

Resettlement Plan

November 2014

KGZ: CAREC Corridor 1 (Bishkek–Torugart Road) Project 3 – Additional Financing

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

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Government of the Kyrgyz Republic

Ordinance

dated 12 November 2014

No.: 498-p

For the purpose of fulfilling conditions of the Loan Agreement (Special Operations) (CAREC Corridor 1 (Bishkek-Torugart Road) Project 3) between the Kyrgyz Republic and Asian Development Bank signed on September 19, 2011 in Bishkek and ratified by the law of the Kyrgyz Republic № 1 dated of 24 January 2012;

1. Take into account enclosed in official language Resettlement Plan under the Asian Development Bank project “CAREC Corridor 1 (Bishkek-Torugart Road) Project 3”.

2. To the Ministry of Transport and Communications of the Kyrgyz Republic:

- within the funds covered by the Republican Budget for the relevant year, provide:

payment of financial compensation (reimbursement of loss of expected gain and possible damage to trailers) to the owners and/or entrepreneurship persons during the resettlement of 11 trailers due to construction of the parking area on Bishkek-Torugart road, on a site at km 531;

construction of the parking area to ensure the traffic safety on Bishkek-Torugart road, on a site at km 531;

- Submit to the Ministry of Finance of the Kyrgyz Republic report on payments of the compensations indicated above.

3. Control on this ordinance enforcement is assigned to the Department of the Regional Development, Transport, Construction and Communications of the Office of the Government of the Kyrgyz Republic.

Prime-Minister

Dj.K. Otorbaev

RESETTLEMENT PLAN

**Under Asian Development Bank Project
CAREC Corridor 1 (Bishkek-Torugart Road) Project 3**

ABBREVIATIONS

| | | |
|-------|---|--|
| ADB | - | Asian Development Bank |
| AP | - | Affected Person |
| CAREC | - | Central Asia Regional Economic Cooperation |
| MOTC | - | Ministry of Transport and Communications |
| RP | - | Resettlement plan |
| SPS | - | Safeguards Policy Statement |

1. This Resettlement Plan (RP) has been prepared in accordance with requirements of the Safeguards Policy Statement (2009) of Asian Development Bank (ADB) under CAREC Corridor 1 (Bishkek-Torugart Road) Project 3. The RP has been translated into Kyrgyz and Russian languages and was prepared by the Ministry of Transport and Communications (MOTC) of the Kyrgyz Republic — Executive Agency for the project. Project impacts on residents' commercial facilities services at km 531 of the Bishkek-Naryn-Torugart road and the sum of compensation for relocation of 11 trailers has been evaluated and established.

The goal of this RP is to ensure people rights whose properties are impacted by the project and they are eligible to receive compensation for loss of expected gain and possible damages to the trailers because of their relocation and associated losses.

2. The Project is the rehabilitation and upgrading of km 479-539 of the Bishkek-Torugart Road automobile international importance road of technical category III and a component of the CAREC Corridor 1-c. It is located in Naryn Oblast, At Bashy Region, the Kyrgyz Republic. The Project road is shown in Figure 1 and there are striking features of the Project. The section from km 501 to km 528 is located along Chatyr-Kul lake at 3,200m to 3,600m above the sea level. The lake has slightly saline water with no outflow and a part of the Karatal-Japyryk State Nature Reserve and included in the Ramsar Convention (The Convention on Wetlands of International Importance) and hosts a number of species of migrating birds. The area near and surrounding the road is relatively flat or undulating, with grasslands (steppe) and no trees. Winter conditions are harsh, with the average for January about -20° C, and reached -45° C during the winter of 2011-2012. The road construction is limited to the period from May until October, although snow and snow flurries are common in spring and summer except July and August. The section of the road from km 532-539 has not been included in RP.

A. Resettlement impact

3. There are 11 trailers, operated by 7 households, located at km 531 that

are to be relocated about 50 m from the road. The 12th trailer was brought to the site in October 2012, after the cut-off date for registration of all people and assets impacted by the project and eligible to receive compensation. Impacts will be minimal with some loss during the relocation period. During relocation households, operating the trailers will be paid compensation for loss of expected gain and possible damage/losses which might be caused to the trailers.

