

Republic of Uzbekistan

**Project «Construction of new electrified railway  
Angren-Pap».**

**World Bank**

**SJSRWC «Uzbekistontemiryullari»**

**RESETTLEMENT POLICY FRAMEWORK**

**Tashkent 2014**

## ABBREVIATIONS

<b>AP</b>	Affected Person
<b>SJSRWC «UTY»</b>	SJSRWC «UzbekistonTemirYullari»
<b>GRP</b>	Gross Regional Product
<b>IFI</b>	International Financial Institutions
<b>UZS</b>	Uzbek Sum
<b>LARF</b>	Land Acquisition and Resettlement Framework
<b>LARS</b>	Land Acquisition and Resettlement Survey
<b>LARP</b>	Land Acquisition and Resettlement Plan
<b>NGO</b>	Non Governmental Organization
<b>OP</b>	Operational Procedure
<b>PMC</b>	Project Management Consultant
<b>PIB</b>	Public Information Booklet
<b>PAP</b>	Project Affected Persons
<b>RAP</b>	Resettlement Action Plan
<b>RU</b>	Republic of Uzbekistan
<b>ROW</b>	Right of Way
<b>Cadastral Service</b>	State committee of the Republic of Uzbekistan for land resources, geodesy, cartography and state cadastre
<b>TOR</b>	Terms of Reference
<b>WB</b>	World Bank
<b>WE-WC</b>	Western Europe Western China

**\* The rate of the Central bank (CB) of the Republic of Uzbekistan  
(as for November 11, 2014)**

US\$ 1 (USD) = 2392.50 Uzbek Sums (UZS)

1 UZS = 0,0004179 USD

## GLOSSARY

Affected Persons	People, Households, or Legal Entities affected by the project related changes in use of land, water, natural resources, or income losses.
Compensation	Payment in cash or in kind to which the Affected Persons are entitled in order to replace land or other assets taken for project use.
Cut-off-date	Date after which people WILL NOT BE considered eligible for compensation, i.e., they are not included in the list of PAPs as defined by the census.
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 PAPs, depending on the type, degree and nature of their losses, to restore their social and economic base.
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 PAPs.
Involuntary Resettlement	Any resettlement, which does not involve willingness of the persons being adversely affected, but are forced through an instrument of law.
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.
Replacement cost (assets)	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 cost (land)	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
Rehabilitation	Assistance provided to the 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.
Socially vulnerable people	Population, who have income less than living wage. The living wage in Uzbekistan is 62 USD according to the data of State Committee for Statistics in Uzbekistan. <sup>1</sup>

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<sup>1</sup>According to the Decree of the Cabinet of Ministers of the Republic of Uzbekistan No.165 dated 07.06.2012 socially vulnerable people have income of 1.5 minimal salaries per person in the family which makes about 144.158

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.
Khokimiyat	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.

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sums (approximately US\$2.07 per person a day). Exchange rate of the Central Bank of the Republic of Uzbekistan for 15 July 2014 is US\$ 1 =2324.10 sums.

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## **INTRODUCTION**

Resettlement Policy Framework is the objective of the Terms of Reference for implementation of the project “Construction of new electrified railway Angren-Pap”. The main objective of the report of Resettlement Policy Framework is to give definition to the principles of involuntary resettlement, organizational structure as well as to develop criteria which will be applied during project implementation.

Resettlement Policy Framework describes how the main involuntary resettlement components will be applied for “Construction of new electrified railway Angren-Pap”. The present report describes the principles and procedures which will be observed during the project implementation in order to correspond to the existing laws of the Republic of Uzbekistan and main provisions of the guarantees of rights of the project affected persons according to the World Bank (WB) Operation Policy (OP) 4.12 .

The present report reflects the data and assessments of the Resettlement Policy Framework (RPF).

## **CHAPTER I: INFORMATION ABOUT PROJECT**

### **1.1 GENERAL PROVISIONS**

The President and the Government of the Republic of Uzbekistan give the priority to strategically important state project "Construction of New Electrified Railway Angren-Pap".

In compliance with the Decree of the President of the Republic of Uzbekistan No. PP-1985 dated June 18, 2013 "On measures for the organization of construction of the electrified railway "Angren-Pap", for completion of formation of unique network of railroads of the Republic of Uzbekistan, creation of new international transit railway corridor "China-Central Asia-Europe", and also provision of favorable conditions for further complex economic and social development of the regions of Fergana Valley the following sources of the project financing are determined:

- own and attracted funds of SJSRWC "UzbekistonTemirYullari" allocated for acquisition of construction machinery, equipment, materials and payment of construction and assembly works, and also other expenses related to the project implementation;
- funds of the centralized investments annually provided within the State budget of the Republic of Uzbekistan for 2013-2016;
- concessional long-term foreign credits attracted for financing of objects of electrification of railway, its equipping with alarm and communication systems, and also procurement of cars and mechanisms for operation. World Bank was invited for this purpose;
- credits of the Fund for reconstruction and development of the Republic of Uzbekistan provided by SJSRWC "UzbekistonTemirYullari" for financing of payment of the import equipment and components, carrying out assessment, maintenance and construction supervision, other currency expenses within the project implementation, and also equipment procurement for equipping of the contract construction organizations.
- Also, the loan agreement is signed with Export-import Bank of China for co-financing of the contract on construction of railway tunnel within the line construction.

### **1.2 PROJECT DESCRIPTION**

World Bank renders assistance to the Republic of Uzbekistan in preparation and implementation of strategically important project "Construction of new electrified railway "Angren-Pap". The objective of this project is achieved by the construction and electrification of the railway between Fergana Valley and the central part of Uzbekistan. The project provides commissioning of the electrified railway through the territory of Tashkent and Namangan regions. The region of Fergana Valley plays the important role in economic, social, foreign policy life of the whole Uzbekistan.

Implementation of this project will raise not only the efficiency of cooperation of economic entities of national economy, but also the external economic role of our government. New railroad will serve as the shortest railway (passing other states), connecting inexhaustible economic resources of Fergana Valley to the main industrial and economic centers of the Republic of Uzbekistan. This construction will bring huge benefit for this region. The increase in mobility of people, goods and services will lead to the increase in capacity for achievement of fast economic development. It will create new opportunities for employment, fast access to regional institutions for rural settlements away from the road.

The route of the railway goes through the territories of various land tenure and land users, partially involving the territories of settlements. Settlements are located mainly at inflows of the Akhangaran river. The largest of them are Chinar, Terkakyrildy, Tangatapdy, Chetsu, Koksaray, Mashinatop, Beshkul,

Sardala. Existence of the highway A-373 and settlements causes certain difficulties in arrangement of the railway route in quite narrow valley of the Akhangaran river with observance of standard sanitary gap to the housing estate. Under such circumstances, construction of new way of 124 km involves monetary expenses from testing of the soil and new geodetic works prior to preparation of detailed and ecological developments; determination of requirements for land acquisition and movement; consultation of local official and other interested persons on provision of assistance; and also planning and implementation of logistics of transportation of workers, machinery and materials to many remote areas.

