they are not included in the list of AHs as defined by the census.
Dehkan	Dehkan farm consists of homestead lands, allotted to heads of families under inheritable life tenure, producing and selling agricultural products on the basis of the labour of family members.
Entitlement	Entitlement means the range of measures comprising compensation in cash or in kind, relocation cost, income rehabilitation assistance, transfer assistance, income substitution, and business restoration which are due to AHs, depending on the type, degree and nature of their losses, to restore their social and economic base.
Farmer	A commercial farmer of land on which crop production is undertaken for commercial or similar purposes. This excludes dehkan farms, which for this definition are considered to engage in crop production for domestic and private use.
Household	Household means all persons living and eating together as a single-family unit and eating from the same kitchen whether or not related to each other. The census used this definition, and the data generated by the census forms the basis for identifying a household unit.
Income restoration	Income Restoration means re-establishing productivity and Livelihoods of AHs.
Involuntary Resettlement Khokimiyat	Any resettlement, which does not involve willingness of the persons being adversely affected, but are forced through an instrument of law. Public authority in places, carrying out interaction between local communities and the government at regional and national levels. Possesses the highest administrative and legal authority over the local population living in the territory within the jurisdiction.
Land acquisition	Land Acquisition means the process whereby a person is compelled by a public agency to alienate all or part of the land she/he owns or possesses, to the ownership and possession of that agency, for public purposes in return for fair compensation.
Lease of land	Time, compensated possession and use of the land plot on the basis of the lease contract.
Makhalla	Organization of the community type at local level, officially recognized in Uzbekistan, serving as interface between the government and the community and responsible for provision with the means of social support and cultural interaction of its members. Chairmen of makhalla are elected by local gatherings.

Project Affected Persons		People, Households, or Legal Entities affected by the project related changes in use of land, water, natural resources, or income losses.
Rehabilitation		Assistance provided to the project affected persons to supplement their income losses in order to improve, or at least achieve full restoration of their pre-project living standards and quality of life.
Replacement (assets)	cost	For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset.
Replacement (land)	cost	Replacement cost for land is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes
Tomorka (dehkan land plot)		Household garden plot up to 0.25 ha
Vulnerable groups		Socially vulnerable groups, citizens, families who have low income and accumulated wealth. Mainly, they are elderly people, disabled people, large families and single-parent families as well as families with incomes below the living wage.

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## Executive Summary

The Government of the Republic of Uzbekistan (GOU) aims to provide sustainable, reliable and high quality water supply – including water for human and livestock consumption, irrigated agriculture, hydropower, industry and other purposes – to benefit all water users. In support of these objectives an Integrated Water Resources Management (IWRM) Plan has been prepared as part of the Fergana Valley Water Resources Management Phase – II Project. The intent of this project is to establish and approach to promote more effective management of the overall water sector in the Fergana Valley.

The Project will target three areas in the provinces of Namangan, Ferghana and Andijan. The total overall project area is spread over about 120 thousand ha, out of which about 33.3 thousand ha (27.7%) is in Namangan province, some 63.3 thousand ha (52.8%) in the Ferghana province, and a little over 23.4 thousand ha (19.5%) in the Andijan province. In the project area there are about 181 thousand farms consisting of commercial farms and dekhkan farms. Of these, about 47.4 thousand (26.2%) farms are in Namangan subproject, about 101.3 thousand (56.0%) are in Ferghana subproject, and remaining some 32.2 thousand ha (17.8%) are in the Andijan subproject area. The number of commercial farms consists of 3,044 (1.7%) managing about 83.1% of the farm area (99.7 thousand ha), while there are 177.9 thousand dekhkan farms (98.3%) operating about 16.9% area (about 20.24 thousand ha). Thus, the average farm size of commercial farms is about 32.8 ha, and that of dekhkan farms is 0.11 ha.

A Resettlement Policy Framework (RPF) has been prepared for this Project because specific impacts relating to involuntary resettlement are not known at this stage for some of the proposed sub-projects. It is based on the agreement between the GoU and WB to ensure that involuntary resettlement actions will comply with national laws relating to involuntary resettlement and WB Operational Policy (OP 4.12 on Involuntary Resettlement).

OP 4.12 has two underlying principles: (1) that wherever possible adverse impacts should be avoided or at least minimized and (2) where they cannot be avoided affected peoples (the economically or physically displaced or a combination thereof) are no worse off economically and socially as a result of the intervention and ideally better off.

The RPF has prepared an Entitlement Matrix for this Project also based on the worst case scenario where some households have to be physically displaced and/or some households lose more than 10% of their productive income generation assets. However, the key underlying principle that has been stressed thus far and will continue to be stressed is that wherever possible impacts resulting in physical displacement or serious economic displacement should be avoided and designs adjusted accordingly. It is also important to stress that if households are affected in by these impacts they are more likely to be Dehkan Households who derive a portion of their livelihoods from small plots of land than Leasehold Farming Households that primarily grow cotton and wheat.

Government of Uzbekistan (GOU) codes and resolutions relevant to resettlement are included in this RPF. The key codes are the Land Code, Civil Code and Housing Code of the Republic of Uzbekistan. The relevant resolutions are No 97 and No 146 of the Council of Ministers of the Republic of Uzbekistan and Law on Dehkan farms and Law on guarantees of freedom of entrepreneurial activity. These regulations provide a sound basis for legally acquiring land by the state and in the interest of the public good and for compensating landowners according to the registered use of the land.

There are discrepancies between national legislation and WB policies. These relate to illegal

construction/persons without legal rights over assets they claim and transitional allowances and are related to the eligibility of PAPs. Recent change in legislation of Uzbekistan considers the market value of affected property, plantations and crops in consideration of the highest value before the cut-off date while WB considers full replacement cost of structures through calculating cost of materials, type of construction, labor, transport and other construction costs as on date. . In accordance with WB policy no deductions will be applied for depreciation or transaction costs. The cost of reconnection of lost water, electricity, gas and telephone connections will be included in the compensation (the new land sites are assumed to have similar services available), while GoU legislation assumes granting only land to land compensation. According to the resolution N97 salvaged materials are deducted from total compensation or will be under disposal of Contractor, while WB considers salvaged materials to be allowed for taking away by the PAPs prior to demolition at no charge. The main category of displaced person where these discrepancies are reflected, are those with no recognizable land rights and claims with regards to land plots they are occupying. WB policy requires these displaced persons to be provided with resettlement assistance and other types of assistance for the land and land-based assets they lose. This is considered necessary by the WB to ensure that no affected people are worse off as a result of the project. The Bank Policy 4.12 will prevail in cases of discrepancies between WB and Uzbekistan legislation not just simply in relation to compensation issues but to all issues. A cut-off date is established and only displaced persons occupying the land or using other assets before this cut-off date are entitled to resettlement assistance and other types of assistance.

Acquisition of land and involuntary resettlement are complex procedures that can be accompanied with litigation caused by compensation payments grievances and defaults of obligations on assistance to displaced persons. If physical involuntary resettlement cannot be avoided it is absolutely necessary to ensure that a GRM is available for DPs to safeguard their actual and potential losses. However, the GRM also applies to land acquisition or the loss of other land-based assets that result in economic displacement. The RPF raises the issue of involuntary physical resettlement even though it is anticipated that there will be no involuntary resettlement impacts associated with this Project.

The laws of the RUz and statutory acts determine the order of acquisition of land and the amount of compensation payments due to the project implementation. These laws and acts aimed at avoiding possible conflicts and violation of land users' rights. Moreover, these procedures provide participation of all land users and their family members in process of decision-making on a new land parcel and assessment of losses and damage associated with the project implementation. If project affected persons do not agree with decisions of organizations and institutions responsible for compensation issues, they can submit a complaint to the local administration (regional or municipal khokimiyats) via the GRM that constitutes part of this RPF.

At least two public consultations will be conducted for preparation of each RAP. They will consist of representatives of khokimiyats, Makhalla committees, PIU, other local authorities and informal local associations as well as PAPs.

At this stage it is impossible to make anything but preliminary estimates, which will be reconsidered and detailed during implementation of the project and assessment are described as follows. It is estimated in accordance with rates provided by SCLRGCS that the average replacement cost of irrigated land in both Namangan and Ferghana is UZS 21,692,000 per hectare while in Andijan it is UZS 23,661,000 per hectare. The Project at this stage does not have replacement costs for physical structures in each of the three provinces or for high value fruit trees, such as apricots or apples, but these will be estimated at the time any necessary replacement cost survey is undertaken (e.g. apricot trees that will be felled as a result of the reconstruction of the mud flow reservoir in the Podshaota-Chodak System Project Area).

An implementation schedule has been prepared beginning with public consultations of potentially project affected persons in Months 1 and 2 of project implementation and culminating in the external evaluation of the RAP for which the timing is yet to be determined. The actual timeframe is scheduled for 2 years. Monitoring, including external, independent monitoring, will be conducted during two years on continuing basis. This will be to ensure that DPs are paid compensation and other transitional allowances, grievances raised are satisfactorily resolved, and that all PAPs are ideally better off but at least no worse off as a result of the project. There will be a budget specifically allocated for M&E and included into the preliminary resettlement budget. The report will be prepared on the results of M&E for six months.



## CHAPTER 1: THE PROJECT

### INTRODUCTION

The Resettlement Policy Framework (RPF) has been prepared for this Project because specific impacts relating to involuntary resettlement are not known at this stage for some of the proposed sub-projects. It is based on the agreement between the GoU and WB to ensure that involuntary resettlement actions will comply with national laws relating to involuntary resettlement and WB Operational Policy (OP 4.12 on Involuntary Resettlement. OP 4.12 has two underlying principles: (1) that wherever possible adverse impacts should be avoided or at least minimized and (2) where they cannot be avoided affected peoples (the economically or physically displaced or a combination thereof) are no worse off economically and socially as a result of the intervention and ideally better off.

The contents of this RPF *inter alia* include the following:

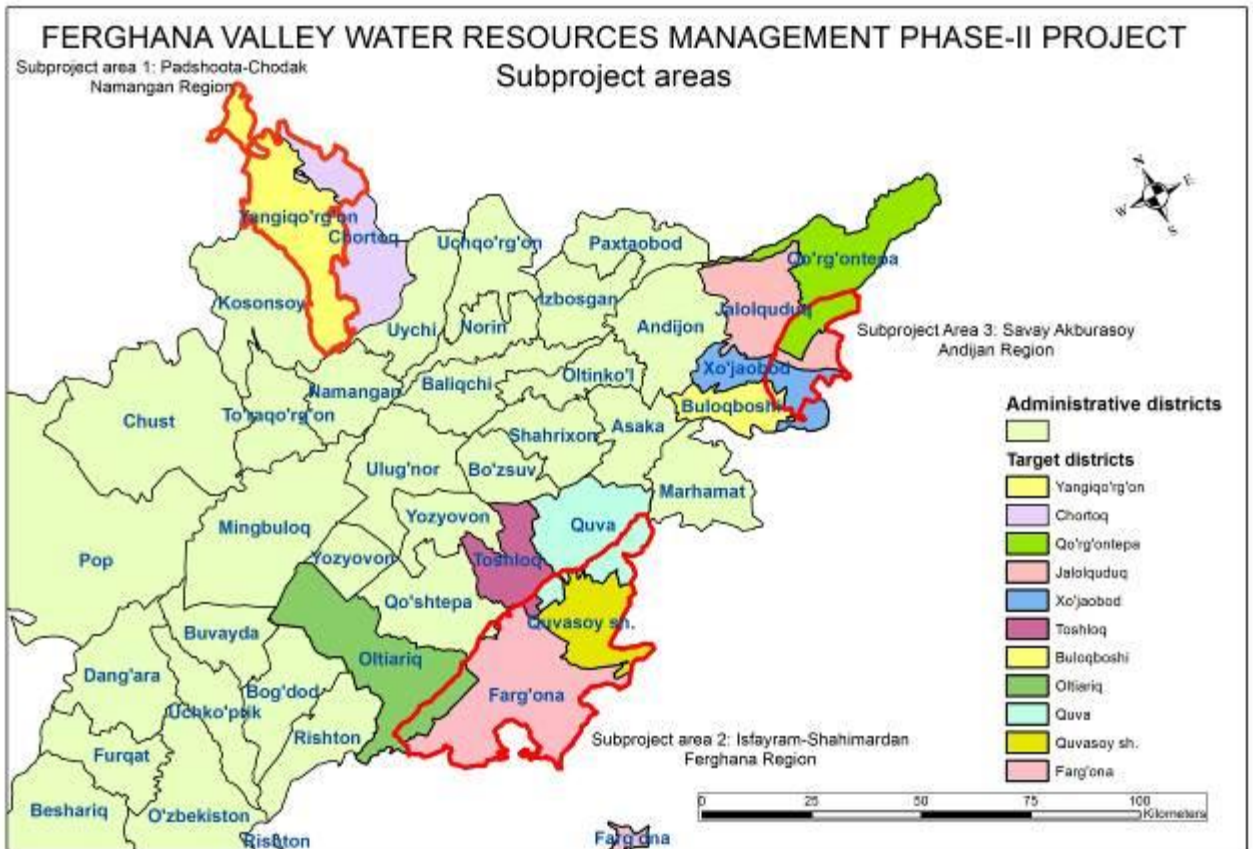
- Description of project components which trigger involuntary resettlement
- Legal framework reviewing GoU and WB policy requirements on expropriation
- Methods of valuing assets
- Estimated impacts and numbers of Displaced Persons
- Eligibility criteria and Entitlement Matrix
- Organizational arrangements for the delivery of entitlements
- Description of consultation process, grievance redress mechanisms, arrangements for funding and timeline
- Monitoring arrangements by the PIU

### PROJECT BACKGROUND

The Government of the Republic of Uzbekistan (GOU) aims to provide sustainable, reliable and high quality water supply – including water for human and livestock consumption, irrigated agriculture, hydropower, industry and other purposes – to benefit all water users. In support of these objectives an Integrated Water Resources Management (IWRM) Plan has been prepared as part of the Fergana Valley Water Resources Management Phase – II Project. The intent of this project is to establish and approach to promote more effective management of the overall water sector in the Fergana Valley. The approach applied in developing this strategy respects the principles of participatory management, environmental sustainability, and social equity; recognizes the rights and obligations towards neighboring countries; and, encompasses existing recommended government policies and regulations.