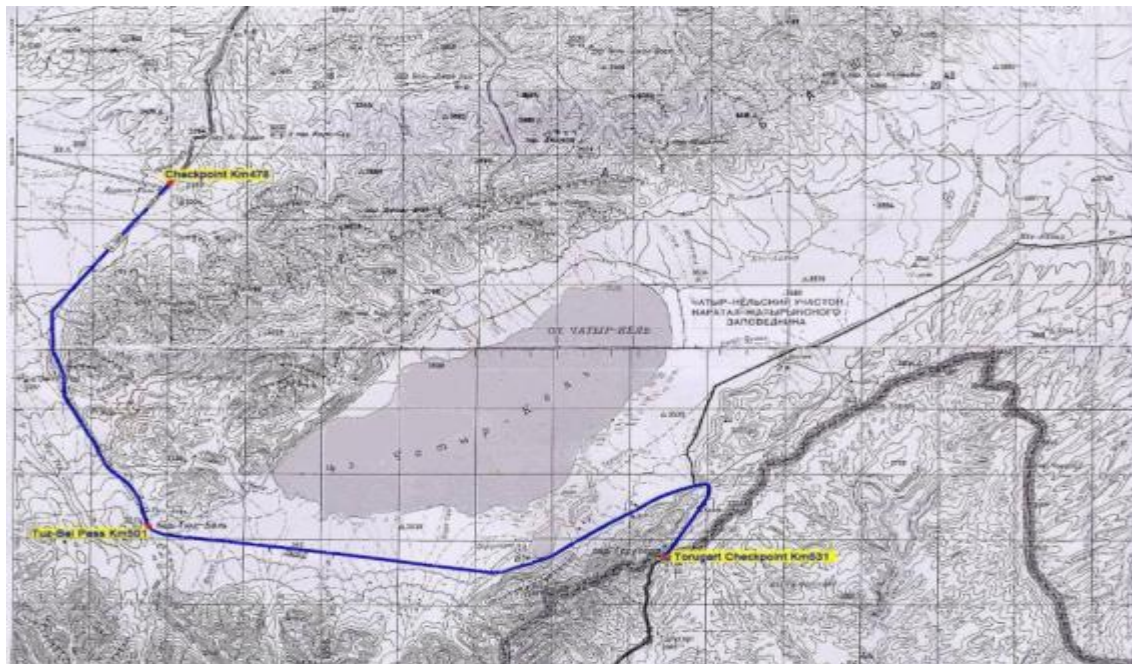


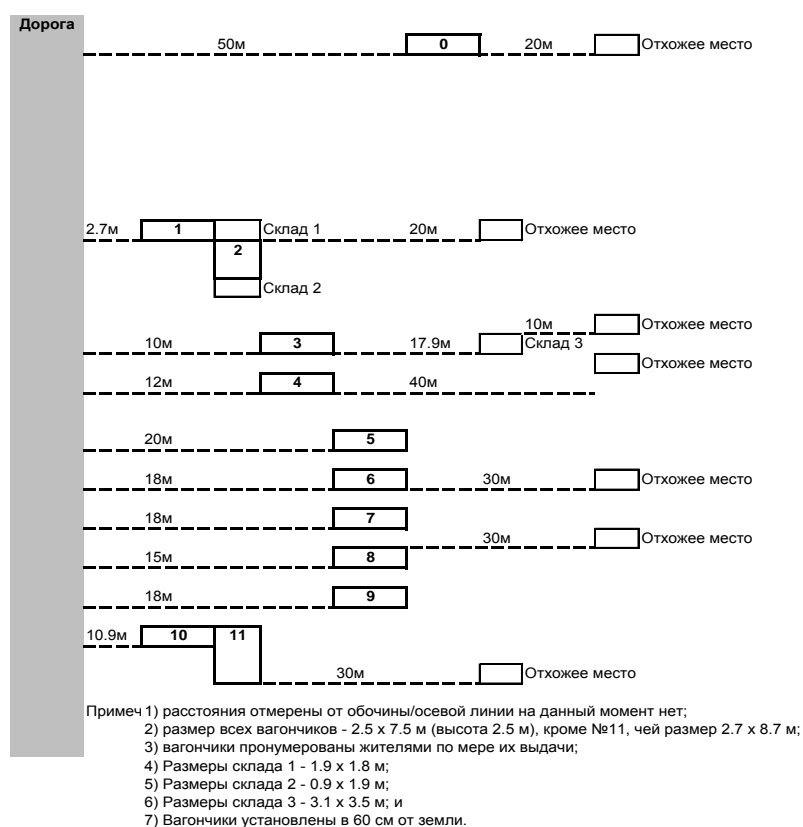
Figure 1, Road section from km 479 - km531

4. The aim of project is to ensure the traffic movement all year round, especially during the winter period. Rehabilitation works will be mostly within the existing road right-of-way. Business service facilities, such as cafes and guest houses provided from trailers at km 531, which is the first point, where drivers can stop to buy essentials, are impacted by the project. The next shops are 113 km distance in Kara Bulun village at km 418. In front of the trailers, there is considerable congestion of traffic, especially, heavy trucks, as it is shown in Picture 1. In order to ensure safety of road movements and build a large parking area for trucks during drivers' rest, there is the need to relocate trailers to opposite side of the road, about 50 m away, as it is shown in Picture 2. Trailer 0 will not be relocated. Relocation of trailers will also allow to reduce traffic congestion and provide safer and permanent places to operate business for APs.

5. Trailers do not have foundations, are seated on the ground, on cement blocks and wood, or on oil drums. After relocation, hard bases, most likely made of concrete blocks, will be installed for the trailers.



Picture 1. Heavy truck congestion nearby cafes and guest houses



Picture 2. Layout of trailer relocation.

Layout and size of proposed parking area in front of trailers are shown in Figures 2 and 3 at the time of survey of the area and census of affected people. Red box, which is a truck ramp enabling repairs, is shown in Picture 3 and large trash bins will be provided.