Concerning involuntary resettlement the route of the designed railway is conditionally divided into two parts: Tashkent and Namangan regions:

Tashkent region  
(Akhangaran raion)

In the territory of the Tashkent region from Angren station the route passes along the coal mine “Angrensky” of 8.4 km long through other lands not used in agriculture (84 hectares). Further throughout 7 km the route passes through the territory of Akhangaran forestry (70 hectares) of which 20 hectares is forest and 50 hectares – other lands not used in agriculture. Further throughout 19.8 km the route passes through “Chatkal” lands territory (198 hectares) out of which 190 hectares are pastures, 8 hectares – other lands not used in agriculture.

Namangan region  
(Pap raion)

In the territory of Namangan region the route passes through the territory of Abu Ali Ibn Sino lands (5 km). Lands are represented with the pastures (50 hectares). Further throughout 23.5 km the route passes through “Chadak” lands territory. Lands are represented with the pastures (212 hectares) and other lands (23 hectares) not used in agriculture. Then the route passes through “Vodiy” lands territory (20.5 km). Lands are represented with the irrigated lands - 18.8 hectares, pastures – 168 hectares, roads, sprinklers – 0.4 hectares, homestead lands – 0.8 hectares, other lands not used in agriculture – 17 hectares. Further the route passes through “M’ashal” lands territory (9 km). Lands are represented with the irrigated lands – 84.21 hectares, roads, sprinklers – 2.6 hectares, homestead lands – 3.45 hectares. Further the route passes through “Mirsultanova” lands territory (4.2 km). Lands are represented with irrigated lands – 41.5 hectares, roads, sprinklers – 0.9 hectares. Further the route passes through “Dustlik” lands territory (1.0 km). Lands are represented with irrigated lands – 10.23 hectares, roads, sprinklers – 0.27 hectares.

Total extent of the route (without tunnel) makes 98.4 km, total area of allotted lands – 985.2 hectares, of them 154.74 hectares - irrigated lands, 20 hectares - woodland and forest plantations, 620 hectares - pastures, 4.17 hectares - road, sprinklers, 4.25 hectares - homestead lands and 182 hectares - other lands not used in agriculture.

This Resettlement Policy Framework provides mitigation measures for all land acquisition to be undertaken under the project. One site-specific Resettlement Action Plan (RAP) is under preparation in parallel, to cover project sites that have already been identified. Additional site-specific RAPs will be prepared once more sites are identified. In addition, a Resettlement Audit is under preparation to assess past project-related resettlement practice (undertaken prior to the finalization of the RPF) and to identify



mitigation measures (in a Social Action Plan) that are needed to bring past resettlement up to World Bank policy standards.

In view of the performed tasks and logic of project implementation, and also the current legislation, the main stages of the project and their duration are determined:

## **I. Phase 1: Pre-investment researches and costs.**

This project stage consists of:

- (i) - PFS stage or preliminary feasibility study (PFS) or preliminary technical and economic calculation - pre-design document proving for the choice of rational placement and the most effective technical, organizational and economic solution of implementation, cost limit of the project in total, including the cost of technological equipment, on the basis of consideration of options and determining the scope of requirements for financing taking into account options on possible sources of its financing;
- (ii) - Organization and conducting of tender, conclusion of contracts;
- (iii) - FS stage or final feasibility study or technical and economic calculation of the feasibility study– pre-design document establishing final, most effective technical, organizational and financial and economic solutions of implementation of the investment project, determined on the basis of the bids and taking into account financing terms of the projects;
- (iv) - WD stage consists of approval of the main technical and economic parameters with the limit cost and working documentation;

During this stage the RPF, the RAP for known land acquisition and the Resettlement Audit and Social Action Plan will be prepared. Also during this stage the RAP and the Social Action Plan will be implemented.

Total duration of pre-investment phase makes up to 12 months: from PFS stage to FS stage. WD stage, in view of rather big duration of investment phase, is set during the whole period of project implementation.

At tender stage it is supposed to use services of the international consulting company for carrying out the tender for involvement of general contractor. Tender for construction, as well as procurement of import and local raw materials and the equipment will be carried out in the process of project implementation.

## **II. Phase 2: Capital investment expenses.**

This stage envisages fulfillment of capital investment costs in form of:

- (i) –Construction and assembly works.
- (ii) – Purchase, installation and commissioning of equipment.

Total duration of the second stage is up to 20 months.

The project has five components, the first two of which have the greatest impact on social and surrounding environment. Additional stage of the project includes institutional development. This component includes rendering of consulting services, technical training, equipping, as well as training for strengthening of internal management and activities of the Committee, in particular, improvements of planning of railway sector, programming, financing from the budget, performance of security actions and improvement of efficiency of road maintenance practice. Technical assistance will be provided for

preparation of the Plan for improvement of road safety and Action Plan for development of road services along the Corridor.

## **CHAPTER II: PLANNED ACTIVITY ON IMPLEMENTATION OF RESETTLEMENT POLICY**

Within the project "Construction of the Electrified Railway Angren-Pap" construction of new railway "Angren-Pap" is provided. On the basis of the project design, provided by the Project Implementation Unit (PIU "Angren-Pap"), social and economic research conducted by the institute "Uzdaverloyikha", local authorities (khokimiyats) together with the involved services, and also results of the trips to the sites, discussions with the affected persons, other interested parties, and also meeting with the corresponding officials, complete list of the affected HH and structures (dwelling houses, homestead land plots, sheds, stalls, baths, verandah and other building attachments and structures) was prepared. PIU conducted social and economic researches and polls of farms of the project zone; and Appraisal Company specially contracted within the project carried out assessment of the households, lands of which are subject to acquisition. As a result, all households are aware of the forthcoming Project and the expected acquisition of lands.

Resettlement Policy Framework covers the following elements, consecutive with the provisions described in OP 4.12:

- a. Brief description of the project and components for which acquisition of lands and involuntary resettlement is required, and explanation why resettlement plan or reduced plan cannot be prepared by the project assessment;
- b. Principles and goals governing preparation and realization of involuntary resettlement;
- c. Process description for preparation and approval of involuntary resettlement action plans;
- d. Estimated number of people to be moved ;
- e. Establishment of the categories of affected persons;
- f. Legal structure supervising compliance between laws and regulations of the Borrower and requirements and measures of the Bank policy, proposed for informing on any gaps between them;
- g. Evaluation methods of affected (acquired and/or destroyed)assets;
- h. Description of implementation process, connecting resettlement to construction works;
- i. Description of mechanisms of grievances redressing;
- j. Description of activities on financing of involuntary resettlement, including preparation and review of estimated calculations of the budget, source of funds, cash flows and activities under contingencies;
- k. Description of mechanisms for consultations and participation of the affected persons in planning, implementation and monitoring; and
- l. Activities for monitoring by implementing agency and, if required, by independent supervising inspectors.