The Project will target three areas in the provinces of Namangan, Ferghana and Andijan. The total overall project area is spread over about 120 thousand ha, out of which about 33.3 thousand ha (27.7%) is in Namangan province, some 63.3 thousand ha (52.8%) in the Ferghana province, and a little over 23.4 thousand ha (19.5%) in the Andijan province. In the project area there are about 181 thousand farms with an average farm size of a little less than 0.66 ha. Of these, about 47.4 thousand (26.2%) farms are in Namangan subproject, about 101.3 thousand (56.0%) are in Ferghana subproject, and remaining some 32.2 thousand ha (17.8%) are in the Andijan subproject area.

The following map indicates the overall project area:



**Figure 1: Map of the Project Area**

The total cropped area in the project areas is about 103.6 thousand ha. Of this about 29.8% of the area (about 30.9 thousand ha) is allocated to orchards (stone fruits and grapes), followed by 29.8% (30.8 thousand ha) wheat, and about 14.9% area is allocated to cotton grown on about 15.4 thousand ha. In addition, vegetables (greens and potato) are grown on about 10.6 thousand ha (10.2%), and 10.4% of the area (10.7 thousand ha) is allocated to fodders, mainly for household animal needs. Rest of the area (4.9% or 51 thousand ha) is allocated to other crops.

Through a participatory planning process and Multi Criteria Analysis for prioritizing investment, the feasibility study team identified three high priority irrigation system areas in the Fergana Valley for rehabilitation and system modernization in frame of FVWRMP- II:

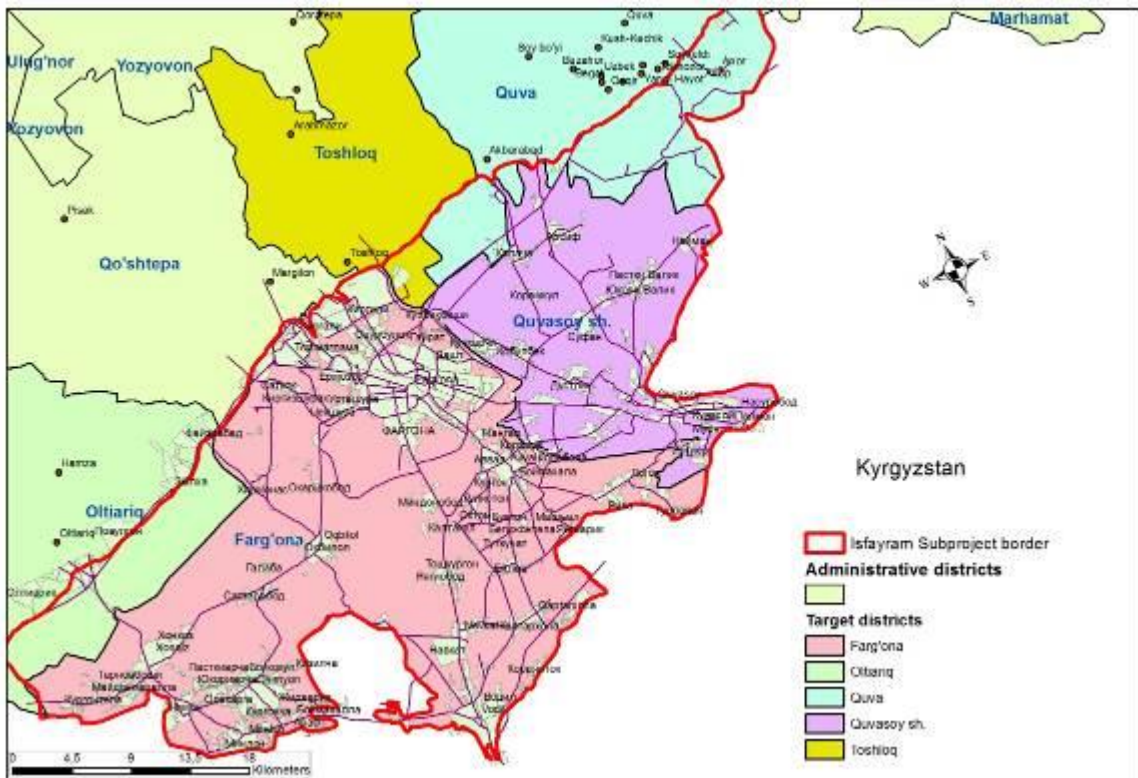
- The "Podshaota-Chodak System" project area in Namangan province. It is located in the northeast of the Fergana Valley. It is located on the right bank of Syrdarya river;
- The "Isfayram-Shahimardan System" project area in Ferghana province. It is located in the south of the Fergana Valley. The project area covers the southern part of Isfayram-Shahimardan Irrigation System Authority (ISA).
- "Savay-Akburasoy System" project area in Andijan province. It is located in the southeast of the Fergana Valley.

The Podshaota-Chodak System has a project area of 29,507 hectares that borders in the Kyrgyzstan Republic in the north, Kosonsoy district of Uzbekistan on the west, Chodak district of Uzbekistan on the east, and the Big Namangan Canal on the south. Administratively, the project area consists of Yangikurgan district in its entirety and part of Chodak district. It is located on the right bank of Syrdarya River. The map below shows its actual location:



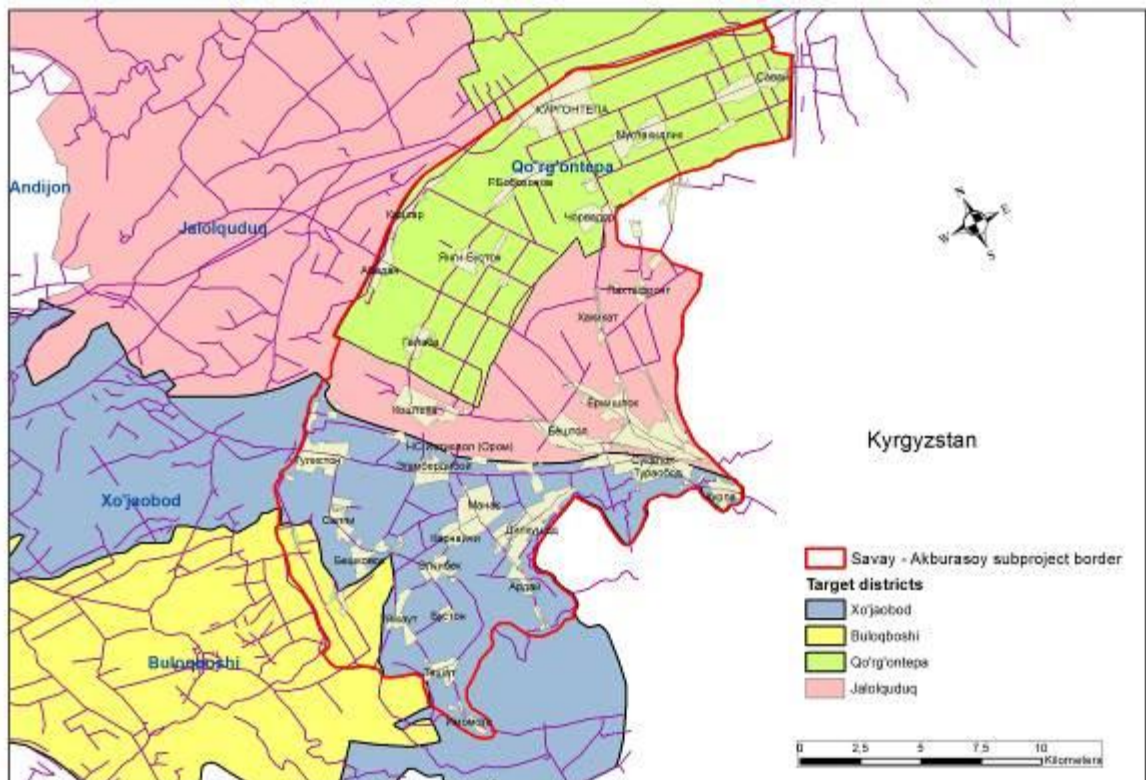
**Figure 2: Map of Podshaota-Chodak System Project Area**

The Isfayram-Shahimardan System in Ferghana Province has a project area of 55,000 hectares located in the south of the Ferghana Valley. The project area covers the southern part of the Isfayram-Shahimardan ISA. Administratively, the project area includes the entire Ferghana and Kuvasay districts, Ferghana City and parts of Kuva, Altirak and Tashlak districts. To the south of the project is the Republic of Kyrgyzstan, to the west the territory of Soh-Oktepa ISA, and in the east the territory of Shahrihansay ISA. On the north it is bordered by the South Ferghana Valley. The map of the project area location is as below:



**Figure 3: Map of Isfayram-Shahimardan System Project Area**

The Savay-Akburasoy System project area in Andijan Province is 19,363 hectares and is located in the southeast of the Ferghana Valley. The project area borders on Shahrinsay in the north, Kyrgyzstan Republic in the south, and in the west and east are located farms of Andijan Province. Administratively, the project area spans parts of Kurgantepa, Jalakuduk, Hujaobad and Bulaklobin districts located on the left bank of the Karadarya River. The map of the project area location is below:



**Figure 4: Map of Savay-Akburasoy System Project Area**

There are five physical subcomponents of the Project that are addressed by this RPF as follows:

- Rehabilitation of the surface irrigation system that includes 61.77 kilometers of main and inter-farm canals and 674 inter-farm irrigation structures.
- Rehabilitation and construction of new pump stations, including rehabilitation of 12 pump stations and 1 new pump station.
- New construction of 243 irrigation bore-wells in Podshaota-Chodak system and Isfayram-Shahimardan system proposed for Namangan and Ferghana subprojects. Whereas Savay-Akburasoy system does not require any construction of new borewells.
- Enhancing the Storage Capacity that includes reconstruction of the existing Kandiyon Mud Flow<sup>2</sup> reservoir in the Podshaota-Chodak System Project Area.
- Bank Protection that includes bank protection works along the beds of rivers and canals on Podshaota-Chodak System and Savay-Akburasoy System Project Areas.

**Table 1: Types of physical works planned in frame of the project**

#	Physical works	Unit	Total	Project Area		
				Podshaota – Chodak	Isfayram-Shahimardan	Savay-Akburasoy
1	Rehabilitation of main and inter-farm canals	km	61.77	22.81	17.6	21.36
2	Rehabilitation of structures on inter-farm canals	Pcs	674	286	99	289
3	Rehabilitation of pump stations	Pcs	12	9	1	2
4	New construction of Pump station	Pcs	1		1	
5	New construction of irrigation borewells	Pcs	243	105	138	-
6	Reconstruction of a storage reservoir	Pcs	1	1	-	-
7	Bank protection works along the beds of rivers and canals	Km	17.9	4.5	-	13.4

- *Source: Final Feasibility Study Report, SHELADIA Associates Inc., NBT, IKS, 2014*

## RESETTLEMENT IMPACTS

None of the five components listed above will result in the physical displacement of any household or probably the need to relocate any public structures or commercial and industrial structures. However, Entitlement Matrix includes provisions for physical resettlement, though this is not

<sup>2</sup> Is the technical term used for reservoirs that are created by mudflows caused by unusually heavy rains or as a result of winter snows being thawed during spring-time, as occurs in the mountains of Uzbekistan and Kyrgyzstan surrounding the Ferghana Valley, where this reservoir is located. Strictly speaking it should be referred to as a melting snow reservoir but the technical term is mudflow because the end result is approximately 50% silt and up to 30% water.

envisioned under the project. All stakeholders have been apprised of the fact that the Project has sought and will continue to seek avoiding any form of physical displacement.

However, there will be some economic displacement as small areas of land or other assets of economic value such as high value fruit trees are located in some areas where land will need to be acquired either for the construction of new facilities (e.g. new pump station in Isfayram-Shahimardan Project Area) or reconstruction of existing facilities (e.g. reconstruction of mud flow reservoir in Podshaota-Chodak Project Area). The former involves the acquisition of land while the latter, although on land claimed by the ISA has seen some households over past 20 years growing high value fruit trees.

It is recognized that Dehkan Farmers with smaller but higher value land plots, if impacted, could be more seriously impacted than Commercial Farmers with less productive cotton and wheat land-holdings. Every attempt will be made to ensure that impacts for the former will be avoided but if not possible and if they lose their highly productive plots they will be adequately compensated. Additionally, PAP's losing more than 10% of their productive plots are entitled additional compensation. This includes not only compensation for the loss of these income generation activities but also income restoration measures to ensure that affected households are no worse off as a result of the Project.