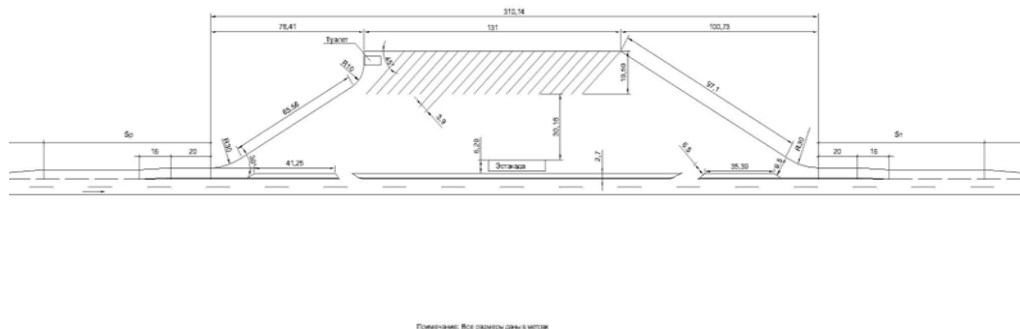


Figure 4. Size of parking area in front of trailers

6. Registration of cafes, guest houses and households of AP was held between August 13-20, 2012. Cut-off date for registration of AP and their property was established March 15, 2012. After that date - March 15, 2012 recording the people who arrived to the site to provide commercial services for road users and other persons are not registered and their rights to compensation are not provided.

7. All APs have houses in At-Bashy district of Naryn region and engaged in business activities only during certain seasons. They use trailers both for temporary dwelling and object to provide commercial services for road users. There are 7 affected households with a resident population of 15. However, this total does not include children. There is no school in the Customs zone. There are no affected elderly, disabled, or indigenous peoples. One man has lost sight in one eye but this fact has not been taken into consideration as this did not affect his ability to conduct the entrepreneurship activities. All households have a refrigerator, gas or electric stove, radio, mobile phones, colored TV, and a satellite dish. Two families have a car and a bicycle. None of these households are below the poverty line and are not classified as "poor." Vulnerable persons are defined as a female leading household and those with

incomes below the poverty line. There are 3 females leading households, one of whom is receiving the poverty allowance (1,122 Soms per month) that is provided to children (in this case two children). Their school age children are living elsewhere with relatives. Given that these women are the sole providers for their families, they will be provided with additional funds to compensate disbursements.

B. Eligibility for Compensation

8. Under this Resettlement plan all impacts whether already occurred or yet to occur will be compensated at replacement rates and severely affected or vulnerable APs will receive special rehabilitation allowances. APs eligible to compensation or rehabilitation provisions under the Project are: (1) all APs within the project rehabilitation losing proprietary rights to lands or other assets covered as required by law; (2) tenants and sharecroppers (entrepreneurs) registered as required by law. Compensation payments will be made by MOTC in concurrence with the Ministry of Finance of the Kyrgyz Republic, and ADB.

9. Compensation/rehabilitation provisions for the APs are defined in Table 1 (Provisions to establish rights for compensation).

Table 1. Provisions to establish rights for compensation

| Asset | APs | Entitlements/Relocation Assistance | Notes |
|----------|---------------|--|--|
| Land | Owner or user | Not applicable | All land affected is state property and within the ROW. It will not be acquired nor compensated. |
| Trailers | Owner | <p>Compensation based on cost of materials, labor, transport of materials, transport of replacement trailers, and reinstallation of facilities.</p> <p>If there is minor damage to the trailers, then 12.5% of the replacement rate will be provided as compensation to the owners.</p> <p>If the damage exceeds 12.5%, then the compensation will be at full replacement value.</p> | <p>If no damage during relocation, then no compensation.</p> <p>If there is damage to the trailers during relocation, the Technical Commission consisting of technical experts from Gosstroy would assess the scope of the damage and then recommend levels of compensation.</p> |
| Latrines | MOTC | New toilets will be provided adjacent to the | |

| | | | |
|------------------------------|---|--|---|
| | | parking area. | |
| Business | Owner/ Business Operator-tenant | Compensation of business income lost for the period of business stoppage based either on tax declaration/patent fee or if this is unavailable minimum non-taxable income | The compensation will be given for 10 days from business stoppage according to the results of independent evaluation. The relocation of trailers and the re-opening of businesses have been estimated to be completed within 10 days. |
| Unexpected impacts | Owner/Business Operator | Any unexpected impacts during relocation and construction. | The compensation due to unexpected impacts will be paid only if the AP is found eligible by the Grievance Redress Mechanism. |
| Severe Impacts Allowance | AP suffering >10% income losses | A one month allowance based on minimum subsistence level | Minimum subsistence level for Naryn Province is 4,453.6 Som per month (NSC, 1st qtr 2013). |
| Vulnerable Persons Allowance | Household below poverty line or headed by women/ disabled | A one month allowance based on minimum subsistence level | Minimum subsistence level for Naryn Province is 4,453.6 Som per month (NSC, 1st qtr 2013). |

C. LEGAL AND POLICY BACKGROUNDS

10. ADB's Safeguards Policy Statement is aimed to: (1) avoiding involuntary resettlement wherever possible; (2) minimizing involuntary resettlement by exploring project and design alternatives; (3) enhancing, or at least restoration of, the livelihoods of all displaced persons in real terms relative to pre-project levels; (4) and improvement in the standards of living of the displaced poor and other vulnerable groups. The project is prepared based on ADB (1995) as amended in the ADB's Safeguards Policy Update (2009) and Operations Manual (OM) Section F1/BP (2010), and the Legislation of the Kyrgyz Republic. The Temporary rules for the valuers and valuation companies (Government Resolution, as of 21 August 2003, # 537) and Valuation standard of real estate for the valuers (Government Resolution, 3 April 2006, # 217) have been applied.