Thus, project implementation will require involuntary resettlement which may result in relocation or loss of shelter; loss of assets or access to assets; or loss of income sources or means of livelihood, whether or not the affected persons must move to another location.

These problems will be settled according to the state safety measures and the World Bank's policy on Involuntary Resettlement (OP 4.12), including situations when private property (houses, gardens, plots, facilities and structures) can be lost as a result of railway construction. However, the most part of the people living in the project zone, will receive obvious benefit from project implementation.

In case there are any impacts on livelihoods, measures will be required to assist affected persons in their efforts to improve their livelihoods and standards of living or at least restore them, in real terms, to pre-displacement levels or levels prevailing prior to the project (whichever is higher). The following special measures may apply, as necessary:

- 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, support for equipment's and linkages with various agriculture development programs of the government;
- 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.
- Priority for employment in project-related jobs, self-employment and wage employment assistance;
- 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;
- Additional assistance will be provided as the additional allowance for the households according to the Labour Law of RUz (see section on Legal Framework).

## **CHAPTER III: PRINCIPLES AND OBJECTIVES OF INVOLUNTARY RESETTLEMENT POLICY**

### **3.1 MAIN PRINCIPLES OF IMPLEMENTATION OF INVOLUNTARY RESETTLEMENT POLICY**

According to the document of Operational Policy of the World Bank No. 4.12 (OP 4.12) on involuntary resettlement, in the course of development of project activities by "Uzdaverloyikha" institute, all measures were taken for reduction of resettlement and minimizing of temporary use and acquisition of valuable lands by attentive examination of implementation options and the provided procedures of monitoring during construction stages.

According to the project design, Project will require certain amount of land for permanent occupation and demolition of houses, commercial facilities and existing infrastructure; also some temporary occupation of land may take place. As there is a probability of an adverse impact on people, the report on RPF corresponding to OP 4.12 on Involuntary Resettlement which includes both issues of involuntary resettlement, and the ones connected with acquisition of lands was prepared.

Project implementation should be carried out according to the following principles:

- a. It is necessary to minimize performance of works on railway construction which may cause the necessity of involuntary resettlement; when carrying out construction and rehabilitation works damage to houses and objects of infrastructure should be minimized;
- b. Due to careful selection of necessary plots all the best should be done to minimize acquisition of productive and private lands and to avoid acquisition of lands where people live and carry out business activity;
- c. During designing acquisition of lands on permanent basis should be minimized;
- d. Temporary negative impact on lands should be minimized by accurate implementation of construction/rehabilitation works; it is necessary to take additional measures on informing of households to minimize damage to available crops / fruits;
- e. It is necessary to make all efforts to use more public lands for construction of new railway "Angren-Pap", and also to the most limit construction and repair works in irrigated plots. In case it appears impossible to avoid works in the territory of irrigated plots outside the settlements, damage to fields, crops and plantings should be compensated;
- f. The amount of compensations to households for the damage caused to crops and trees, will be determined basing on replacement cost;
- g. Households should have an opportunity to raise complaints in regards to the compensation process;
- h. Implementation of the present RPF will be traced by carrying out internal monitoring – by PIU.
- i. Compensations will be paid in full to the affected parties prior to any construction or rehabilitation works.
- j. Affected persons will be assisted in their efforts to improve their livelihoods and standards of living or at least restore them, in real terms, to pre-displacement levels or levels prevailing prior to the project (whichever is higher).

### **3.2 OBJECTIVES OF INVOLUNTARY RESETTLEMENT POLICY**

The main objectives of resettlement policy framework are:

- a. To provide implementation of recommendations and principles when carrying out construction, rehabilitation and repair (recovery) works of the objects affected by the project;
- b. To provide direction in efforts to assist the restoration of livelihoods;
- c. To provide basis for consultations with the relevant involved parties;
- d. To allow the affected groups of population to receive and deepen knowledge of their rights and duties;
- e. To give opportunity to the affected groups of population to declare claims to the relevant instances; and
- f. To envisage measures for monitoring of restoration process of damages and losses.

## CHAPTER IV: LEGAL FRAMEWORK

### 4.1 LIST OF LEGAL DOCUMENTS ON RESETTLEMENT POLICY

This chapter presents the review of normative and legal documents of the Republic of Uzbekistan (RU) concerning resettlement. These documents provide guarantee of the rights of the project affected persons and the order of compensations payment to these persons in case of loss of property and other objects of property.

Name	Date of approval and amendments	Description
Land Code of the Republic of Uzbekistan	Code was approved by the Law of the Republic of Uzbekistan dated 30.04.1998, considering amendments dated 30.08.2003 and 03.12.2004.	Code regulates the issues of withdrawal and provision of land plots for nonagricultural needs and compensation of losses of agricultural production.
Civil Code of the Republic of Uzbekistan	Code approved by the Laws of the Republic of Uzbekistan dated 21.12.1995 No.163-I and dated 29.08.1996 No.256-I according to the last amendments dated 22.09.2010 No. ZRU-260.	Code provides definition of the property, main concepts to property objects, basics of termination of the property rights and the right for compensation payments in view of the property right loss.
Decree of the CM of the Republic of Uzbekistan № 146	25.05.2011	"On measures for improvement of the order of provision of the land plots for town-planning and other nonagricultural needs"
Decree of the CM of the Republic of Uzbekistan № 97	29.05.2006	"On the order of compensations payment to the citizens and legal entities in view of withdrawal of the land plots for the state and public needs",

As a rule, these standard and legal documents provide general basis for acquisition of lands for public and social needs and compensation to land owners according to the registered use of land.

Within implementation of this project the order of compensations payment to these persons in case of loss of property and other objects of property is also governed by the following standard and legal documents:

- i. Decree of the President of the Republic of Uzbekistan No. PP-1985 dated June 18, 2013 "On measures for the organization of construction of the electrified railway "Angren-Pap".
- ii. Law of the Republic of Uzbekistan "On Evaluation Activity" dated 19.08.1999. No. 811-I;
- iii. Decree of the President of the Republic of Uzbekistan "On further improvement of activity of evaluation companies and increases of their responsibility for the quality of rendered services" (No. PP-843 dated 24.04.2008);
- iv. Law of the Republic of Uzbekistan No.269-II "On protection and use of objects of archaeological heritage" dated August 30, 2001,

## 4.2 LAND CODE

According to the Land Code of the Republic of Uzbekistan all lands in the Republic of Uzbekistan are state property, and permissions to use land are given and controlled by the government through rayon and regional administrations.

Legislation envisages transfer of land plots to:

- ii. **Legal entities**– for use, lease and ownership (only together with the objects of services and trade sphere);
- iii. **Natural persons**– for life inherited ownership (together with the housing), use or lease.