## CHAPTER 2: THE RESETTLEMENT POLICY FRAMEWORK

This is a sector project and final designs are not available for the three sub-projects. Thus a comprehensive resettlement policy framework (RPF) has been prepared.

The RPF covers the following elements, consistent with the provisions described in OP:

4.12:

- (a) A brief description of the project and components for which land acquisition and resettlement are required, and an explanation as to why a resettlement plan or an abbreviated plan cannot be prepared prior to project appraisal;
- (b) Principles and objectives governing resettlement preparation and implementation;
- (c) Description of the process for preparing and approving resettlement plans;
- (d) Estimated population displacement and likely categories of displaced persons, to the extent feasible;
- (e) Eligibility criteria for defining various categories of displaced persons;
- (f) A legal framework reviewing the fit between borrower laws and regulations and Bank policy requirements and measures proposed to bridge any gaps between them;
- (g) Methods of valuing affected assets;
- (h) Organizational procedures for delivery of entitlements, including, for projects involving private sector intermediaries, the responsibilities of the financial intermediary, the government, and the private developer;
- (i) A description of the implementation process, linking resettlement implementation to civil works;
- (j) A description of the mechanisms for the redress of grievances;
- (k) A description of the arrangements for funding resettlement, including the preparation and review of cost estimates, the flow of funds, and contingency arrangements;
- (l) A description of mechanisms for consultations with, and participation of, displaced persons in planning, implementation, and monitoring; and
- (m) Arrangements for monitoring by the implementing agency and, if required, by an entity capable of independent monitoring.

Thus, it was determined that Project implementation will require limited physical and economic displacement, which may cause potential social and environmental problems. These problems will be mitigated in accordance with GoU laws and policies and WB Guidelines, including situations where some private property (largely gardens and Dehkan farm plots) may be permanently impacted as a result of the rehabilitation of main and inter-farm irrigation structures, the construction of new boreholes, bank protection works on the irrigation canals and rivers, and rehabilitation of mud flow reservoir.

## CHAPTER 3: PRINCIPLES AND OBJECTIVES OF THE RPF

### THE MAIN PRINCIPLES OF THE RESETTLEMENT POLICY

In compliance with the WB OP 4.12 (Involuntary Resettlement), all possible measures were utilized by the Feasibility Study Team in order to reduce impacts on residential areas and/or on immovable property, and minimize physical resettlement as a result of the Project activities. Similarly, the temporary use of land will be minimized through screening repair and rehabilitation options and continuous monitoring of economic displacement affects during the construction period.

The Feasibility Study indicates that the Project will require some permanent acquisition of land, limited impacts on physical structures, and the loss of agricultural and horticultural crops and some trees of economic value. While there is no intention to physical displacement based on preliminary design investigations, the RPF still includes provision for physical displacement if subsequent sub-projects require the physical displacement and other physical structures. There are likely to be some temporary impacts, such as restricted access to agricultural cropping land, but these are covered in the Environmental Policy Framework. As possibilities of adverse economic displacement impacts on people still exist, a RPF and Specific RAP for the nominated sub-project have been prepared in accordance with the WB OP 4.12.

The following principles will guide Project implementation:

- It is essential to minimize construction works which may cause physical displacement (resettlement); during construction-rehabilitation, adverse impacts on households and infrastructure should be minimized;
- Allotment of land on permanent basis should be minimized during the designing period;
- Temporary adverse impacts on land should be minimized by the precise implementation of construction/rehabilitation works; it is also necessary to take additional measures in order to inform farmers/households about forthcoming construction/rehabilitation works so that damages on standing crops could be minimized;
- All efforts should be made to maximum extent to limit the number of construction and rehabilitation works on the territory of dehqan farms (inside and outside the settlements). In case it is impossible to avoid construction works on the territory of Dehqan farms outside of the settlement areas, damages to affected fields, standing crops and plantings should be compensated;
- The amount of compensations to leasehold and Dehqan farmers for the damaged crops and trees will be determined based on retail market prices;
- Farmers and households must have the opportunity to assert their claims and take the necessary measures to obtain compensations; and
- Implementation of the RPF outlined here will be monitored not only internally by the PIU but also externally in an independent expert group, which will consist of three members.
- Compensation will be fully paid to all affected peoples prior to the physical acquisition of land for civil works and other project-related activities.
- In case there will be delays in connection with, project delays in an implementation phase, compensation payments and changes due to inflation rate then compensation costs shall reflect the altered inflation and economic situation in the country at the time these compensation payments are made based on rates released by the State Committee of the Republic of Uzbekistan on Statistics.
- The census survey will be updated if acquisition of land does not occur for at least two



years of detailed design being completed This is to allow to changes for household composition such as the addition to household numbers through the birth of a baby, spousal partner if newly married household member electing to reside in his or her maternal household or the permanent return of a absentee household member (e.g. someone who at the time of the initial census was not included in the enumeration but has returned in the intervening period from working in another country)..

## **OBJECTIVES OF RESETTLEMENT POLICY**

The main objectives of the resettlement policy framework are:

- (a). Ensure implementation of all recommendations and principles during the construction, rehabilitation and repair works of canal and other facilities covered by the project;
- (b). Provide a basis for consultations with relevant parties concerned;
- (c). Enable farmers and households to acquire and extend knowledge of their rights and obligations;
- (d) Guide affected groups to raise their claims to appropriate authorities; and.
- (e) Ensure monitoring of compensation procedures.

## CHAPTER 4: LEGISLATIVE REGULATIONS ON RESETTLEMENT AND LAND DISPUTES

### LIST OF THE RAP- RELATED REGULATIONS OF UZBEKISTAN

This section presents an overview of the Government of Uzbekistan (GoU) codes and resolutions relevant to resettlement. These codes and resolutions provide a sound basis for the GoU to acquire for the public needs and for compensating landowners according to the registered use of the land.

Key laws and resolutions of the Republic of Uzbekistan on land acquisition are as follows:

**Table 2: Key laws and resolutions of the Republic of Uzbekistan on land acquisition**

Title	Type and Date	Summary
The Housing Code of the RUz	Law of RUz 30 April 1998 N604-I accordance with the last law amendment act of August 20, 2015 N LRU -391	The Code stipulates that land acquisition for the public needs will be carried only after full provision of market value compensation and land to land compensation, also includes transition period, entitling ownership rights to property, valuation period of building and structures.
The Land Code of the RUz	Code approved by Law of RUz of 30.04.1998 and amended on 30.08.2003 and 03.12.2004.	The Code stipulates that all land in Uzbekistan is state property and rights for land usage are granted and monitored by the State via the district and regional administrations. It regulates types of land plots subject for compensation.
The Civil Code of the Republic of Uzbekistan	Code approved by Law of RUz December 21, 1995 No 163-I and August 29, 1996 and No 256-I in accordance with the last law amendment act of September 22, 2010 N LRU-260.	The Code stipulates that all rights of the owner are protected by law. Losses are compensated according to the market value. If there any violations of these rights, the owner can go to the court
About Dehkan Farm  On guarantees of freedom of entrepreneurial activity	Law of RUz 30 April 1998 N604-I in accordance with the last law amendment act of August 20, 2015 N LRU -391  Law of RUz 25 May 2000 N69-II in accordance with the last law amendment act of August 20, 2015 N LRU -391	The Law stipulates that in land expropriation for the public needs is allowed in cases stipulated by law, only after providing an equivalent plot of land with compensation of the market value of crops, trees demolished buildings or costs of relocation of those structures or construction of other buildings and structures, and full compensation of all other damages (including lost profits) in cases and in established order by law
Resolution of the Cabinet of Ministers (RCM) of the RUz No. 146	25.05.2011	"On measures of improvement of the order of allotment of land for town planning and non-agricultural purposes"

Resolution of the Cabinet of Ministers (RCM) of the RUz No. 97	29.05.2006	“On the order of compensation paid to individuals and legal entities in case of the land acquisition for the state and public needs”.
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Generally, these regulations provide a sound basis for acquiring land for the state and public needs and for compensating landowners according to the registered use of the land.

## THE LAND CODE

According to the Land Code, all land in the Republic of Uzbekistan is state property and rights for land use are granted and monitored by the State through district and region administrations.

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 based on life-long inheritable tenancy
- **Lessees (leaseholders)** – farmers, who has been allocated land plots for agricultural production purposes, based on 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.

National legislation envisages the following types of land transfers: (a) to **legal entities** for use, lease, or ownership (only with the objects of services and trade sphere) and (b) to **individuals**, the purpose for which is lifelong inheritable tenancy with housing either for use or lease. **In no instances can land can be sold as a separate asset.** In the case of individuals land is transferred to the new owner for life tenancy only where the house is to be sold and cannot be sold separately without structures on it. The same provision applies to the land used by legal entities, owners of objects of services and trade sphere. Therefore, land used by legal entities with ownership rights can only be transferred together with structures on it<sup>3</sup>. Therefore in accordance with Land Code physical persons are granted 3 years to build structures bought on State auctions or granted by local khokimiats.

All land with permanent structures and facilities required under the Project, namely electric power transmission lines, wells, cross regulators and outlets, water measuring structures, collectors and related protection zones (‘sanitary zones’) is provided by the Government through local administrations and will remain the property of the Government upon completion of the Project.

In case of disposal of agricultural lands, in addition to compensation for damages, the legislation

<sup>3</sup> However, recent change in the Housing Code, Law about Dehqan farm and Law on guarantees of freedom of entrepreneurial activity equal value land will be provided in case of land expropriation.

provides compensation to land users for the loss of agricultural production.

The main articles of the Land Code dealing with resettlement process are the following:

### **Article 23. Allotment of land plots**

Transfer of land plots to possession and use is realized in form of land for land.

Allotment of land plots is made by the Cabinet of Ministers of the Republic of Uzbekistan, khokims of viloyats, city of Tashkent, tumans, and cities in the order established by legislation.

Allotment of land plot currently in possession or in use is made only after disposal of the plot in the established order.

For construction of industrial enterprises, rail and auto road, communication and electricity lines, main pipe lines and also for other non-agricultural needs, the land of non-agricultural purpose or the land which cannot be used for agriculture or agricultural land of the worse quality is allotted. Allotment of land plots from the land resources of forestry, for the abovementioned purposes is made first of all in the areas without forests or areas planted with bushes and low value plants.

It is forbidden to start tenure and using the allotted land plot prior to the boundary of the plot has been established by the land management service in life (on the territory) and the document certifying land plot rights is issued.

The order of allotment of land plots to tenure and use is fixed by the current legislation.

### **Article 86. Reimbursement (or compensation) of losses to the land tenants, land users, lessees and owners of land plots**

Losses inflicted to the land tenants, land users, lessees and owners of land plots are liable to full reimbursement (including the lost profit) in the following cases:

- Withdrawal, buy-out or temporary use of lands;
- limitation of their rights in connection with security, sanitary and protection zones established around the state reserves, game reserves, national parks, monuments of nature, cultural and historic monuments, water reservoirs, water supply sources, resorts
- along the banks of rivers, canals, water throw points, roads, pipe lines, communication and electricity lines;
- Deterioration of lands as a result of the impact caused by construction and operation of
- water reservoirs, canals, collectors and other objects exuding harmful for agricultural crops and plantations substances and other actions of legal and physical persons causing decrease of harvesting and worsening of the quality of agricultural production.

Reimbursement of losses is carried out by enterprises, establishments and organizations to which land plots are allotted and also by enterprises, establishments and organizations the activity of which causes limitation of rights of land tenants, land users, lessees and owners of land plots or deterioration of the neighboring lands in the order established by legislation.

## **Article 87.Recovery of losses of agricultural and forestry production**

The losses of agricultural and forestry production caused by withdrawal of agricultural and forest lands including agricultural lands in tenure and use by physical persons, for using them with the purposes not related with running agricultural and forest farming, restriction of rights of land owners, land users and leasers or deterioration of lands as a result of the influence caused by the activity of enterprises, establishments and organizations are liable to refunding besides the recovery of losses envisaged by the article 86of Land Code.

State-owned land for specific purposes including cotton and wheat cultivation, livestock rearing, horticulture or forestry is leased to households on a fixed term for any period from 30-50 years for running private farm. This land cannot be privatized, transferred, mortgaged, gifted, bartered or subleased. Only the right of lease can be put as collateral to get loans. However, as explained below if the leasing household does not comply with the conditions of the lease it can be withdrawn. If the person/s whose name/s appear on the leasing document die or separate from the existing household the state permit other household members to inherit the lease right but and it can be allocated to other household. . The termination of the contract shall be done in agreement of parties. If such fails, then the termination will be done in Court.

Losses of agricultural and forestry production is recovered by legal and physical persons:

- That are allotted the withdrawn agricultural and forest lands for the needs not related with agriculture and forestry management;
- That are the objects of which security, sanitary and protection zones are established with the exclusion from the turnover of agricultural and forest lands or by transferring them into less valuable lands.

Losses of agricultural and forestry production is not refunded

- In case of withdrawal of land plots for individual housing construction and maintenance of the house but WB policy does not permit such actions as follows, which are permitted under Article 87 and will not apply in relation to this project
- in case of withdrawal of land plots for construction of schools, boarding schools, orphanages, pre-school and medical establishments;
- in case of allotment of land plots to water enterprises for the construction of water reclamation objects and hydraulic structures<sup>4</sup>:

Other cases,

The size and order of defining of liable to refunding losses of agricultural and forest production are established by legislation.