11. All impacts whether already occurred or yet to occur will be compensated at replacement rates and severely affected or vulnerable APs will receive special rehabilitation allowances. The compensation/rehabilitation program under the RP is based on the following principles:

- involuntary resettlement is to be avoided or at least minimized;
- if impacts are unavoidable appropriate compensation/rehabilitation will be provided so as to preserve the APs living standards;
- APs should be fully informed and consulted on RP compensation

options and implementation;

- APs' socio-cultural institutions should be supported/used as much as possible;

- compensation will be carried out with equal consideration of women and men;

- lack of formal legal land title should not be a bar to compensation or at least rehabilitation allowance to restore AP's living standards before the project implementation;

- particular attention should be paid to poor or women/disabled person headed households and appropriate assistance should be provided to them.

Compensation/rehabilitation provisions will include:

- all relocation and re-installation costs for the trailers, auxiliary structures, and utilities;

- compensation for any damages;

- compensation for income losses during relocation;

- and allowances for vulnerable households.

D. THE VALUATION OF COST OF DAMAGES

12. There are two main issues: (1) loss of income of APs from entrepreneurial activities in connection with the construction of the parking area and the relocation of trailers and (2) possible damage to trailers during their relocation and consequent other damage to APs.

13. The basis for calculating the loss of income from entrepreneurial activities is a period of 10 days during the summer season. For calculation and compensation payment due to possible damage to trailers during their relocation, two categories of compensation are applied: minor damage and significant damage (the texts and data reflected below are extracted from the Evaluation report prepared by an independent valuator, and examined by Department of State Expertise under the State Agency for Architecture, Construction and Utilities under the Government of the Kyrgyz Republic).

Damage appraisal

Cost of damage is calculated by the following formula

$$U = Rc \times I + P, (1)$$

where, **U** – cost of damage;

Rc – Cost of property replacement;

I – Depreciation rate occurred as a result of relocation of trailer;

P – cost of expenses for relocation of the toilet, accessory facilities, connection of outside electric cable to the trailer.

Rc is evaluated by the following formula **$Rc = B + E + O + D$** , (2):

where **B** - market value of the purchase of the trailer with delivery;

E – market value of the meter installation;

O – market value of the removal and installation of small stove;

D - market value of the dismantling and construction of the trestle beds.

It is discovered that at the time of the appraisal, all the trailers have more than 40% of physical deterioration; with increasing deterioration by 30% trailers will be in disrepair.

It is determined using the scale shown in Table 2.

Table 2. Value of the Index I

| No. item | Deterioration percentage (trailer deterioration difference before and after relocation) | Damage type | Value of the Index I |
|----------|---|---|----------------------|
| 1. | 0 percentage | No damage to the trailer | 0 percentage |
| 2. | from 1 till 10 percentage, including | Suffered minor physical damage to the trailer | 10 percentage |
| 3. | from 11 till 20 percentage, including | Suffered minor physical damage to the trailer | 20 percentage |
| 4. | from 21 till 30 percentage, including | Suffered minor physical damage to the trailer | 30 percentage |
| 5. | from 31 till 100 percentage, including | Suffered significant physical damage to the trailer | 100 percentage |

All costs associated with the trailer relocation are the responsibility of the Ministry of Transport and Communications of the Kyrgyz Republic. These costs are not included in the damage appraisal.

14. **Cost of the trailer** was evaluated using the comparative approach based on the analysis of comparable objects. All the trailers offered in the local market are of Soviet production manufactured up to 1980, and they are sold by EX without stove, electric meter and trestle bed. New trailers are produced in Ukraine and Russia, factory price is \$ 4,000-18,000 excluding delivery. Price adjustments of the counterparts were made under bargaining discounts on them, area of the trailer and costs of transportation from the place of location to the place of destination. Replacement cost of the second hand trailer that is in good condition is 123,700 som.

15. Reinstallation costs of equipment and facilities were determined based on the prices of web-sites and newspaper “Vecherniy Bishkek”, the results are given in the tables 3 and 4.

Table 3. Reinstallation cost of equipment of the trailers

| No. enterprise | Equipment | Source of information | Reinstallation cost |
|----------------|--------------------------------------|---|---------------------|
| 1. | Electric meter | Manual “Construction and Repair” | 1335,0 |
| 2. | Small stove | http://www.msn.kg/ | 350,0 |
| 3. | 1 trestle bed | Vecherniy Bishkek” daily paper | 2300,0 |
| 4. | Connection of outside electric cable | Manual “C&R” | 50,0 |

Table 4. Relocation cost of facilities

| No. enterprise | Equipment | Reinstallation cost |
|----------------|-----------|---------------------|
|----------------|-----------|---------------------|

| | | |
|----|--|--------|
| 1. | Outdoor vestibule (Trailer 2) | 2753,0 |
| 2. | Shed (Trailer 3 and Trailer 4) | 9061,0 |
| 3. | Toilet | 1587,0 |
| 4. | Connection of the outside electric cable | 50,0 |

Note: Prices in the tables are used at the time of evaluation of trailers in August 2012 and they should be adjusted.