**In no case land as a separate resource can be subject of purchase and sale.** In case of individuals the land turns to life ownership to the new owner only at sale of the house and cannot be sold separately, without structures on it. The same concerns the land which is the property of legal entities – owners of objects of trade and services sector. In Uzbekistan the right of private property for land is not applied for lands of agricultural purpose.

All lands occupied under constant facilities and structures, required within the project, namely: for temporary organization of construction sites and pits, working settlements, premises for storage and utility rooms, sites of materials processing and transportations, and also other sites, are provided by the government through local authorities and after termination of the Project remain government property.

In case of alienation of lands of agricultural purpose besides compensations payment the legislation provides for compensation of losses of agricultural production.

The main articles of the Land Code concerning resettlement process are:

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

Allotment (acquisition) of the land plots to ownership and use is carried out in form of acquisition.

Acquisition of the land plots is made by the Cabinet of Ministers of the Republic of Uzbekistan, khokims of the regions, Tashkent city, raions, cities in the order established by the legislation.

Allotment (acquisition) of the land plot in ownership and use is carried out only after alienation of this land plot in the established order.

Lands of nonagricultural purpose or unsuitable for agriculture or agricultural lands of the worst quality are allotted (are realized) for construction of industrial enterprises, railways and highways, communication and transmission lines, the main pipelines, as well as for other nonagricultural needs. Allotment (acquisition) of the land plots for the above-mentioned needs out of land resources of forestry is carried out first of all in the areas not covered with afforestations, or the areas covered with bushes and plants of little value.

Ownership and use of allotted (realized) land plot is prohibited prior to establishment of borders of this plot in nature (in place) by the relevant land planning service and issuance of the documents certifying the right for the land plot.



Procedure of allotment (acquisition) to ownership and use of the land plots is performed according to the existing legislation.

**Article 86. Payment of compensations to land owners, land users, tenants and owners of the land plots**

Losses induced to land owners, land users, tenants and owners of the land plots, are subject to compensation in full amount (including the missed benefit) in cases of:

- withdrawals, acquisition or temporary occupation of lands;
- abridgement of their rights in view of establishment of security, sanitary and protective zones around the national reserves, wildlife areas, national natural parks, nature sanctuaries, cultural and historical monuments, reservoirs, sources of water supply, resorts, along the rivers, canals, drainages, roads, pipelines, communication and transmission lines;
- deterioration of lands as a result of the impact caused by construction and operation of reservoirs, canals, collectors and other objects emitting harmful for crops and plantings substances, and other actions of legal entities and individuals leading to decrease in crops and worsening of agricultural production quality.

Compensations is paid by the enterprises, establishments and organizations to which the withdrawn land plots are allotted, as well as by the enterprises, establishments and organizations activity of which results in restriction of the rights of land owners, land users, tenants and owners of the land plots or deterioration of nearby lands, in the order established by the legislation.

**Article 87. Compensation of losses of agricultural and forestry production**

Losses of agricultural and forestry production caused by withdrawal of agricultural and forest lands, including the agricultural lands which are in ownership and use by natural persons, for their use for the purposes not related to agriculture and forestry, restriction of the rights of land owners, land users and tenants or deterioration of lands as a result of the impact caused by the activity of the enterprises, establishments and organizations, are subject to compensation besides the indemnification, provided by the article 86 of the Land Code.

Losses of agricultural and forestry production, are paid to legal and natural persons:

- to which the withdrawn agricultural and forest lands for the needs not connected with agriculture and forestry are allotted;
- around objects of which security, sanitary and protective zones with withdrawal of agricultural and forest lands from use or their transfer to less valuable lands are established.

Losses of agricultural and forestry production, are not compensated at:

- at withdrawal of the land plots for individual housing construction and housing service;
- at withdrawal of the land plots for construction of schools, boarding schools, orphanages, preschool and medical institutions;
- at allocation of the land plots for water management for construction of ameliorative objects and hydraulic engineering constructions.

Legal acts may establish other cases at which legal entities and individuals are exempted from compensation of losses of agricultural and forestry production.

Amounts and order of determination of subjects to compensation of losses of agricultural and forestry production are established by the legislation.

#### **Article 88. Use of funds received as compensation of losses of agricultural and forestry production**

Funds received as compensation of losses of agricultural and forestry production, are spent for the purpose on:

- development of new lands and complex reconstruction of irrigated lands;
- increase of fertility of soils;
- construction and reorganization of collector and drainage network, capital planning and increase of water supply of irrigated lands;
- radical improvement of hayfields and pastures;
- adjustment or drawing up design and other documentation on the land management broken in view of withdrawal and allotment of lands.

According to the decision of the khokim of the region funds mentioned in the first part of the present article, can be spent on implementation and other activities directed on increase of agricultural production. Funds received as compensation of losses of forestry production, are accounted separately and are spent on creation and restoration of forests and fruit plantings, afforestation of sand, coastal strips of reservoirs and rivers, and also on implementation of other activities directed on improvement of the condition of forest lands.

According to the **Article 90 Responsibility for Violation of the Land Legislation**, the Land Code of the Republic of Uzbekistan, the responsibility established by the law, is beared by the persons guilty for unauthorized occupation of the land plots and other violations.

### **4.3 LABOR CODE**

According to the Labor Code of the Republic of Uzbekistan there are measures which provide safety net programs.

#### **Article 59. State assistance to employment**

Assistance to employment of the population is maintained by the appropriate authorities of the system of the Ministry of Labour and Social Protection of the Population of the Republic of Uzbekistan.

For financing of actions on realization of employment policy and effective activity of labour authorities the State fund for assistance of employment in the order established by the Government of the Republic of Uzbekistan is created.

#### **Article 60. Recognition of the unemployed**

The unemployed – the able-bodied persons of the age from sixteen years to their entitlement for pensions who do not have paid work or income-generated occupation, seeking for a job and ready to start it as soon as it is offered to them or who should attend vocational training, retraining or professional development (except for the attendees of educational institutions).

The persons specified in the part one of the present article, addressed to the local labour authorities for receiving assistance in employment and registered by them as seeking for job, are recognized unemployed.

#### **Article 64. Guarantees of financial support**

The persons which lost work, who for the first time are seeking for it, as well as persons interested to resume their work after a long break (more than one year) and recognized as the unemployed, are provided with:

- payment of unemployment allowance;
- financial support taking into account dependents;
- payment of a grant during vocational training, professional development or retraining and inclusion of this period in the seniority;
- possibility of participation in the paid public works.

At termination of the employment contract under certain reasons additional guarantees of financial support (article 67) are provided to the employees.

#### **Article 65. Conditions and terms of payment of unemployment allowance**

Unemployment allowance is fixed to the person recognized as the unemployed from the date of his registration in local labour authority as the person seeking for a job. Unemployed man at the age till thirty five years old having less than three dependents, is fixed unemployment allowance under the condition of his participation in the paid public works in the order established by the Government of the Republic of Uzbekistan. The right of the unemployed for allowance becomes due no later than the eleventh day from the moment of registration as the person seeking for a job.