## **Article 88; Use of funds received by the recovery of agricultural and forest production losses**

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<sup>4</sup> Article 88 states that land acquired for water resources development purposes does not enable the PAP to an entitlement for compensation of this land acquired. This contravenes WB policy, which includes compensation for PAPs in such instances and is reflected in the Entitlement Matrix of this RPF...

Funds received by refunding of agricultural and forest production losses are used according to special purpose for:

- Development of new lands and complex reconstruction of irrigated lands;
- Soil fertility increase;
- Construction and reconstruction of collection and drainage network, capital planning and increase of water supply of irrigated lands;
- Radical improvement of hayfields and pastures;
- Adjustment or making up design and other documents on land management broken in connection with the withdrawal and allotment of lands.

According to the decision of the Khokim of the Viloyat the funds, identified in the first part of the present article, can be used for realization of other activities aimed at the increase of agricultural production. Funds received by recovery of losses of forest production are accounted separately and used for creation and restoration of forests and forest-fruit plantations, a forestation of sands, bank side strips of water reservoirs and rivers with forests and also for realization of other activities aimed at improving of the condition of forest lands.

However, World Bank Policy does not prescribe what compensated households can use compensation payments for and this RFP makes it perfectly clear that the above provisions do not apply.

According to the **Article 90 Responsibility for infringement of land legislation**, Land Code of the Republic of Uzbekistan, responsibility according to the law is borne by the persons guilty for unauthorized occupation of lands besides other violations.

## **THE ORDER OF ALLOTMENT LAND FOR TOWN PLANNING AND NON-AGRICULTURAL PURPOSES**

The order of allotment of land plots for town planning and other non-agricultural purposes is determined by RCM of RUz No. 146 of 25.05.2011.

Allotment of land plots is implemented on the basis of application from legal entities and individuals and consists of two stages:

**At the first stage**, allotment of land plots, registration of documents on selection of site for the object planning, agreement of these documents with the interested organizations and approval of the site by the decision of corresponding public authority;

**At the second stage**, on the basis of design estimates (hereinafter – construction object) provided by the legal entity or individual, agreed in the established order, registration of documents on allotment of land plot and approval of allotment of land by the decision of corresponding public authority which, in its turn is the reason for issuance of authorization for construction of object.

Allocation of land plot and preparation of corresponding documents is implemented by the regional (municipal) architecture and construction department, “Uzdaverloyiha” subdivisions and land management services.

Preparation of documents on selection and allotment of land plot on the ground of documents on

allocation of land plot on the territory of settlements is carried out by the regional (municipal) architecture and construction department, "Uzdaverloyiha" subdivisions and land management services and on the rest territory by self-supporting service for land management and cadastre of regional (municipal) estate.

In settlements agreement of documents on location and allotment of land plots with the authorized bodies is carried out by the regional (municipal) architecture and construction department, and on the remaining land by self-supporting service for land management and cadastre of regional (municipal) estate in accordance with the "one-window" principle.

Activities associated with the location of land plots, preparation of documents on location and allotment of land plots are implemented on a contractual basis with legal entities and individuals.

Cost of works is set by the State Committee for Architecture and Construction and the State Committee for Land Resources, Geodesy, Cartography and State Cadastre in accordance with the Ministry of Finance of the Republic of Uzbekistan.

Determination of the settlement borders is implemented on the ground of approved general plans and designs of the town (settlement) boundaries as well as corresponding land management documents in the order established by law.

After approval of the design of settlement borders determining the boundaries of settlements, agricultural lands are included in the appropriate land of the settlements and ad interim, until allotment for town planning and other non-agricultural purposes remain in tenure, use and lease by agricultural organizations.

Lands of rural settlements, located on the territory of agricultural organizations, in case of enter in the boundary of the city and town settlement is included into the appropriate land of the city and town settlement in the established order.

Preparation of documents on land location is implemented within the period of not exceeding one month.

Documents on land location include the following:

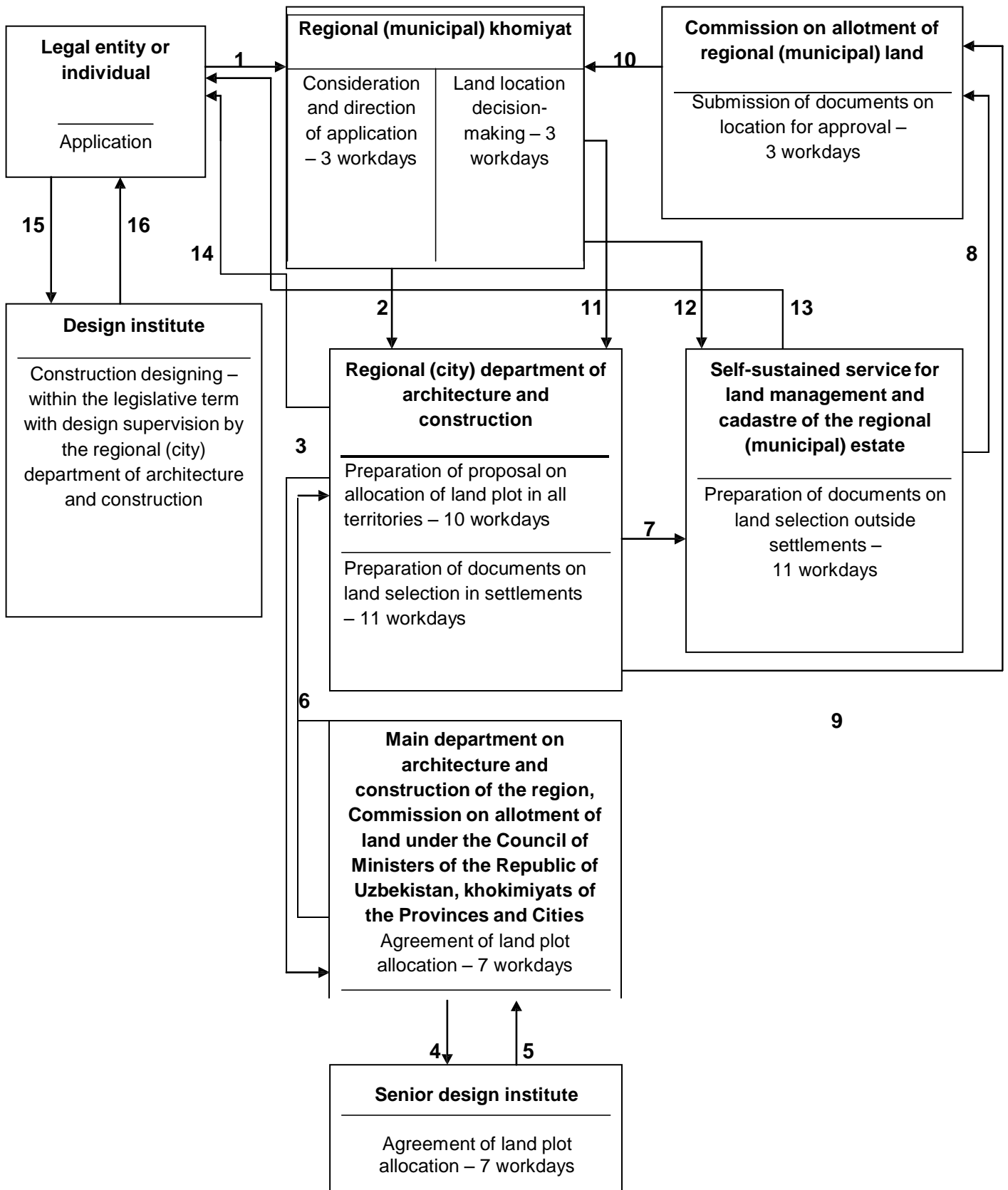
- Documents on object allocation;
- Layout of land plot borders registered in the established order;
- Resolutions of organizations where agreement of documents on land location is carried out;
- List of displaced families of citizens indicating persons interested in acquiring new land plots or apartments, as well as list of houses and other constructions subject to demolition located at the allotted land plot;
- Activities which determines other losses of owners, users, tenants and lessees of expropriated land plots and also losses of agricultural and forestry production (as appropriate);
- Act of technical inspection of allotted land in case of its withdrawal from the tenure of forestry enterprises (as appropriate)
- Resolution of the State Ecological Expertise of the State Environmental Committee of the Republic of Uzbekistan;
- Resolution of the department of land resources and state cadastre of the raion (tuman)/city on the correspondence of sited land plot to the land cadastre requirements; Documents on agreement of data with legal entities and individuals,

the land of which is appropriated;

- Approval of resolution of corresponding public authorities (decision of regional khokims).



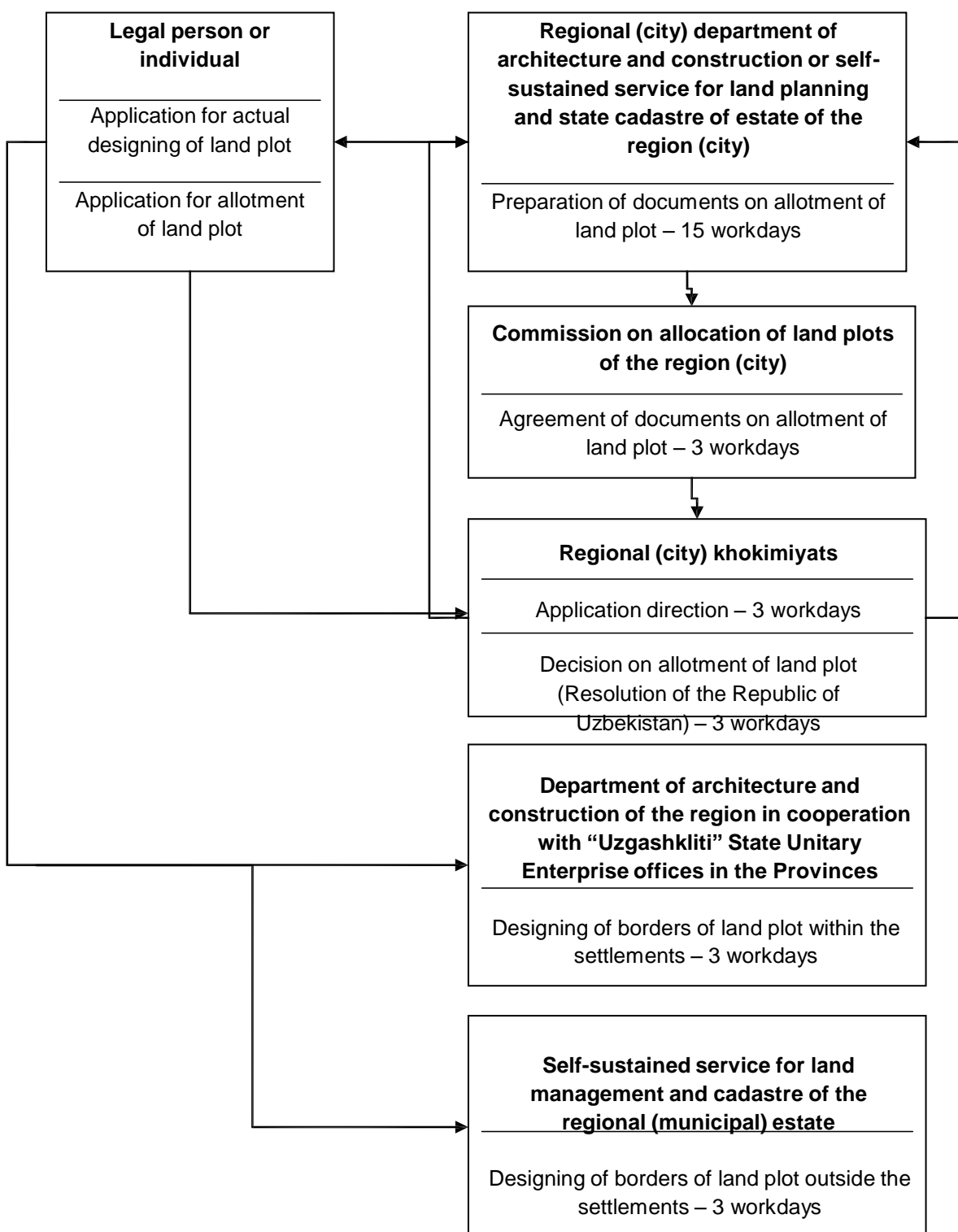
**Diagram 1 Land location for the object planning (allocation of land, preparation and approval of land location documents) in the absence of town planning documentation for preparing the RAP:  
First stage**



Registration of documents on allotment of land plot is implemented on the basis of documents on land location and the object construction design agreed and approved in the order established by law.

Allotment of agricultural land for non-agricultural purposes is implemented as actually needed and after its harvesting.

**Diagram 2: Preparation, Agreement and Approval of Documents on Allotment of Land Plot and its Design**



Layout of land plot borders is designed in generally adopted reference characters on a scale that allows determining the borders with the required accuracy. Borders of land plot are drawn on the plan of land plot boundaries. If land plots of several legal entities and individuals are allotted, then the borders of these land plots are drawn and description of borders by topographic elements of the area and point coordinates should be provided. Layout of borders is signed by the heads of departments of architecture and construction of the region (city) and the regional (municipal) land resources and state cadastre departments.