Calculation of the compensation level for property damage provided in the table 5.

16. Damage to business as a result of resettlement means appraisal of net income that was lost during the period of dead time. If the expected period of dead time will be less than one month, entrepreneur's costs such as trailer rent, building lease, cost of the patent must not be taken into account in calculation of net income. Entrepreneur has already incurred expenses or s(he) will have to incur expenses regardless of number of days of dead time. In this case, the subject of the appraisal that meets the purpose of appraisal will be a net operating income before income tax expenses and obligatory payments.

Table 5. The compensation level for property damage

| No. | No. of trailer | Purpose | Without damage to the trailer | Damage 1 - 10% | Damage 11 - 20% | Damage 21 - 30% | Heavy damage to the trailer |
|-----|----------------|------------|-------------------------------|----------------|-----------------|-----------------|-----------------------------|
| 1. | Trailer 1 | Cafe | 844,0 | 13545,0 | 26247,0 | 38949,0 | 127861,0 |
| 2. | Trailer 2 | Hotel | 3597,0 | 16528,0 | 29460,0 | 42392,0 | 132914,0 |
| 3. | Trailer 3 | Hotel/Cafe | 5375,0 | 18306,0 | 31238,0 | 44169,0 | 134692,0 |
| 4. | Trailer 4 | House | 5375,0 | 18076,0 | 30778,0 | 43479,0 | 132392,0 |
| 5. | Trailer 5 | Hotel/Cafe | 1637,0 | 14406,0 | 27174,0 | 39943,0 | 129322,0 |
| 6. | Trailer 6 | Hotel/Cafe | 1637,0 | 14406,0 | 27174,0 | 39943,0 | 129322,0 |
| 7. | Trailer 7 | Hotel | 844,0 | 13775,0 | 26707,0 | 39639,0 | 130161,0 |
| 8. | Trailer 8 | Cafe | 844,0 | 13545,0 | 26247,0 | 38949,0 | 127861,0 |
| 9. | Trailer 9 | Hotel/Cafe | 1637,0 | 14406,0 | 27174,0 | 39943,0 | 129322,0 |
| 10. | Trailer 10 | Hotel | 844,0 | 13775,0 | 26707,0 | 39639,0 | 130161,0 |
| 11. | Trailer 11 | Cafe | 844,0 | 13545,0 | 26247,0 | 38949,0 | 127861,0 |

It is necessary for appraisal to determine for each season of the year: (1) total daily net operating income and (2) total of daily net income.

17. The daily operating net income is assessed by the formula:

Daily net income = (monthly earnings – monthly operating expenses)/number of working days of the month, (3).

Daily net income is assessed by the formula:

Daily net income = (annual net income – taxes and obligatory payments)/number of working days of the year, (4).

The survey of the business owners on the monthly proceeds and operating

expenses in the different seasons was conducted. The collected personal data was analyzed by comparing with the results of the time study, and by comparison with the similar data of other entrepreneurs for excluding unreliable data, over-report or underreport. Daily proceeds from Hotel/café under 100% load were used as a basis for the loss assessment during the active season. Current average proceeds from Hotel/café that was determined as a result of the time study conducted on October 16, 2012, were used as a basis for the loss assessment during the low season (spring, fall). Daily proceeds from Toktaliev Zarylbek's Hotel/café 10 and 11 were used as a basis for the loss assessment during the low season, and he was the only one who gave the book of entries for review.

18. Operating expenses have been taken at the level of normalized data collected by questionnaire. Results of calculation of compensation for 1 day of downtime are in the Table 6.

Table 6. Results of calculation of compensation for 1 day of downtime, som

| No. Trailer | Name of the Business Owner | Purpose | Net operating income per day, winter | Net operating income per day, fall spring | Net operating income per day, summer | Average net operating income per day | Net income per day (income minus statutory payments) |
|-------------|--------------------------------|-------------|--------------------------------------|---|--------------------------------------|--------------------------------------|--|
| 1. | Usubakunov Sadyrbek Malikovich | Cafe | 1139,0 | 667,0 | 136,0 | 652,0 | 500,0 |
| 2. | Usubakunov Sadyrbek Malikovich | Hotel | 826 | 500 | 265 | 523 | 375 |
| 3. | Bayaliev Baktybek | Hotel, Cafe | 851 | 494 | 125 | 491 | 375 |
| 5. | Olboz Zhusupova | Hotel, Cafe | 851 | 494 | 125 | 491 | 375 |
| 6. | Abylova Salamat Duyshonalievna | Hotel, Cafe | 851 | 494 | 125 | 491 | 375 |
| 7. | Dumanaev Rahatbek Bektenovich | Hotel | 826 | 500 | 265 | 523 | 307 |
| 8. | Dumanaev Rahatbek Bektenovich | Cafe | 1139 | 667 | 136 | 652 | 568 |
| 9. | Aichurok Isakova | Hotel, Cafe | 851 | 494 | 125 | 491 | 375 |
| 10. | Toktaliev Zarylbek | Hotel | 826 | 500 | 265 | 523 | 375 |
| 11. | Toktaliev Zarylbek | Cafe | 1139 | 667 | 136 | 652 | 568 |

Determination of the daily income "Hotel/Café" business have two components: (1) income from accommodation; (2) income from meals. All the entrepreneurs follow the uniform pricing policy: Daily income per person is 300-350 depending on the season, out of which 100 som is payment for accommodation. Number of working days in a month is 22. Saturday and Sunday are days off. The number of working days in a year is 264.