Unemployment allowance is paid during no more than:

- twenty six calendar weeks within the twelve months period for the person which lost work and earnings (labor income) or seeking to resume his/her work after a long (more than one year) break;
- thirteen calendar weeks for the person which previously was not working and who is seeking for a job for the first time.

During receiving of unemployment allowance the unemployed is obliged to seek for a job and at least once in two weeks to address to local labour authority for receiving assignment to a job or vocational training, retraining, professional development.

The amount of the unemployment allowance is determined by the legislation.

#### **Article 68. Additional guarantees of employment to separate categories of the population**

The Government provides additional guarantees to:

- the persons requiring social protection, experiencing difficulties in seeking for a job and not capable to equally compete in labor market, including to the lonely and parents having many children at the age till fourteen years old and disabled children;

- the youth graduated from secondary special vocational educational institutions, and also to the graduates of higher educational institutions studied under the state grants;
- the disabled and persons of pre-retirement age;

Additional guarantees are provided by creation of additional workplaces, the specialized enterprises, including the enterprises for work of disabled people, organization of special programs of training, establishment in the enterprises of the minimum quantity of workplaces for employment of the categories of citizens specified in the part one of the present article, as well as other measures provided by the legislation.

The employer is obliged to employ the persons specified in the part one of the present article, assigned by local labour authorities and other bodies in the order established by the legislation for employment to the workplaces against the established minimum quantity of workplaces. The employer and the persons authorized by him who unreasonably refused employment of these persons bear responsibility in accordance with the established procedure.

In cases of impossibility of provision guarantees to the employees the local labour authority provides for employment, and if necessary - their free vocational education.

#### **Article 70. Additional benefits in the employment**

By the decisions of public authorities of the Republic of Karakalpakstan, local authorities, collective agreements and collective contracts may provide for additional benefits in the employment.

#### **Article 282. Cover of all employees by the state social insurance**

All employees are subject to the state social insurance.

### **4.4 ORDER OF PROVISION OF LAND PLOTS FOR TOWN-PLANNING AND OTHER NONAGRICULTURAL NEEDS.**

The order of provision of the land plots for town-planning activity and other nonagricultural needs is determined in the Decree No. 146 of the Cabinet of Ministers of the Republic of Uzbekistan of the same name dated May 25, 2011.

Provision of land plots is carried out on the basis of applications of legal and physical entities in two stages:

**At the first stage** placement of the land plot, registration of materials on the choice of the land plot for object design, their agreement with the interested organizations and approval of the choice of the land plot by the decision of appropriate government authority is made;

**At the second stage** - on the basis of the submitted by legal or natural person cost estimates (hereinafter —construction design), agreed in the established order, registration of materials on allotment of the land plot and approval of allotment of the land plot by the decision of the appropriate government authority which is the basis for issuing of the permission for construction of the object is made.

Provision of the land plot (hereinafter — the land plot) for town-planning and other nonagricultural needs, being in ownership, tenure, lease or property of legal or natural persons, is made only after withdrawal (acquisition) of this site in the established order.

Placement of the land plots and preparation of materials on it are carried out by the department (administration) of architecture and construction of the region (city).

Preparation of materials on choice and allotment of the land plot on the basis of materials on placement of the land plot in the settlements is carried out by the department (administration) of architecture and construction of the region (city), and in the rest territory — by self-supporting service of land management and cadastre of real estate of the region (city).

Agreement of materials on choice and allotment of the land plot with the authorized bodies is carried out in the settlements by the department (administration) of architecture and construction of the region (city), and in the rest territory — by self-supporting service of land management and the cadastre of real estate of the region (city) according to the principle "one window";

Works on placement of the land plots, preparation of materials on choice and allotment of the land plots are carried out on contractual basis with the legal or natural person.

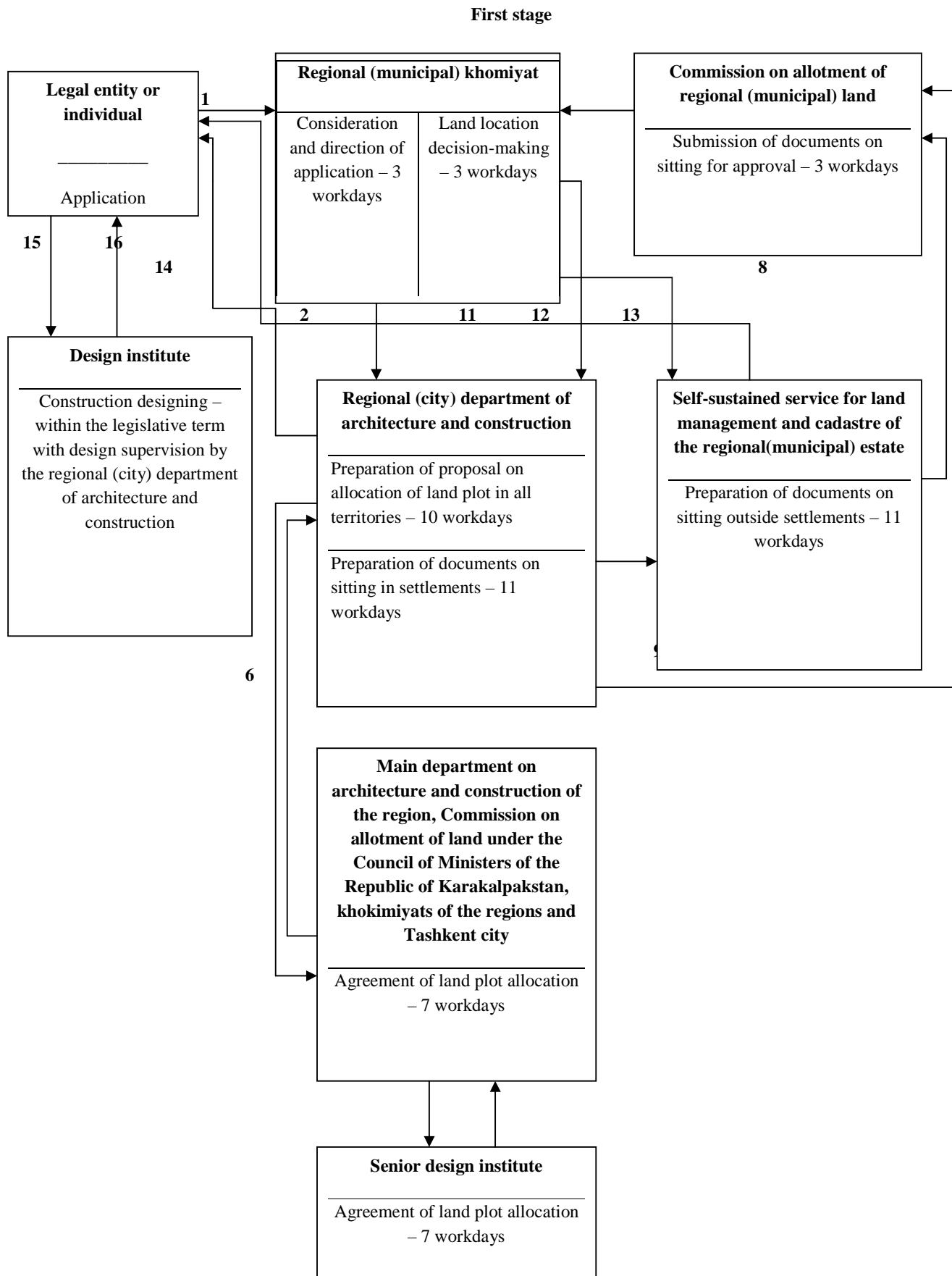
Cost of works is established by Gosarkhitektstroy (State Committee of the Republic of Uzbekistan for Architecture and Construction) and Goskomzemgeodezcadastre (The State Committee of the Republic of Uzbekistan on Land Resources, Geodesy, Cartography and State Cadastre) in agreement with the Ministry of Finance of the Republic of Uzbekistan.