Documents on the right of use of a land plot are prepared by the self-sustained service for land management and cadastre of the regional (municipal) estate on the basis of corresponding public authority decision on allotment of land plot for construction purposes.

Tenants, users, lessees and owners in case of their disagreement with the decision of the corresponding public authority on allotment (buy-out) of land plot or conditions of its allotment (buy-out) may appeal in the order established by law.

## **THE CIVIL CODE**

**The right of ownership**, in compliance with the Civil Code of the Republic of Uzbekistan, is the right of a person to possess, use, and dispose of property belonging to him at his own discretion and interests, and also to request the elimination of any violations of his right of ownership from whosoever they emanate. The right of ownership is without limit of time.

Basic articles of the Civil Code of the Republic of Uzbekistan related to the resettlement procedures are:

### **Article 169: Objects of the Right of Ownership**

Land, minerals, water, airspace, flora and fauna and others natural resources, enterprises, property including buildings, apartments, constructions, equipment, raw materials and products, money, stocks and other assets, and also intellectual property can be owned.

### **Article 197: Grounds of Cessation of the Right of Ownership**

The right of ownership is ceased by voluntary fulfillment of the obligation by the owner, unilateral decision making by the owner that determines the property's fate, seizure (buyout) of property on the ground of judicial decision or legislation act which ceases the right of ownership.

### **Article 199: Expropriation of the Owner's Property**

Acquisition of the property from the owner is allowed only in case of charging of property obligations in cases and order, determined by legislation acts, and also in the order of nationalization<sup>2</sup>, requisition and expropriation.

If the property in the person's ownership cannot belong to him in compliance with the Law, the right of ownership to this property is ceased legally with compensation of cost of exempt assets to the owner.

### **Article 202. Nationalization**

Nationalization is the compensated transfer of the right of ownership to the property being nationalized, which belongs to individuals and legal entities, the State in accordance with a law.

### **Article 205. Determination of the Value of Property in case of its Seizure and the Right to Compensation of Losses**

The value of property seized in case of termination of the right of ownership shall be determined by the valuation organization at the moment of termination of the right of ownership unless otherwise established by legislation.

Evaluation according to which the value of the seized property is compensated to the owner may be contested by him in the court.

Owner has the right to request recovery of other losses caused by the seizure of the property.

**Article 206.** Termination of the right of property, is not aimed directly at the seizure of property from the owner<sup>5</sup>

Determination of the market value of the house, other buildings, structures or plantations located on the expropriated land, and the rights to a land plot are carried out by evaluation organizations in established order. The market value of seized property and rights to the land plot in case of the termination of the right to private property is determined by the evaluation organization at the time immediately preceding the seizure of the property, or when the cut-off date impacted on the market value of the property and the right to land.

Advance demolition of houses and other buildings, structures or plantations on the land plot is not permitted until full market value of losses is compensated.

If the owner does not agree with the decision leading to termination of property rights, it cannot be accomplished until resolution of the dispute by the court. During the dispute resolution, all questions on compensation of damages to the owner is also resolved.

In turn, evaluation of property is implemented in compliance with the Law of the Republic of Uzbekistan "On valuation activity" No 811-I of August 19, 1999 and the *National standard of the Republic of Uzbekistan for Property Evaluation developed on the basis of the aforementioned Law and approved by the Resolution of the State Property Committee No 01/19-19 dated June 14, 2006.*

## **THE ORDER OF COMPENSATION PAID TO INDIVIDUALS AND LEGAL ENTITIES IN CASE OF THE LAND ACQUISITION FOR THE STATE AND PUBLIC NEEDS**

The order of compensation paid to individuals and legal entities in case of land allotment for the state and public needs is determined by the Resolution of the same name approved by the Cabinet of Ministers of the Republic of Uzbekistan No 97 dated May 29, 2006.

Decisions on land allotment and demolition of residential, production and other types of buildings, constructions and plantations (hereinafter - objects) are made in accordance with the general layouts and projects of detailed planning and development of housing and

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<sup>5</sup> Here it means, land expropriation due to public needs, projects, road expansion and etc.

micro-districts, cities and settlements.

Unjustified demolition of residential, production and other types of buildings, constructions and plantations on the territory of expropriated land plots is not allowed.

Thus, decision on land allotment and demolition of residential, production or other types of buildings, constructions and plantations is issued by khokims of the appropriate region (city) on the ground of the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan and Provincial and City Khokimiyats.

Khokimiyats of appropriate region (city) must notify owners of residential, production and other types of buildings, constructions and plantations of the made decisions in written form under their signature not later than six months prior to demolition and attach to notification copies of the appropriate decisions of the Council of Ministers of the Republic of Uzbekistan and provincial and city khokims on the land allotment, demolition of residential, production or other types of buildings, constructions and plantations located on the land plot.

Once the decision of regional (municipal) khokims on the land allotment and demolition of residential, production and other types of buildings, constructions and plantations located on the land plot is made the above indicated houses (apartments), buildings, constructions and plantations are not subject to alienation to other persons.

Decision of khokim of the appropriate region (city) on demolition of residential, production and other types of buildings, constructions and plantations and approval of their value, can be appealed to the Council of Ministers of the Republic of Uzbekistan, provincial and city khokimiyats, and juridical as well.

The value of illegally built dwelling houses, production and other types of buildings, constructions is not compensated.

In case of allotment of land plots to enterprises, institutions and organizations, compensations, provision of houses (apartments) and provision of lodging, as well as offset of all expenses connected with removal to a new place are provided by these enterprises, institutions and organizations in accordance with the decision of khokims of the appropriate regions (cities).

The land plots are allotted under the conditions of providing the following types of compensations:

- Allocation of other similar accommodation house of the equal worth with the living space that they occupied prior to physical displacement
- Compensation payments to citizens for physical displacement and loss of other types of buildings, constructions and plantations;
- Allocation of land plot for private housing within the set standards providing lodging on terms of contract of engagement for period of land plot reclamation (not more than two years) and compensation of the market value of demolished houses (apartments), buildings, constructions and plantations to citizens;
- Allocation of the property of equal worth and compensation of other damages to legal entities because of land allotment for the state and public needs;
- Full compensation of damages caused by land allotment for the state and public needs;
- Relocation and reconstruction of houses, buildings and constructions belonging to citizens and legal entities and subject to demolition at a new site;
- Construction of houses and other buildings at the new site, and the transfer to project

affected persons and other legal entities

The order of calculation of the compensation amount to the citizens and legal entities for demolition of their houses (apartments), buildings, constructions and plantations by the reason of land allotment for the state and public requires:

- Khokimiyats of appropriate regions (cities) to set up commission in order to determine the amount of refunding and type of compensation (hereinafter - commission) headed by the deputy khokim of the region (city) and composed of finance and other khokimiyat departments representatives, government supervisor controlling usage and protection of land, institutions of citizens government, landowners (land users, leaseholders) whose land plots are seized, a representative of the enterprise, institution or organization to which the land plot is allotted, and representatives of other competent authorities at khokimiyats discretion.
- Valuation of houses (apartments), buildings, constructions and also perennial plantations placed on the territory of acquired land plots is made by an organization authorized to undertake valuations. The valuation report is submitted to the commission.
- In case of seizure of land plots used by individuals in the capacity of life heritable tenure or acquired by auction, a new land plot of equal worth with the right of life heritable tenure is granted to them.
- Valuation of the cost of land plot belonging to individuals in the capacity of life heritable tenure at the moment of its allotment is executed by the departments of land resources and state cadastre of the regions (cities) and according to current prices at the moment of valuation at the expense of the Project and not the affected household
- Specific terms and order of compensation payments are determined by the decision of the Council of Ministers of the Republic of Uzbekistan, provincial and city khokims guaranteeing implementation of these compensation payments before starting the physical displacement.

### **The order and conditions of allocation of the living space to the owner of demolished houses.**

In case of demolition of citizens' housing structures (free-standing houses and apartments) in view of land allotment for the state and public needs, these citizens, their family members and also citizens permanently living in these houses (apartments) in accordance with their choice and agreement are provided for ownership with comfortable houses of equal worth with the living area not less than was occupied prior to physical displacement and also with compensation of the value of household plots or provided with compensation for physical displacement including apartments, other buildings, constructions and household plots.

Equivalence of living space is determined according to the value of the owner's demolished house (apartment).

In case of exceeding of the demolished house (apartment) value over the value of the provided to the owner living space, the difference is compensated. 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.

In order to obtain living space the owner of the demolished house (apartment) after being notified of forthcoming demolition should submit an application agreed with the family members and other living together (registered) persons with the request for allocation of living space instead of the demolished house indicating the number of family members, permanently living

persons and their privilege for obtaining extra living space exceeding social standards of living space to the khokimiyats of appropriate regions (cities) within one month period.

After approval of the commission decision on the amount and type of compensation, allocation of the living space to the owner instead of the demolished house (apartment) or provision of compensation at owner's will by regional (municipal) khokimiyats, the owner submits guaranty letter on vacation of the demolished house (apartment) to khokimiyats.

Demolition of the house (apartment) can be implemented after allocation of living space to the owner instead of the demolished house (apartment) and only in case of agreement of each side.

In some cases, if the owner of the demolished house (apartment) agrees, khokimiyats of the appropriate regions (cities) allocate them living space in apartment houses under construction, indicating terms of putting into operation of these houses in corresponding decisions. If the owner is not provided with living space in the houses under construction within the assigned time period, regional (municipal) khokimiyats must provide living space within a month.

Transportation of property of the owner of demolished house (apartment) to the new living place is to be arranged at the expense of the organization, builder or landowner (land user, leaseholder), to which land plot is allotted.

#### **Order and conditions of allocation of the land plot for individual housing construction instead of the demolished house (apartment).**

In case of demolition of displaced persons houses (apartments) in view of allotment of land plots for state or public needs, these individuals, their family members and also persons permanently living in their houses (apartments) at their will are granted with the land plot for individual housing within the established standards. In this case lodging is granted to them on terms of contract of engagement for a period of the land plot development (not more than two years) with full compensation of the value of demolished houses (apartments), buildings, other physical structures and household plots.

In case of allotment of seized land plots to enterprises, institutions and organizations, allocation of the land plot for individual housing and compensation payments to the owner of demolished houses (apartments) are implemented at the expenses of these enterprises, institutions and organizations.

In order to obtain the land plot the owner of the demolished house (apartment) after receiving notification on the forthcoming demolition should submit an application for allocation of the land plot for individual housing with indication of the number of their family members, permanently living persons and also necessity in lodging on terms of the contract of engagement to regional (municipal) khokimiyats within one month period.

After approval of the commission decision on the amount and type of compensation by regional (municipal) khokimiyats, the owner provides the letter of guarantee for vacating the house (apartment) subject to demolition within the determined by the khokimiyats of the appropriate region (city) period to the khokimiyat.

Demolition of the residential house (apartment) can be implemented only after allocation of the land plot for individual housing and also provision of lodging on terms of the contract of engagement to the owner for the period of land plot development (not more than two years).

## **Order of compensation losses to legal entities in view of the land plots allotment for the state and public needs.**

In case of expropriation of the land plot with houses, enterprises, other buildings, other physical structures and household plots belonging to legal entities, assets of the equal value is provided to them and losses caused by the land allotment for the state and public needs are fully compensated to them.

Refunding of damages and losses of farming and forestry production to land tenants, land users, leaseholders, owners of land plots is implemented in accordance with the land legislation of the Republic of Uzbekistan.

Compensation of legal entities losses caused by seizure of the land plot is implemented by the khokimiyats of the appropriate region (city).

In case of allotment of the seized land plots to enterprises, institutions and organizations, compensation payments, allocation of dwellings, provision of lodging and transportation of property to a new place are implemented at the expense of these enterprises, institutions and organizations in accordance with the the resolution of the respective Hokimiyat. This procedure is applied only to the State legal entities. The reason behind is that all the State legal entities having the same budget source and avoiding double expenditure to the State.

In order to receive compensation in view of land plot allotment, the legal entity after having notice of forthcoming demolition must submit an application with indication of the chosen type of compensation to the khokimiyats of appropriate regions (cities) within a month.

After approval of the commission decision by regional (municipal) khokimiyats the legal entity provides the letter of guarantee for vacation of the house, other buildings and constructions subject to demolition to the khokimiyat within the determined by regional (municipal) khokimiyats period.

Demolition of residential, industrial and other buildings and constructions possessed by the legal entity can be implemented only after reconciliation of the type, amount and terms of compensation with these persons.

## **Order and conditions of losses calculation in case of replacement and restoration of houses, buildings and constructions subject to demolition in a new place**

At citizens and legal entities with residential, production and other buildings and constructions in their ownership which are subject to demolition, can be relocated and reconstructed in a new place.

Relocation and reconstruction of residential, production and other buildings and constructions owned by citizens and legal entities, are implemented based on the actual replacement cost of the lost assets not on the basis of the regional (municipal) khokimiyats decision out of funds of income part of local budgets received in addition to forecasted quarter outcomes, funds of reserve fund of the budgets of the Republic of Uzbekistan, Provinces and Cities, and/or out of part of allotted funds from denationalization and privatization of state property, received to the appropriate accounts of the Council of Ministers of the Republic of Uzbekistan, khokimiyats of the provinces and cities, enterprises, institutions and organizations to which land plots are allotted. Meanwhile, khokimiyats should provide citizens and legal entities, for the period of relocation and restoration of houses, with lodging on terms of the contract of



engagement for period of development of the land plot (not more than two years).