By functional specifications the trailers are divided into 3 types: (1) two-room trailer "hotel", (2) two-room trailer "hotel/café" and (3) two-room trailer "café". Two-room trailer "hotel" can accommodate up to 10 people, 5 people per room.

Two-room trailer "hotel/cafe" accommodates up to 5 people. According to the observation carried out on October 15 and 16, 2012 the average load of the trailer is 57%, mainly loyal clients. Based on the results of the questionnaire the normalized income and expense rates for three types of the trailers have been shown (Table 7). The trailers have varying loading degrees and consequently different income under equal conditions and equal prices of service supply. To assess the losses from decrease of income, the highest probable load was taken into account based on the ABD Safeguard Policy Statement regardless of the trailers current load.

Table 7. Normalized indicators of income and expenses according to the types of trailers:

| Specification of indicators | Cafe | Hotel | Hotel/Cafe |
|---|-----------------------|------------------------|---------------------|
| Maximum number of clients | 10 | 10 | 5 |
| Number of clients per day, winter | 10 | 10 | 5 |
| Number of clients per day in spring and fall | 6 | 6 | 3 |
| Number of clients per day in summer | 3 | 3 | 1,5 |
| Cost of food/accommodation per day in high season | 250 | 100 | 350 |
| Cost of food/accommodation per day in off-season | 200 | 100 | 300 |
| Cost of foodstuffs (meal 1 person/day) | 100 | | 100 |
| Payment for electricity per month | 1000 | 120 | 1000 |
| Transportation cost (1 trip for foodstuffs) | 925 | | 925 |
| Cost of gas bottles per month | 1200 | 0 | 1200 |
| Land lease per year | 3000 | 3000 | 3000 |
| Patent cost, per month | $800 \times 2 = 1600$ | $1500 \times 2 = 3000$ | $1500 + 800 = 2300$ |
| Water per month | 550 | | 275 |
| Rent for the trailer, per month | 1500 | 1500 | 1500 |
| Coal in winter, per month | 1500 | 1500 | 1500 |

Operating costs calculation is reflected in Table 8.

Table 8 . Operating costs, Soms

| Winter | | | |
|--|--------------|-------------|--------------|
| Type of the trailer | Cafe | Hotel | Hotel/Cafe |
| Average number of clients per day | 10 | 10 | 5 |
| Number of working days per month | 22 | 22 | 22 |
| Costs for foodstuffs and other costs per month | 22000 | 2200 | 12100 |
| Electricity payment per month | 1000 | 120 | 1000 |
| Transportation costs per month | 3700 | 0 | 3700 |
| Gas bottles per month | 1200 | 0 | 1200 |
| Water per month | 550 | 0 | 275 |
| Coal in winter per month | 1500 | 1500 | 1500 |
| Total operating costs per month | 29950 | 3820 | 19775 |
| Spring, fall | | | |

| Type of the trailer | Cafe | Hotel | Hotel/Cafe |
|--|--------------|--------------|-------------------|
| Average number of clients per day | 6 | 6 | 3 |
| Number of working days per month | 22 | 22 | 22 |
| Costs for foodstuffs and other costs per month | 13200 | 1320 | 7260 |
| Electricity payment per month | 1000 | 120 | 1000 |
| Transportation costs per month | 1850 | 0 | 1850 |
| Gas bottles per month | 1200 | 0 | 1200 |
| Water per month | 330 | 0 | 165 |
| Coal in winter per month | 750 | 750 | 750 |
| Total operating costs per month | 18330 | 2190 | 12225 |
| Summer | | | |
| Type of the trailer | Cafe | Hotel | Hotel/Cafe |
| Average number of clients per day | 3 | 3 | 1,5 |
| Number of working days per month | 22 | 22 | 22 |
| Costs for foodstuffs and other costs per month | 6600 | 660 | 3630 |
| Electricity payment per month | 1000 | 120 | 1000 |
| Transportation costs per month | 1233 | 0 | 1233 |
| Gas bottles per month | 1200 | 0 | 1200 |
| Water per month | 165 | 0 | 82,5 |
| Total operating costs per month | 10198 | 780 | 7146 |

Daily net income and net profit in the context of the seasons, and the average for the year was calculated for each trailer as shown in Tables 9 and 10.

Table 9. Calculation of the income and net operating income by season, Soms

| Winter | | | |
|---|-------------|--------------|-------------------|
| Specification of the trailer | Cafe | Hotel | Hotel/Cafe |
| Number of clients per day | 10 | 10 | 5 |
| Cost of food/accommodation per day in high season | 250 | 100 | 350 |
| Proceeds per month | 55000 | 22000 | 38500 |
| Operating costs | 29950 | 3820 | 19775 |
| Net operating income per month | 25050 | 18180 | 18725 |
| Net operating income per day | 1139 | 826 | 851 |
| Spring, fall | | | |
| Specification of the trailer | Cafe | Hotel | Hotel/Cafe |
| Number of clients per day | 6 | 6 | 3 |
| Cost of food/accommodation per day in high season | 250 | 100 | 350 |
| Proceeds per month | 33000 | 13200 | 23100 |
| Operating costs | 18330 | 2190 | 12225 |
| Net operating income per month | 14670 | 11010 | 10875 |
| Net operating income per day | 667 | 500 | 494 |
| Summer | | | |
| Specification of the trailer | Cafe | Hotel | Hotel/Cafe |
| Number of clients per day | 3 | 3 | 1,5 |
| Cost of food/accommodation per day in high season | 200 | 100 | 300 |
| Proceeds per month | 13200 | 6600 | 9900 |

| | | | |
|--------------------------------|-------|------|------|
| Operating costs | 10198 | 780 | 7146 |
| Net operating income per month | 3002 | 5820 | 2754 |
| Net operating income per day | 136 | 265 | 125 |