Preparation of materials on the choice of the land plot is carried out in the period not exceeding one month.

Materials on the choice of the land plot include:

- a. materials on object placement;
- b. plan of borders of the land plot, registered in the established order;
- c. reports of the organizations where materials on the choice of the land plot are agreed;
- d. list of resettled families of citizens with indication of persons wishing to receive new land plots or apartments, and also the list of corresponding legal entities and individuals, if necessary — list of houses and other structures subject to demolition located in the allotted land plot;
- e. act of determination of the amounts of other losses of owners, tenants, users and leasers of the land plots, as well as losses of agricultural and forestry production (if necessary);
- f. act of technical inspection of the allotted land plot in case of its withdrawal from land tenure of the forestry enterprises (if necessary);
- g. report of the State environmental examination of Goskompriroda (State Committee of the Republic of Uzbekistan for Nature Protection) of the Republic of Uzbekistan;
- h. report of the department of land resources and the state cadastre of the region (city) on compliance of the chosen land plot to the requirements of land legislation;
- i. documents on agreement of materials with legal entities and individuals from whom the land plot is withdrawn.

**Diagram 1. Choice of the land plot for object design (placement of the land plot, preparation and approval of materials on its choice) in the absence of town-planning documentation (master plan, RAP)**



Dossier on choice of the land plot is developed in triplicate, the first copy of which is transferred to the legal entity and individual for whom the choice of the land plot is made, after his/her payment to the department (administration) of architecture and construction of the region (city) or self-supporting service of land management and cadastre of real estate of the region (city) for works on placement of the land plot and preparation of materials on the choice of the land plot in compliance with contractual obligations of the parties, the second copy — to the department (administration) of architecture and construction of the region (city), the third copy — to the department of land resources and state cadastre of the region (city).

Registration of materials on allotment of the land plot is made on the basis of materials on the choice of the land plot and the construction design of the object agreed and approved in the established order.

Allotment of lands, used in agriculture for nonagricultural purposes is made according to their actual need and, as a rule, after harvesting of the crops cultivated on them.

Monitoring of the course of development of the construction design is conducted by the department (administration) of architecture and construction of the region (city).

Legal or natural person within three working days from the moment of the beginning of development of the construction design notifies in obligatory order in writing the department (administration) of architecture and construction of the region (city) on the design progress, with submission of the following data:

- name of the design organization;
- address of the design organization;
- copy of the license for design;
- date and number of the contract for development of the design;
- start date of development of the design;
- calendar schedule of design works.

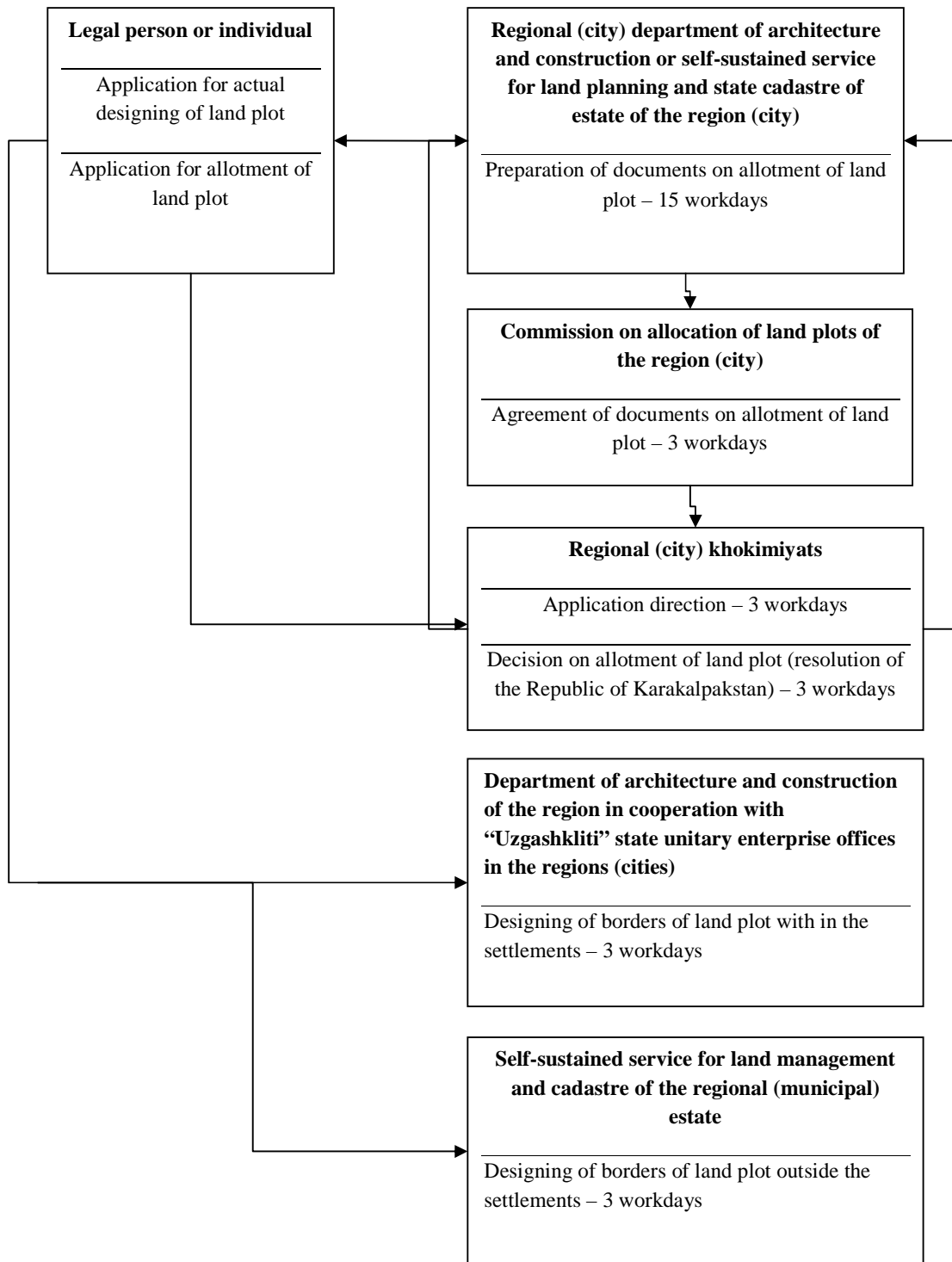
After agreement and approval of the construction design of the object the legal or natural person submits the application for allotment of the land plot which is considered in the order presented in the diagram 2.