Relocation and reconstruction of houses, buildings and constructions should be implemented within the range of the given territory (settlement) on the land plots and provided that the technical state of residential houses, buildings and constructions allows their relocation, which means the state of constructions and elements should assume disassembly, transportation and assembly in a new place.

Commissions should determine the possibility of relocation of houses, buildings and constructions on the ground of availability of the corresponding feasibility study and design estimates worked out by specialized Design Institutes at the expense of the Project to which the seized land plot is allotted.

Relocation and reconstruction of residential, production and other buildings and constructions in a new place should be implemented within the period (not more than one year) will be determined jointly by displaced households and the khokimiyats of the appropriate regions (cities), not by the latter acting unilaterally.

All expenses on relocation and reconstruction in a new place of residential, production and other buildings and constructions, lodging renting, transportation of the property of citizens and legal entities to the place of lodging, and also its transportation from temporary dwelling to the reconstructed house, building and construction in a new place are covered by the payments displaced households are entitled to receive.

Relocation of residential, production and other buildings and constructions of equal worth possessed by the legal entity on terms of the contract of engagement to the new place is implemented only after reconciliation of the type, amount and terms of compensation payments with it.

**Order and conditions of losses calculation in view of construction in a new place of houses, buildings for the citizens and legal entities houses (apartments), which are subject to demolition**

For the citizens and legal entities houses (apartments) of which are subject to demolition up to their will houses and constructions can be erected in a new place and transferred to them for ownership. Meanwhile, cost of houses (apartments), buildings and constructions subject to demolition is not compensated.

Erection of houses, constructions in a new place and its transfer to the citizens and legal entities residential houses (apartments) of which are subject to demolition is implemented by khokimiyats of the appropriate regions (cities).

In case of allotment of land plots to enterprises, institutions or organizations, erection of houses, constructions in a new place and its transfer to the citizens and legal entities for ownership residential houses (apartments) of which are subject to demolition is implemented at the expense of these enterprises, institutions or organizations.

Erection of houses for the citizens and legal entities houses (apartments) of which are subject to demolition, at the new place should be implemented within the range of the given territory (settlement). Meanwhile, citizens and legal entities houses (apartments) of which are subject to demolition are provided with lodging on terms of the contract of engagement by the khokimiyats of the appropriate regions (cities) for the period of house construction.

All expenses on lodging renting, transportation of property of the citizens and legal entities to the lodging and its transportation from the temporary dwelling to the house erected in a new place, according to the khokimiyats of the appropriate regions (cities) decision are covered by the builder or landowner (land user, leaseholder) to which the land plot is allotted.

In order to obtain the residential house, construction erected in a new place instead of the demolished house (apartment), citizens and legal entities houses (apartments) of which are subject to demolition within one month period after receiving of notification on demolition should submit the application indicating the number of their family members and permanently living persons as well as privileges they have for obtaining of living space to the khokimiyats of appropriate regions (cities).

## **DISCREPANCIES BETWEEN NATIONAL LEGISLATION AND WB POLICIES**

The following areas contain discrepancies between GoU legislation and WB policies

- 1. Illegal construction / persons without legal rights on assets;**
- 2. Assessment market rate of the target;**
- 3. Transitional allowance.**
- 4. Salvaged material use.**
- 5. Payment of compensation**

In accordance with WB OP 4.12 displaced persons may be classified in one of the following three categories:

1. Persons having formal legal rights to the land plots (including customary and traditional rights recognized under the laws of the country);
2. Persons not having formal legal rights to land plots at the time the census begins but having claimed their rights to such land or property – provided that such claims are recognized under the laws of the country or become recognized in the order determined by the resettlement plan; and
3. Persons having no recognizable legal rights and claims with regard to the land plots they are occupying.

Thus, according to WB OP 4.12 persons who identified as being in categories 1 and 2 are provided with compensation for the land they lose, and other assistance as well. Persons who are identified as being in category 3 are provided with resettlement assistance instead of compensation for the land plots they lose, and if required, also other types of assistance required to achieve the objectives indicated in WB OP 4.12, provided they occupied the project area prior to a cut-off date established by the borrower and acceptable to the Bank.

Persons who take up their residence on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. The WB OP 4.12 highlights that particular attention should be paid to the needs of the most vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples, ethnic minorities, and also other categories of displaced persons whose interests may not be protected by national legislation with regard to the compensations for the land plots subject to withdrawal.

As it was mentioned in the third chapter of this report, national legislation does not stipulate

compensation of the value of illegally built residential, production and other types of buildings, constructions as well as compensations paid to the persons illegally occupying the land plot. Thus, displaced persons who are identified in categories 2 and 3 are not eligible to any form of compensation.

According to the Land Code of Uzbekistan (art.87) in case of allotment of land plots to water enterprises for the construction of water reclamation objects and hydraulic structures the loss of agricultural and forestry production is not refunded.

Recent change in legislation of Uzbekistan considers the market value of affected property, plantations and crops in consideration of the highest value before the cut-off date while WB considers full replacement cost of structures through calculating cost of materials, type of construction, labor, transport and other construction costs as on date. No deductions will be applied for depreciation or transaction costs. The cost of reconnection of lost water, electricity, gas and telephone connections will be included in the compensation (the new land sites are assumed to have similar services available). According to the resolution N97 salvaged materials are deducted from total compensation or will be under disposal of Contractor, while WB considers salvaged materials to be allowed for taking away by the PAPs prior to demolition at no charge.

The Bank Policy 4.12 will prevail in cases of discrepancies between WB and Uzbekistan legislation, not just simply in relation to compensation issues but to all issues.

## CHAPTER 5: ELIGIBILITY FOR COMPENSATION

All land users who get under project impact, irrespective of the property right to lands, are determined as persons suffering from negative impact, and have the right for compensation (or alternative forms of help). The following principles shall be strictly followed during implementation of involuntary resettlement:

- Compensate/assist those with formal legal rights to the land lost and those who have claims to lands that are recognized or recognizable under national laws. PAPs that have neither formal legal rights nor recognized or recognizable claims to such land are entitled only to compensation for non-land assets.
- Compensate for affected lands, structures and other assets and put in place a comprehensive income and livelihood rehabilitation program prior to physical displacement.
- Give preference to land-based resettlement strategies for project affected persons whose livelihoods are land-based. Provide physically project affected persons with relocation assistance, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, and civic infrastructure and community services.
- Payment of compensations will be carried out on the basis of full replacement cost of affected assets in local markets for the actual moment of compensation, taking into account inflation and market fluctuation in prices in the real estate sphere, including all payments taxes and fees related to it. This also means that no deductions are to be made for depreciation or salvaged materials.
- Promptly compensate economically project affected persons for the loss of income or livelihood sources at full replacement cost, and provided other assistance (i.e. access to credit, training, and employment opportunities) to help them improve, or at least restore, their income-earning capacity, production levels, and standards of living to pre-displacement levels.
- Provide project affected persons with opportunities to share Project benefits in addition to compensation and resettlement assistance.

Affected persons who lose livelihoods or access to livelihoods as a result of the project will be identified in the process of preparing a Resettlement Action Plan and consulted so as to identify measures that can be put in place to assist them in restoring their incomes. These measures may include job placement assistance and/or training. Resettlement Action Plans will include specific measures for supporting livelihood restoration for relevant affected persons.

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.

**Table 3: Entitlement Matrix**

Losses	Application	Type of AH	Compensation policy	Mode of compensation payment
Agricultural Land	Loss of land regardless of impact degree	Lessee / leaseholder	<p>a) Compensation “land for land” is being provided to all households. AND  <i>For lost agricultural crops:</i> Monetary compensation is based on market replacement cost by providing compensation for loss of the right of land use, equal to 4 years of average net profit for the last 3 years (of the affected annual crops)                      Project affected persons to be provided opportunity to harvest standing crop prior to land acquisition. If not feasible, compensation for the lost harvest will be provided based on estimate of lost income (average net profit from previous years).                      In case the AHs is unable to harvest the crop prior to land acquisition additional compensation for standing crop will be paid for the seasonal harvest losses.  <i>For fruit trees:</i> Monetary compensation is based on market replacement cost by providing compensation for loss harvest equal to 4 years of average net profit for the last 3 years (of the affected tree).                      b) Arable land plots not directly used for the project will be also compensated if after impact they are unsuitable for use.</p>	<p>a) Compensation “land for land” is provided to all the project affected persons in case of loss of land. Payment of monetary compensations (for crops or assets that were on the land) is carried out on the basis of full replacement cost of affected assets in local markets for the actual moment of compensation, taking into account inflation and market fluctuation in prices in the real estate sphere, including all payments taxes and fees related to it.</p> <p>b) Commissions consisting of representatives of khokimiyats, departments of cadastral service and other departmental structures on selection of the similar (equivalent) land plots of the equal value / productivity, of comparable location and additional agricultural means (or compensation for provision of similar means) as well as AHs</p>
	Additional provision in case of strong impact (loss of more than 10% of production capacities)		<p>In addition to compensation applicable to all lessees/leaseholders, an incremental allowance equal to the net profit from annual harvesting (including summer and winter crops) in addition to the provision the land plot and compensation for crops / trees.</p> <p>PAPs shall be able to harvest the planted crop. In case the PAP is unable to harvest the crop prior to land acquisition, additional compensation for standing crop will be is paid for the seasonal harvest losses.</p>	

Losses	Application	Type of AH	Compensation policy	Mode of compensation payment
	Where there is no crop on agricultural land or in the case of the land intended for residential buildings (owner does not depend on agriculture)		In this case single additional allowance in amount of the 3-month income (average income of affected household per the last 3 months) will be paid to the owner <sup>6</sup>	and beneficiary of the land acquisition will be created.
Unregistered agricultural land	Land loss	Unregistered lessee but willing to pay unpaid land taxes <sup>7</sup> and become a leaseholder.	All entitlements for agricultural land losses as stated above for lease holder.	Compensation "land for land" is provided to all the AHs in case they are willing to pay unpaid land taxes to become a leaseholder.
Loss of household residential land	Loss of the occupied land	Owners of houses/ householders	<p>a). Land for land compensation through provision of a plot comparable in value/location to the plot lost including services (or compensation to provide such services) to plots lost with registration and transfer charges if any to be borne by the project;</p> <p>b). Unaffected portions of a plot will also be compensated if they become unsuitable after impact occurs.</p> <p>All mandatory fees for registering the land, completion of required house design, surveys, acquiring permission for construction under the AHs name and any other related costs will be paid by Project.</p>	Compensation "land for land" is provided to all the AHs in case of loss of residential land by Commissions consisting of representatives of khokimiyats, departments of cadastral service and other departmental structures on selection of the similar (equivalent) land plots of the equal value / productivity, of

<sup>6</sup>To calculate the required amount of the compensation based on average monthly income of this household it will be taken into account the monthly income of the household per the last three month (but not more than 1.5 minimum wage in the Republic for each of the family's member). In case if the average income of the affected household is less than 1.5 minimum wage in the Republic for each of the family's member, the compensation will be paid based on 1.5 minimum wage in the Republic for each of the family's member. The 3-month income is calculated based on provisions stated in Cabinet Minister 'decree #165, average aggregate income of affected household.

<sup>7</sup> Such taxes are different from all transaction-costs related to the processing of compensation which will be shouldered by the project.

Losses	Application	Type of AH	Compensation policy	Mode of compensation payment
Loss of residential structures of the households	<p>Losses of the inhabited structures, adjacent to the territory and the objects located in this territory</p> <p>Losses of adjoining substructures to the residential houses such as fences, shed /tents etc.</p>	Owners of houses/ householders	<p>a) Full compensation of the inhabited structures (full replacement cost of affected assets in local markets), adjacent territories and objects in this territory;</p> <p>b) Calculation of compensation is based on the results of the market estimation of cost of the specified objects, including all the related payments; depreciation and transaction costs. No deductions shall be made for salvage materials or wear and tear.</p> <p>c) Compensation for moving;</p> <p>d) Rental allowance for temporary accommodation (rental allowance sufficient to get accommodation equivalent to their current homes) in the form of 1 to 24 months' rent<sup>8</sup> in cash for those who plan to construct a new house themselves).</p> <p>a) Full compensation of the affected substructures (full replacement cost of affected assets in local markets), adjacent to the house; No deductions shall be made for salvage materials or wear and tear.</p> <p>b) Calculation of compensation is based on the results of the market estimation of cost of the specified objects.</p>	<p>comparable location and additional agricultural means (or compensation for provision of similar means) as well as AHs and beneficiary of the land acquisition will be created</p> <p>a) Payment of compensations is carried out on the basis of full replacement cost of affected assets in local markets for the actual moment of compensation payment, taking into account inflation and market fluctuation in prices in the real estate sphere, including all payments related to it; There will be no deductions for depreciation or for retention of salvaged materials.</p> <p>b) The commissions consisting of representatives of khokimiyats, departments of cadastral service and other departmental structures on selection of the similar (equivalent) land plots and inhabited structures as well as AHs and beneficiary of the land acquisition will be created. Valuation will be undertaken by an appraisal company, which is non-governmental and independent.</p>

<sup>8</sup>Decree of the Cabinet of Ministers N 97 as for 29.05.2006 on Order of compensations payment to citizens and legal entities in view of the land plots acquisition for state and public needs. Decision on the period on rental allowance will be made by Commissions consisting of representatives of khokimiyats, departments of cadastral service and other departmental structures on the base of actual period of rent of temporary accommodation.