Table 10. Calculation of the average of the income and profit for the year

| Trailer No | Trailer 1 | Trailer 2 | Trailer 3 | Trailer 5 | Trailer 6 |
|-------------------------------------|-------------------------------|-------------------------------|------------------|------------------|-------------------------------|
| Name of the Business Owner | UsubakunovS adyrbekMalikovich | UsubakunovS adyrbekMalikovich | BayalievBaktybek | OlbozZhusupova | AbylovaSalamatDuyshonaliyevna |
| Specification | Cafe | Hotel | Hotel/Cafe | Hotel/Cafe | Hotel/Cafe |
| Type of ownership | Rent, 1500soms per month | Private property | Private property | Private property | Private property |
| Proceeds per year | 402600 | 165000 | 283800 | 283800 | 283800 |
| Operating costs | 304225 | 26940 | 154113 | 154113 | 154113 |
| Net operating income per year | 172175 | 138060 | 129688 | 129688 | 129688 |
| Obligatory payments | | | | | |
| Trailer rent | 18000 | | | | |
| Cost of patent per year | 19200 | 36000 | 27600 | 27600 | 27600 |
| Land rent per year | 3000 | 3000 | 3000 | 3000 | 3000 |
| Net profit | 131975 | 99060 | 99088 | 99088 | 99088 |
| Profitability | 32,78% | 60,04% | 34,91% | 34,91% | 34,91% |
| Proceeds per day | 1525 | 625 | 1075 | 1075 | 1075 |
| Net operating income per day | 652 | 523 | 491 | 491 | 491 |
| Net profit per day | 500 | 375 | 375 | 375 | 375 |

Table 10 (Continuous)

| | Trailer 7 | Trailer 8 | Trailer 9 | Trailer 10 | Trailer 11 |
|-----------------------------------|-----------------------------|-----------------------------|------------------|-------------------|-------------------|
| Name of the Business Owner | DumanaevRahatbekBektenovich | DumanaevRahatbekBektenovich | AichurokIsakova | ToktalievZarylbek | ToktalievZarylbek |
| Specification | Hotel | Cafe | Hotel/Cafe | Hotel | Cafe |
| Type of ownership | rent 1500soms per month | Private property | Private property | Private property | Private property |
| Proceeds per year | 165000 | 402600 | 283800 | 165000 | 402600 |
| Operating costs | 26940 | 230425 | 154113 | 26940 | 230425 |
| Net operating income per year | 138060 | 172175 | 129688 | 138060 | 172175 |
| Obligatory payments | | | | | |
| Trailer rent | 18000 | | | | |
| Cost of patent per year | 36000 | 19200 | 27600 | 36000 | 19200 |
| Land rent per year | 3000 | 3000 | 3000 | 3000 | 3000 |
| Net profit | 81060 | 149975 | 99088 | 99060 | 149975 |
| Profitability | 49,13% | 37,25% | 34,91% | 60,04% | 37,25% |
| Proceeds per day | 625 | 1525 | 1075 | 625 | 1525 |

| | | | | | |
|------------------------------|-----|-----|-----|-----|-----|
| Net operating income per day | 523 | 652 | 491 | 523 | 652 |
| Net profit per day | 307 | 568 | 375 | 375 | 568 |

19. Land acquisition is not provided by the project; the land at the site, where the trailers are located is classified as pasture and owned by the state. Trailer owners and renters are imposed charges of 3,000 Kyrgyz soms per year for the use of land. All of them signed the Agreements for the use of land.

E. Budget and Financing

20. In October 2012 loss of income as a result of relocation was evaluated, cost of trailers and warehouses to be relocated were defined in case of their damage. Budget should include (1) expenses for relocation of auxiliary structures; (2) connection of external electric cables; (3) and loss of net operational income within 10 days during summer season.

21. Compensation amount is calculated on the basis of prices of October 01, 2012. Allowances for vulnerable people are provided for three families, headed by women taking into account of the basis of two week minimum living wage. Total sum of compensation is **42 756 KG Soms**, compensation sums of trailer owners are given in Table 11.