The following documents are enclosed to the application:

- materials on the choice of the land plot;
- copy of the master plan of the object with the indication of construction sequence;
- documents on agreement of the construction design with the authorized government bodies in the order established by the legislation;
- copy of the protocol of agreement of the construction design with architectural and town-planning department at Gosarkhitektstroy of the Republic of Uzbekistan;
- report of the state examination body on the construction design of the object.

**Diagram 2. Preparation, agreement and approval of materials on alienation of the land plot, bringing of its borders out to the nature**

**Second Stage**





Plan of borders of the land plot is prepared with the standard symbols in the scale allowing to define borders in the area with the required accuracy. Borders of the land plot are drawn on the plan of borders of the land plot; if land plots are allotted out of the lands of several legal entities and individuals, then borders of these land plots are drawn as well, description of borders by topographical elements of the area, coordinates of turn points are provided. The plan of borders is signed by heads of the departments (administrations) of architecture and construction of the region (city) and departments of land resources and state cadastre of the region (city).

Documents on the right of use of the land plots are prepared by self-supporting service of land management and cadastre of real estate of the region (city) on the basis of the decision of appropriate government authority on allotment of the land plot for construction.

Owners, users, leasers and tenants in case of disagreement with the decision of the appropriate government authorities on withdrawal (acquisition) of lands or with the conditions of withdrawal (acquisition) can appeal against it in the order established by the legislation.

#### **4.5 CIVIL CODE**

The **property right**, according to the Civil code of the Republic of Uzbekistan, represents the right of the person to own, use and dispose of appurtenant property at his/her discretion and in his/her interests, and also require elimination of any violations of his/her property right from whoever they are originated. The property right is perpetual.

The main articles of the Civil Code concerning the process of resettlement, are:

##### **Article 169. Objects of property right**

The property can be the land, subsurface, waters, air, flora and fauna and other natural resources, enterprises, things, including buildings, apartments, structures, equipment, raw materials and production, money, equities and other property, as well as objects of intellectual property.

##### **Article 197. Grounds for termination of property right**

The property right is terminated by voluntary execution of the obligation by the owner, making of the unilateral decision by the owner determining the destiny of property, withdrawal (acquisition) of property on the basis of the judgment, as well as the legislative act terminating the property right.

##### **Article 199. Withdrawal of property from owner**

Property withdrawal from the owner is allowed only at resort to collection for this property according to the obligations of the owner in cases and the order provided by the legal acts, and also in the course of nationalization, requisition and confiscation.

If the property of the person includes the property which according to the law cannot belong to him/her, the property right for this property is terminated in a judicial order with compensation of cost of the withdrawn property to the person.

## **Article 205. Determination of property cost at withdrawal and right for compensations**

Cost of withdrawn property at termination of the property right is determined by the evaluation organization at the time of the property right termination if other is not established by the legislation.

Evaluation according to which the owner is compensated the cost of the withdrawn property, can be litigated in the court.

The owner has the right to require also compensation of other losses caused by withdrawal of property.

In turn, property evaluation is carried out according to the Law of the Republic of Uzbekistan N 811-I "On evaluation activity" dated 19.08.1999 and the National standards of property evaluation of the Republic of Uzbekistan NSOI No. 1-11 approved by the Resolution of the State Property Committee dated 14.06.2006 developed on the basis of this Law.

### **4.6 ORDER OF COMPENSATIONS PAYMENT TO CITIZENS AND LEGAL ENTITIES IN VIEW OF THE LAND PLOTS ACQUISITION FOR STATE AND PUBLIC NEEDS.**

The order of compensations payment to citizens and legal entities in view of withdrawal of the land plots for the state and public needs, is determined by the Regulation of the same name approved by the Decree of the Cabinet of Ministers N 97 dated 29.05.2006.

Decisions on withdrawal of the land plot and demolition of residential, production and other buildings, constructions and plantings (hereinafter - objects) are made according to the master plans, and designs of detailed planning and construction of residential areas and residential districts of the cities and settlements.

Unreasonable demolition of residential, production and other buildings, constructions and plantings at the withdrawn land plots is not allowed.

Thus, the decision on withdrawal of the land plot and demolition of residential, production and other buildings, constructions and plantings are made by the khokims of the respective raions (cities) and regions on the basis of the decision of the Cabinet of Ministers of the Republic of Uzbekistan.

Khokimiyats of the respective raions (cities) are obliged to notify owners of residential, production and other buildings, constructions and plantings on the made decision in writing for signature no later than six months prior to demolition, attaching to the notice copies of the relevant decisions of the khokims of raions (cities) and regions on the basis of the decision of the Cabinet of Ministers of the Republic of Uzbekistan on withdrawal of the land plot, demolition of residential, production and other buildings, constructions and plantings located in the land plot.

After making of the decision on withdrawal of the land plot and demolition of residential, production and other buildings, constructions and plantings located in the land plot by the khokims of regions (cities), the above-mentioned houses (apartments), structures, constructions and plantings are not subject to alienation to other persons.

The decision of the khokim of the respective raion (city) on demolition and approval of the cost of residential, production and other buildings, constructions and plantings subject to demolition, can be appealed in the khokimiyats of the region and the city, and also in a judicial order.

The cost of unauthorized built residential, production and other buildings and constructions is not subject to compensation.

In case of allotment of the withdrawn land plots to the enterprises, establishments and organizations, payment of compensations, provision of dwelling houses (apartments) and temporary accommodation, and also covering of all expenses connected with moving to a new place, according to the decision of khokims of the respective raions (cities) are made by these enterprises, establishments and organizations.

**Land plots withdrawal is made under condition of provision of the following types of compensation:**

- provision to citizens for ownership of other equivalent well-planned premises of the area not below the social norm of the area of housing and payment of the cost of plantings;
- payment to citizens of the cost of subject to demolition house, other structures, constructions and plantings;
- provision to citizens of the land plot for individual housing construction within the established standard with provision of temporary accommodation on terms of the rent contract for the period of development of the land plot for up to two years with full compensation of costs of demolished houses (apartments), structures, constructions and plantings;
- provision to legal entities of equivalent property and compensation of other losses caused by withdrawal of the land plot for the state or public needs;
- full compensation of losses caused by withdrawal of the land plot for the state or public needs;
- transfer and restoration in the new place of houses, structures and the constructions subject to demolition owned by the citizens and legal entities;
- construction in the new place of houses, structures and transfer to ownership to citizens and legal entities.