Losses	Application	Type of AH	Compensation policy	Mode of compensation payment
Loss of commercial, business and industrial physical structures	Losses of the industrial structures, adjacent to the territory and the objects located in this territory	The owner and employees of commercial, business and industrial activity or those who work in these three sectors	<p>a) Full compensation of the structures, adjacent territories and objects at replacement cost of affected assets in local markets, including all payments related to it, including compensation of losses for 2 years based on average annual profit. No deductions shall be made for salvage materials or wear and tear.</p> <p>b) Compensation for moving;</p> <p>c) Compensation for loss of income of employees is based on payment of compensation at the amount of average wage per the last three month for the next 6 months (i.e. average wage of the employee for the last three months will be paid for the next six months).</p>	<p>Khokimiyats of the respective raions will notify and consult with the owners of residential, production and other buildings, structures and plantings on the made decision in writing for the signature not later than in six months prior to demolition, attaching to the notice copies of the relevant decisions on withdrawal of the land plot, demolition of residential, production and other buildings, structures and plantings located in the land plot. Withdrawal of the land plots and the real estate in them will be made only after receiving of compensation by these subjects.</p>
Vulnerable Affected Households	Any type of loss regardless of degree of impact	Low income households, female-headed households with fewer than 2 adult income-earners, the elderly headed HHs with unemployed family members and disabled persons. Other markers of vulnerability may be added to the	<p>a) Inclusion in existing safety net programs to ensure the continuation, or increase, of previous income.</p> <p>b) One-time additional allowance equivalent to their 3-month average household income.</p> <p>c) Priority for employment in project-related jobs, training opportunities, self-employment and wage employment assistance.</p>	<p>Vulnerability status shall be justified by special papers or acknowledgement by Makhalla representatives.</p> <p>In case of unemployed APs, necessary required paper from local Labour authorities.</p> <p>Livelihood restoration measures such as training to ensure that continuation, or increase, or previous income. (More detailed measures will be described in specific RAP)</p>



Losses	Application	Type of AH	Compensation policy	Mode of compensation payment
		matrix depending on the census.		
Rehabilitation and reclamation of the affected land	Agricultural lands, orchard, state reserve lands, pastures and other classified as agricultural land	The state (Special account of regional Department for Land Use and State Cadastre of Goscomzemgodezcadastre)	<p>Compensations are to be paid to rehabilitate/re-cultivation and development of lands through irrigation and agro-irrigation activities in order to maintain the fertility/productivity of existing lands in accordance with the unit rate for each region.</p> <p>In case of absence of such value category of agricultural land such as pasture, reserve land and others will be calculated by application of special unit rate set by this Decree.</p> <p>The compensations are paid to the local khokimiyats and relevant agencies that are responsible to rehabilitate and develop affected land.</p>	<p>Calculations of compensations are done according to the Cabinet of Ministers Decree # 146.</p> <p>The calculated compensations are for the affected lands that remain under the state oversight (ex. Reserve lands, greeneries along roads/highways, orchards, agricultural lands, pastures, and other classified as agricultural lands).</p>
Loss of livelihood		Households that lose livelihoods	<p>Livelihood restoration measures such as training and safety net programs to assist the continuation, or increase, or previous income, including the following measures:</p> <ul style="list-style-type: none"> <li>• The farm-based livelihood restoration efforts for households that rely on agriculture for income (farmers/dekhans) will include provision of training on better agriculture practices (where necessary), enhancement of agricultural productivity, consultation with various agriculture development programs of the government;</li> <li>• The non-farm based livelihood restoration efforts for households that do not depend on agriculture for income will be developed based on the skill inventory of the existing skills of the affected households, the market survey of new vocations and skills in demand. In line with this, vocational skill trainings will be provided to members of affected/displaced HHs.</li> <li>• Priority for employment in project-related jobs, self-employment and wage employment assistance</li> </ul>	<p>Preference will be given to severely affected HH as well as vulnerable households for employment in the project-related work. Training and safety net programs to be provided to the affected HH on financial and life skills.</p>
Temporary impact on private or public Land, assets and/or Income		All affected households and assets	Any kind of temporary land acquisition or impact on private and public assets during project implementation for civil work purposes will be compensated by contractor based on replacement value for structures, rentals for land use, replacement value for crop and tree loss as stated above in the entitlement matrix.	

Any unanticipated impacts identified during Project implementation will be compensated in full at replacement rate or the entitlements listed in the Resettlement Framework prepared for this Project.

## CHAPTER 6: LIVELIHOOD RESTORATION AND REHABILITATION

No losses of livelihood as a result of displacement have been anticipated in accordance with preliminary investigations, however, should any be identified during the census or in implementation of RAP, then measures will be put in place to mitigate the impacts. This section summarizes the approach to livelihood restoration.

The livelihood restoration and rehabilitation plan includes efforts to assist displaced persons to restore livelihoods at par or better than pre-project conditions when their livelihoods are adversely affected by the project.

The following measures will be provided to the affected households as special assistance over and above the compensation for affected assets in order to ensure that they are able to restore or improve upon their pre- project standard of living. Thus, these measures are provided in order to improve the living conditions of vulnerable affected households in compliance with Entitlement Matrix:

- The land - based assistance would include land to land compensation. In case of voluntary rejection of such form of compensation by PAPs, it is important to exclude the permanently affected land parcel out of total balance of private and dekhkan farms. This will help them to avoid being over taxed and minimization of the State quota for cotton/wheat respectively.
- The farm-based livelihood restoration efforts for households that rely on agriculture for income (farmers/dekhans) will include provision of training on better agriculture practices (where necessary), enhancement of agricultural productivity, consultation with various agriculture development programs of the government;
- PAPs losing business will be paid cash compensation for the period of business interruption<sup>9</sup> up to 6 months in case of permanent closure of business. This will be calculated based on the estimated average monthly income in the past 3 years multiplied by the number of months of business interruption. Workers from the affected businesses will be paid for lost wages for the duration of business interruption up to 6 months in case of permanent closure of business. In case of agricultural workers losing their employment as a result of land acquisition, cash compensation will correspond to their salary (in cash and in kind) for the remaining part of the agricultural year or contractual period whichever is higher.
- Vulnerable households will be provided with a one-time additional allowance equivalent to their 3 month average income. In addition, members of vulnerable households will also be prioritized in project related employment. The Makhallas and district governments have a record of all households in the communities and will be tapped in identifying and certifying vulnerable households
- Employment. Project affected households/persons will receive preference for project-related waged employment in case they lost their employment. Contractors will be required to demonstrate they have offered waged employment to such persons, ensuring equal pay for equal work between men and women and that no child labor is employed.

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<sup>9</sup> Business interruption includes the time for receiving a new land plot, and designing/building of a new commercial structure.

## CHAPTER 7: GRIEVANCE REDRESS MECHANISM

Acquisition of land and involuntary resettlement are complex procedures that can be accompanied with litigation caused by compensation payments grievances and defaults of obligations on assistance to displaced persons. If physical involuntary resettlement cannot be avoided it is absolutely necessary to ensure that a GRM is available for DPs to safeguard their actual and potential losses. The RPF raises the issue of involuntary physical resettlement even though it is anticipated that there will be no involuntary resettlement impacts associated with this Project.

The laws of the RUz and statutory acts determine the order of acquisition of land and the amount of compensation payments due to the project implementation. These laws and acts aimed at avoiding possible conflicts and violation of land users' rights. Moreover, these procedures provide participation of all land users and their family members in process of decision-making on a new land parcel and assessment of losses and damage associated with the project implementation. If project affected persons do not agree with decisions of organizations and institutions responsible for compensation issues, they can submit a complaint to the local administration (regional or municipal khokimiyats).

In this regard, the following mechanism will be in place to ensure that all claims are considered, and the authorities take measures to resolve them:

1. Project affected persons submit their grievances to the chairman of Makhalla committee or PIU directly (responsible for resettlement activity) who will register and try to resolve them. If grievances are not settled through a week, then they are directed to regional or municipal khokimiyats. Initiative groups will be established at Makhalla committee. They will consist of representatives of farmers and HHs who will participate in discussion of resettlement activity and compensation procedures;
2. Registration books of complaints will be developed in established structures responsible for resettlement activity (Makhalla committee or PIU). The submitted complaints should be studied in period of 21 working days. Registration books of Makhalla committee should be examined by the representative of PIU every 14 calendar days. Either the Makhalla Committee or the PIU if they cannot resolve grievances at this level will assist the aggrieved PAP to lodge the grievance with a regional or municipal khokim.
3. A regional or municipal khokim will assume all possible measures to solve the problems and complaints of project affected persons seeking grievance redress. However, if complaints are not solved during two weeks they are directed to the commission on consideration of issues of provision (acquisition) of the land plots; An authorized by the committee person will accept complaints, register and try to solve them.
4. While reports and grievance resolution will be handled initially by the Makhalla Committee or PIU, PAPs who feel that their grievances are not given adequate attention may also seek assistance from the PIU in presenting their concerns to the khokimiyat, or their case in the civil court system. PIU also can provide all information related to RAP and World Bank procedures
5. If complaints are not settled during two weeks, the complaint would be submitted to the Supreme Court of the Republic of Uzbekistan and resolved in compliance with

the national legislation and agreements on the resettlement issues between Republic of Uzbekistan and the World Bank.

Reports and settlement of disputes should be supervised by the M&E group and khokimiyats. Monitoring of the GRM is under the responsibility of the PIU that will collect and centralize and report on all grievances and answers provided to the Bank. Contact details will be announced to the local population at the time of RAP consultation meetings within the leaflets distributed among PAPs.

## CHAPTER 8: PUBLIC CONSULTATIONS

Public consultations were carried out in subproject areas during preliminary investigation of possible impacts due to the project activities. These public consultations included representatives of local communities, water consumer's associations (WCA), few affected commercial farms, water management organizations, a few affected households and officials of government organizations.

The key objectives of the consultations were to: (a) identify and help address affected household concerns related to the preparation of the PRF; (b) get inputs on affected household preferences for the type and delivery of compensation; and (c) minimize the impacts and avoid physical displacement of PAPs. There were 3 consultation meetings that were held during the investigation of project impacts and 1 meeting with engineers responsible for designing current project. The venue, number, dates of the consultations and number of participants are summarized in Table 4.

**Table 4: Venue, Date and Participants in the Consultation Meetings**

No	Venue / Participants	Number of participants	Date of Consultations
1	Namangan region, Podshaota-Chodak system.	18	22.12.2014
	<b>Participants:</b> Farmers, households, representatives of local communities, water consumer's associations (WCA) and officials of government organizations		
2	Andijan region, Savay-Akburasoy subproject	15	23.12.2014
	<b>Participants:</b> Farmers, households, representatives of local communities, water consumer's associations (WCA) and officials of government organizations		
3	Fergana region, Isfayram-Shahimardan system	7	24.12.2014
	<b>Participants:</b> representatives of local communities, water consumer's associations (WCA) and officials of government organizations		
4	Tashkent city, Uzsvloyiha Design Institute		
	<b>Participants:</b> Engineers responsible for Designing the construction works.	2	06.01.2015

The detailed description of participants and key issues discussed is given on Annex 1 attached to this document.

At least two public consultations will be conducted for preparation of each RAP. They will consist of project affected people, representatives of khokimiyats, Makhalla committees, PIU, other local authorities and local associations.

During the public consultations the minutes of meetings shall be recorded and included in resettlement reports.

Key issues on RAP will have to be agreed with all the participants of public consultations. Copy of each RAP will be disclosed on the website of the Ministry and will also be publicly available and easily accessible in each of three districts at the PIU of the Ministry of Agriculture and Water Resources.

## CHAPTER 9: EXPENSES AND BUDGET

It will be necessary to calculate the value of the affected property along secondary canals and to pay compensation to the project affected persons prior to commencement of construction works. At the moment, it is impossible to estimate the cost of expropriated assets along these canals due to lack of its engineering data (width, length and location). Besides that the land area required for construction works varies depending on the canal flow rate (and width).

At present it is impossible to estimate approximate cost of withdrawn property along secondary canals because of lack of technical parameters of these canals (width, length and location) as the area of land necessary for these construction works varies depending on consumption of the canal and requires determination. Adjusted cost index will be available only at the stage of preparation of detailed design of secondary canals during implementation of the project.

Preliminary estimates which will be reconsidered and detailed during implementation of the project and assessment are described as follows. It is estimated, based on estimates provided by SCLRGCSC that the average replacement cost of irrigated land in both Namangan and Ferghana is UZS 21,692,000 per hectare while in Andijan it is UZS 23,661,000 per hectare. The Project at this stage does not have replacement costs for physical structures in each of the three provinces or for high value fruit trees, such as apricots or apples, but these will be estimated at the time any necessary replacement cost survey is undertaken (e.g. apricot trees that will be felled as a result of the reconstruction of the mud flow reservoir in the Podshaota-Chodak System Project Area).

All the expenses upon the resettlement actions will be covered by the project and PIU of the MAWR designated for this project is responsible for the distribution and transferring the funds to the PAPs account in timely manner in consideration of the required amount of evaluated compensation.

## CHAPTER 10: IMPLEMENTATION SCHEDULE

This section includes a detailed, time bound, implementation schedule for all key land acquisition and resettlement activities.