Table 11. Compensation for loss of expected gain (Som)

| Trailer | Trailer owner's name | Relocation of auxiliary structures | Connection of external electric cable | Net operational income during summer day | Net operational income for 10 summer days | Allowance for vulnerable people | Total sum of compensation |
|---------|--------------------------------|------------------------------------|---------------------------------------|--|---|---------------------------------|---------------------------|
| 1 | Usubakunov Sadyrbek Malikovich | 0,0 | 50,0 | 136 | 1360 | 0 | 1 410 |
| 2 | Mamyrganov B.T. | 2 753,0 | 50,0 | 265 | 2 650 | 0 | 5 453 |
| 3 | Bayaliev Baktybek | 4 530,5 | 50,0 | 125 | 1 250 | 0 | 5 830.5 |
| 4 | Asanova (RMU 957) | 4 530,5 | 50,0 | 125 | 0 | 0 | 4 580.5 |
| 5 | Olboz Jusupova | 0,0 | 50,0 | 125 | 1 250 | 4 454 | 5 754 |
| 6 | Abylova Salamat Duyshonalieva | 0,0 | 50,0 | 125 | 1 250 | 4 454 | 5 754 |
| 7 | Dumanaev Rahatbek Bektenovich | 0,0 | 50,0 | 265 | 2 650 | 0 | 2 700 |
| 8 | Dumanaev Rahatbek Bektenovich | 0,0 | 50,0 | 136 | 1 360 | 0 | 1 410 |
| 9 | Aichurok Isakova | 0,0 | 50,0 | 125 | 1 250 | 4 454 | 5 754 |

| | | | | | | | |
|--------------|--------------------|-----------------|--------------|----------------|-----------------|-----------------|----------------|
| 10 | Toktaliev Zarylbek | 0,0 | 50,0 | 265 | 2 650 | 0 | 2 700 |
| 11 | Toktaliev Zarylbek | 0,0 | 50,0 | 136 | 1 360 | 0 | 1 410 |
| Total | | 11,814.0 | 550.0 | 1,828.0 | 17,030.0 | 13,362.0 | 42 756* |

Note: Trailer 4 belongs to RMU-957.

* Total amount of compensation for the loss of expected gain and impact during the resettlement will be revised taking into account price index of the capital investment, specified on the date of compensation payments.

22. Approximate compensation amount for trailer damages during their resettlement is given in Table 12.

Table 12. Compensation for possible trailer damages (KG Som)

| No. Trailer | Name of the owner | Specification | Minor damage to trailer | Significant damage to trailer |
|--------------|--------------------------------|---------------|-------------------------|-------------------------------|
| Trailer 1 | Usubakunov Sadyrbek Malikovich | Cafe | 15877,19 | 127017,5 |
| Trailer 2 | Mamyrganov B.T. | Hotel | 16164,69 | 129317,5 |
| Trailer 3 | Bayaliev Baktybek | Hotel, Cafe | 16164,69 | 129317,5 |
| Trailer 4 | Asanova (RMU 957) | House | 15877,19 | 127017,5 |
| Trailer 5 | Olboz Jusupova | Hotel, Cafe | 15960,63 | 127685,0 |
| Trailer 6 | Abylova Salamat Duyshonalievna | Hotel, Cafe | 15960,63 | 127685,0 |
| Trailer 7 | Dumanaev Rahatbek Bektenovich | Hotel | 16164,69 | 129317,5 |
| Trailer 8 | Dumanaev Rahatbek Bektenovich | Cafe | 15877,19 | 127017,5 |
| Trailer 9 | Aichurok Isakova | Hotel, Cafe | 15960,63 | 127685,0 |
| Trailer 10 | Toktaliev Zarylbek | Hotel | 16164,69 | 129317,5 |
| Trailer 11 | Toktaliev Zarylbek | Cafe | 15877,19 | 127017,5 |
| Итого | | | 176049,41 | 1408395,0 |

Note: Given amounts for damages will be revised taking into account price index of the capital investment, specified on the date of compensation payments.

Trailer 4 belongs to RMU-957 so refunding the property damages are not covered. Compensation is not include expenses on preparation of area for parking vehicles with placing the road pavement layers, two layer asphalt and other works which are the responsibility of the MOTC KR.

F. Implementation arrangements of Resettlement Plan

23. Ministry of Transport and Communications of the Kyrgyz Republic has overall responsibility on implementation of this RP, management of resettlement tasks, issues related to safeguard measures and environment and social assessment.

G. Grievance Redress Mechanism

24. APs complaints on project realization are considered by Grievances Redress Groups (GRG) on local and central levels.

J. Photos of trailers



Picture 2. Trailer 0. Mr. Ibrayev Sadyrbek, Shepherd Salbaeva Mayram, Housewife



Picture 3. Trailers 1 and 2. Ms. Akpaeva Nurgul, Doctor's Assistant, Mr. Usubakunov Sadyrbek Malikovich, Business Operator



Picture 4. Trailer 3. Mr. Bayaliyev Baktybek, Business Operator (also has Trailer 4),
Asanova Baktygul, Business Operator



Picture 5. Trailer 4 and Storage Shed



Picture 6. Trailer 5. Ms. Olboz Jusupova, Divorced, Business Operator



Picture 7. Trailer 6. Ms. Abylova Salamat, Divorced, Business Operator



Picture 8. Trailers 7 and 8. Mr. Dumanaev Rahatbek Bektenovich, Business Operator, MsTokonova Ainura, Business Operator



Picture 9. Trailer 9. Ms. Aichurok Isakova, Divorced, Business Operator



Picture 10. Trailers 10 and 11. Mr. Toktaliev Zarylbek, Business Operator, Ms. Toktalieva Guzhamal, Business Operator