A timeline for RAP preparation, implementation and post implementation is summarized in Table below:

**Table 5: RAP Implementation schedule**

Step	Action	Responsibility	Timing
<b>A)</b>	<b>COMPLETING THE RAP PREPARATION</b>		
	Socio-economic/census surveys among PAP and announcing of cut -off date.	Resettlement Consultant	During the TA period
	Completion of final Design of the project	Design Institute	Month 1
	Development of updated RAP including updated census survey of PAPs.	Resettlement Consultant	Month 2
	Disclosure of updated RAP through public Consultation	Resettlement Consultant	Month 2
	Follow-up surveys and disclosure /consultations on compensation policy	Resettlement Consultant	Month 2
	Identification of required land plot for replacement	District Land Acquisition and Valuation Committee, Khokimiyats, and Resettlement Consultant PIU	Months 3 and 4
	Compensation rates updates	Resettlement Consultant	Months 3 and 4
<b>B)</b>	<b>RAP IMPLEMENTATION</b>		
	Preparation of new resettlement sites / relocation sites	District Land Acquisition and Valuation Committee, Makhalla, Khokimiyats, Farmers Association and	Months 2,3 and 4
	Distribution of Relocation Notices to AH	District Land Acquisition and Valuation Committee, Makhalla, Khokimiyats, Farmers Association and	Months 4 and 5
	Preparation of plan for payment of each affected asset	District Land Acquisition, and Resettlement Committee Khokimiyats, and Resettlement Consultant	Months 4 and 5



<b>Step</b>	<b>Action</b>	<b>Responsibility</b>	<b>Timing</b>
	Start of payment of compensation according to the Entitlement Matrix	PIU/MAWR	Months 4,5 and 6
	Disbursement of compensation payments for physical structures of AHH	PIU/MAWR	Months 4,5 and 6
	Disbursement of compensation payments for agricultural crops and trees	PIU/MAWR	Months 4,5 and 6
	External monitoring of RAP implementation	External Expert	Month 7
	No objection notice from WB if RAP implementation found to be satisfactory	WB	Month 8
	Notice to proceed for civil works is issued	WB / MAWR	Month 8
	Demolition and Relocation of Affected Structures/Assets (After compensation paid and temporary place to live is provided)	MAWR Contractor	Month 8
<b>C)</b>	<b>POST-IMPLEMENTATION TASKS</b>		
	Independent evaluation of RAP	Independent Monitoring	To be confirmed
<b>D)</b>	<b>ITERATIVE TASKS</b>		
	Internal monitoring. Semi-annual reporting to WB	Resettlement Consultant PIU	Semi-annual Years 1 and 2

## CHAPTER 11: MONITORING AND EVALUATION (M&E)

Effective monitoring and evaluation both during the project implementation and long term after project completion is a vital part of the overall project cycle; without M&E the lessons necessary to ensure continued improvements in performance will not be learned and applied.

Initiative groups consisting of the representatives of leasehold farms and households to take active part in consideration of resettlement and compensation issues within the project allowing external monitoring will be established under Makhalla committees.

M&E is proposed to be carried out by international consultant and national consultant in joint venture, working with M&E specialists of the PIU.

Thus, in accordance with the TOR, a specialist responsible for supervising the resettlement process will be assigned and will cooperate with the PIU consultants. All these measures will allow achieving the objectives of training national consultants and staff according to the requirements for M&E of a large internationally funded project and introduce exact M&E techniques in the PIU structure.

The main objectives of the monitoring and evaluation (M&E) component of the project are to:

- Provide independent and continuous feed back to the implementing agencies on the project's performance and progress in implementation;
- Monitor and provide feedback on the success in meeting the project objectives, and assess its physical, agricultural, social, financial/ fiscal, and economic impact;
- Monitor and evaluate the effectiveness of redress mechanism and number of appeals placed, improvement the continuous feedback;
- Socio-economic monitoring: case studies, using baseline information for comparing displaced persons socio-economic conditions, evacuation, demolition, salvaging materials, community relationships, dates for consultations, and; and
- Impact evaluation monitoring: Income standards restored/improved, and socio-economic conditions of the displaced persons.

At the start of their involvement, the M&E consultants will draw up and agree with the PIU a program of regular data collection and surveys.

In consultation with the PIU, the M&E consultants will establish the appropriate M&E procedures targeted on key project input, output and impact indicators to be agreed with the government and the World Bank. The component would include, but not be limited to, the following activities:

- Physical implementation progress in the field as compared with the prepared implementation  
Schedule/ work schedule in the contractors' contracts;
- Financial management within the project, costs, expenditures, payments to the contractors, and loan disbursements;
- Works completed under various contracts, such as completion of new canals, rehabilitation of roads, *ariks* etc;
- Feedback to the implementing agencies, the Government of Uzbekistan and the Bank, on project implementation progress;

- Feedback to the implementing agencies, in particular identifying lessons to be learned; Development and utilization of geographical and management information systems to monitor project implementation and operational performance;
- On-the-job-training to PIU counterpart staff and national consultants, with the objective that such staff become knowledgeable in the survey and evaluation techniques.

Monitoring will be conducted during two years on continuing basis. There will be a budget specifically allocated for M&E and included into the preliminary resettlement budget. The report will be prepared on the results of M&E for six months.

## Annex 1: List of participants of public consultation meetings

Place: Namangan. Podshaota-Chodak subproject.

N	Participants	Position
1	Nurmuhammad Hudayberdiev	Head of Yangikurgan branch of Podshaota-Chodak System
2	Saydullo Mehmonov	Deputy head of Norin Sirdarya BISA
3	Bakhodir Ohunov	Head of Norin Sirdarya BISA
4	Akramjon Hoshimov	Deputy head of Norin Sirdarya BISA
5	Muhammadolim Ergashev	Land surveyor of Namangan Giprozem
6	Abdurazzakov Rahimjon	Private farm, borewell construction
7	Hudoyberdiev Nurshod	Private farm, borewell construction
8	Kirkmanov Farhod	Private farm, Borewell area
9	Ergashev Husniddin	Chairman of WCA
10	Sattorov Abdusalim	Household, reservoir area
11	Usmonaliev Hoshimjon	Household, Namangan say
12	Qahhorova Karima	Obod Makhalla Households, Bulokboshi say
13	Jahongirov Muydin	
14	Otaboyev Umar	
15	Ergashev Anvar	
16	Komilov Isroil	
17	Qayumova Mavluda	
18	Oripov Muhammad	

Place: Andijan. Savay Akburasay subproject

N	Name and Surname	Position
1	Ergashev Shuhratbek	Norin Koradaryo BISA deputy head
2	Yakubbekov Mashhurbek	Head of Savay Akburasay ISA
3	Hidoyatov Muhammadsidik	Water resource balance department specialist
4	Zaylobiddinov Mansurbek	Head of Rehabilitation and monitoring sector
5	Abdullayev Alisher	Rehabilitation and monitoring sector specialist
6	Uraimov Husanboy	Planning technical department of Savay Akburasay ISA
7	Dilshodbek Umarov	Nature protection Committee Andijan branch inspector
8	Mamatrahimov Mirzohid	Surveyor of Land resource and cadaster department

		of Hujaobod district
9	Goziev Topil	Chairman of Okbura Zilol WCA
10	Hasanov Abduhalim	Chairman of Madiyorov Irrigatsiya WCA
11	Yunusov Abdulla	Turaobod makhalla, household
13	Bakirov Gofurjon	Yorkishlok makhalla, household
14	Ilkhom Kurbonov	Yangi Fargona makhalla, chairman
15	Qayumova Nasibahon	Toshhovuz makhalla, chairman

**Place: Ferghana - Isfayram-Shohimardon subproject**

N	Name and Surname	Position
1	Djuraev Rasul	Head of Sirdarya – Soh BISA
2	Djurabek Aka	Deputy of Sirdarya – Soh BISA
3	Rasulov Fozil	First deputy of Sirdarya – Soh BISA
4	Ahrorov Yusufjon	Head of Isfayram-Shohimardon ISA
5	Sobirov Muhtorjon	Planning technical department of of Isfayram-Shohimardon ISA
6	Holbekov Farruh	Planning technical department of of Isfayram-Shohimardon ISA
7	Avliyohonov Akramhon	Nature protection Committee Fergana branch inspector

**Place: Tashkent. Design Institute “Uzsuvloyiha”**

N	Name and Surname	Position
1	Harina Galina	Responsible project engineer for Podshaota Chodak subproject
2	Belazersev Vladimir	Uzsuvloyiha project engineer

## Annex 2: Table of Questions and Answers during Consultation Meetings

Questions and proposals made by participants <sup>10</sup>	Answers and clarifications made by representatives of consultants
What is the RPF? How it is prepared?	<p>RPF stands for Resettlement Policy Framework. The main objective is to prepare a framework to assist the project developer and PAPs determine how impacts such as the need to acquire land or other physical structures will be compensated and how other allowances for loss of income or expenses incurred in physically relocating will be paid and the entitlements to compensation for PAPs. The RPF also includes a Grievance Redress Mechanism, what issues will be monitored and evaluated and the typical implementation schedule. It is prepared on behalf of the project developer usually by specialized consultants hired for this purpose.</p> <p>Only when the RPF is accepted by the Government of Uzbekistan and the World Bank and disclosed locally and on the WB site will it be considered as the official RPF. This RPF is used to guide the preparation of Project-specific Resettlement Action Plans.</p>
Will there be further visits by Consultants?	Based on the preliminary design and initial investigations by the Consultants it is concluded that there will be some impacts, most notably to agricultural cropping land and a census and socio-economic survey of likely PAPs is necessary and when the design is finalized a detailed measurement survey of each PAP will be undertaken.
There have been several visits by different specialist to the project area. Has it already been decided to proceed with this Project?	The visits were to assess the feasibility of the Project but it will not proceed until agreement has been reached between the Government of Uzbekistan and the World Bank.
What is the role of resettlement policy in this project?	It determines how resettlement impacts will be managed with the emphasis on avoiding or at least minimizing resettlement impacts wherever possible. However, when this is not possible it states the obligations and responsibilities of the project developers to ensure the legal rights to adequate compensation and restoration of the living

<sup>10</sup> Where similar or related questions were asked they have usually been amalgamated into one specific question.

Questions and proposals made by participants <sup>10</sup>	Answers and clarifications made by representatives of consultants
	standards of PAPs are safeguarded.
There are some illegal users within the project area and will they be included in the resettlement surveys?	Government of Uzbekistan does not accept that illegal users of land should be accorded the same rights as legal users of land but the World Bank policy is that illegal users are to be accorded similar rights to legal users.
Who are eligible for compensation within this project?	All households whether they be cotton and wheat cropping farming households, Dehkan farmers, tenant farmers, business entities or government entities, if affected, are eligible to be compensated for the all impacts.
If we can think of ways to avoid or minimize land acquisition impacts who can we refer to?	Good resettlement planning requires that impacts be avoided or minimized and PAPs are encouraged to voice their concerns and offer their suggestions to the Project design specialists.
What entity is responsible for physically acquiring the land?	Usually the PIU will employ a local Cadastral or Land use organization that is legally registered to assist the Project developer undertake the Detailed Measurement Survey. These entities act in accordance with the Project design that enables a Decree by the Khokimiyat to be issued so the land can be legally acquired for the Project. allocate the land for further construction works.
What entity is responsible for undertaking the valuation of physical structures, agricultural crops and trees of economic value that will be impacted upon by this Project?	According to the recent legislative changes, physical structures, agricultural crops and trees of economic value appraised by an independent valuation entity based on market value. The cost of evaluation is paid out of the project budget. Special budget for resettlement purposes will be allocated for this purpose.
As I will directly benefit from this Project can I choose to gift my land and structures to the Project without requiring compensation to be paid?	Yes, you can but it is necessary for the PIU to sight a signed letter of agreement to this effect from you..
I have been informally using the land plot for more than 10 years and am I eligible for compensation?	Yes, according WB policy you are eligible for compensation. You will be included in the census survey and also possibly the socio-economic survey and your compensation and other allowances if applicable will be paid in the same way that other PAP are paid following updating of impacts and completion

Questions and proposals made by participants <sup>10</sup>	Answers and clarifications made by representatives of consultants
	of the Detailed Measurement Survey..
Will all impacts relating to land acquisition be of a permanent nature or will there also be some impacts of a temporary nature?	There are likely to be some temporary impacts for which you will be compensated for it can be demonstrated that you lose income and there will also be permanent impacts.
As a Municipality we should refer to the laws and policies of Uzbekistan, therefore is it only necessary to work within these frameworks?	According the agreement between GoU and WB, in case of any discrepancies in resettlement implementation, WB policy prevails.
According to the Project's design there will be a bore-well on land that I use. However, is this design only preliminary in nature or is final?	This is not final list. The updated list will be developed in consideration of Hydrogeological Service's conclusion and project Design.
It has been explained that the design of this Project will mean that no housing structures will be affected. If this is so why is this impact included in the RPF?	The objective of the RPF is to include all possible impacts that is foreseen and those that might not be foreseen at the time the RPF was prepared. If during updated Project design there are impacts that were not apparent during RPF preparation they will be included in the RAP.
What is the significance of the corridor of impact?	It is important to identify the impact to households.
There is no final design for the Project so will impacts be updated when the final design for the Project has been completed?	Currently, we will work on draft design and in consideration of existing construction norms and rules. After completion of the final feasibility study the detailed measurement survey will be undertaken and any RAP prepared will be updated.