**The order of calculation of the amount of compensations to the citizens and legal entities for demolished houses (apartments), constructions, facilities and plantings in view of land plots acquisition for state and public needs:**

1. Khokimiyats of the respective raions (cities) create the commissions for determination of the amount of compensation and type of compensation (hereinafter - commission) headed by the deputy khokim of the raion (city) together with representatives of financial and other administrations (departments) of khokimiyats, state inspector for control of use and protection of lands, body of citizens self-governing, land owner (land user, tenant) from whom the land plot is withdrawn, representative of the enterprise, establishment or organization for whom the land plot is allocated, and representatives of other competent authorities at discretion of khokimiyats.

2. Evaluation of houses (apartments), structures and constructions, as well as perennial plantings on the withdrawn land plots, is made by the evaluation organizations at the expense of the applicant. Evaluation report is transferred to the commission.

In case of withdrawal of the land plots used by the citizens on the right of lifelong inheritable ownership, acquired on an auction basis, the equivalent new land plot with the right of lifelong inheritable ownership is provided to them.

Estimation of cost of the land plot owned by the citizens on the right of lifelong inheritable ownership at the time of its withdrawal, is made by the departments of land resources and state cadastre of raions (cities), according to the current prices for the moment of evaluation at the expense of the applicant.

All materials from dismantling of demolished houses (apartments), other structures and constructions (except unauthorized construction) in withdrawn plot remain at disposal of the builder or land owner (land user, tenant), making full payment of compensation to the owner.

In some cases, at will of the owner of demolished house (apartment), structures, constructions and plantings, materials from its dismantling, according to the decision of khokims of the respective raions (cities) can be transferred to the owner. In this case the commission should determine the cost of transferred to the owner materials from dismantling according to the market prices for the moment of demolition considering depreciation.

3. Specific terms and order of payment of monetary compensations are established by the decision of khokims of the raions and regions with payment of monetary compensation prior to demolition.

### **The order and conditions for provision of residence premises of the owner of demolished houses**

In case of demolition of the houses (apartments) owned by the citizens, in view of withdrawal of the land plots for the state or public needs, the specified citizens, members of their families, and also the citizens who are constantly living in these houses (apartments), at their choice and by the agreement of the parties are provided with another equivalent well-planned dwelling with the area not below the social norm of the area of housing and the cost of plantings is paid, or the cost of withdrawn houses (apartments), other structures, constructions and plantings is paid.

The equivalence of provided dwelling premises is determined as the amount equal to the price of the demolished house (apartment) of the owner.

In case of excess of the cost of demolished house (apartment) over the cost of provided housing the difference is compensated to the owner.

For obtaining of dwelling premises the owner of demolished house (apartment) after receiving of the notice of the forthcoming demolition should submit within one month period the application agreed with the family members and others together living (registered) persons to khokimiyats of the respective raions (cities) for allocation of dwelling premises instead of demolished housing with the indication of family structure, number of constantly living persons, and also privileges available for them for obtaining of additional living space over the social norm of the area of housing.

After approval by the khokimiyats of the respective raions (cities) of the commission decision on the amount and type of compensation, provision of premises to the owner instead of demolished house (apartment) or payment at the will of the owner of compensations in a monetary form, the owner submits the letter of guarantee on vacation of the house (apartment) subject to demolition to khokimiyat.

Demolition of a house (apartment) can be carried out only by agreement of the parties after provision of the dwelling premises to the owner instead of demolished house (apartment).

In some cases, at the consent of the owner of the demolished house (apartment), khokimiyats of the respective raions (cities) provide premises in houses under construction with indication in the relevant decisions of exact terms of delivery of these houses. In case of non-provision of premises in houses under

construction in the established periods, khokimiyat of the raion (city) is obliged to provide dwelling premises within one month period.

Property of the owner of demolished house (apartment) is transported to the new apartment at the expense of organization, builder or land owner (land user, tenant) to whom the withdrawn land plot is allocated.

**The order and conditions of provision of the land plot to the citizens for individual residential construction in turn of demolished house (apartment)**

In case of demolition of houses (apartments) owned by the citizens in view of withdrawal of the land plots for the state or public needs the specified citizens, members of their families, and also the citizens who are constantly living in these houses (apartments) are at their will provided with the land plot for individual housing construction within the established standard. At the same time temporary accommodation on terms of the rent contract for the period of development of the land plot for up to two years with full compensation of the cost of demolished houses (apartments), structures, constructions and plantings is provided.

In case of allotment of the withdrawn land plots to the enterprises, establishments and organizations provision of the land plot as compensation for individual housing construction and compensation payment to the owner of demolished houses (apartments) are carried out at the expense of these enterprises, establishments and organizations.

In order to obtain the land plot the owner of demolished house (apartment) after receiving of the notice on the forthcoming demolition should submit the application for allocation of the land plot for individual housing construction with the indication of family structure, number of constantly living persons, and also need for temporary accommodation on the terms of the rent contract to the khokimiyat of the respective raions (cities) within one month period.

After approval by the khokimiyats of the respective raions (cities) of the commission decision on the amount and type of compensation the owner provides the khokimiyat with the letter of guarantee on vacation of the house (apartment) subject to demolition, within the terms established by the khokimiyats of the relevant raions (cities).

Demolition of a house (apartment) can be carried out only after allocation of the land plot for individual housing construction to the owner, as well as provision of temporary accommodation on the terms of the rent contract for the period of development of the land plot for up to two years.

**The order of compensation of losses to legal entities in view of land plots acquisition for state or public needs**

In case of withdrawal of the land plot with residential, production, other buildings, constructions, plantings belonging to the legal entity within the property right, the equivalent property is provided to it and losses caused by withdrawal of the land plot for the state or public needs are paid in full.

Payment of compensations to land owners, land users, tenants, owners of the land plots and losses of agricultural and forestry production is carried out according to the land legislation of the Republic of Uzbekistan.

Compensation of losses of the legal entities caused by withdrawal of the land plot, is performed by the khokimiyats of the respective raions (cities).

In case of alienation of the withdrawn land plots to the enterprises, establishments and organizations payment of compensations, provision of dwelling premises, provision of temporary accommodation and property transportation to a new place are made at the expense of the enterprises, establishments and organizations according to the decision of khokims of the respective raions (cities).

For receiving of compensation in view of withdrawal of the land plot the legal entity after receiving of the notice about the forthcoming demolition should submit the application with the indication of the chosen type of compensation to the khokimiyats of the respective raions (cities) within one month period.

After approval of the decision of the commission by the khokimiyats of the respective raions (cities) the legal entity provides the khokimiyat with the letter of guarantee on vacation of the house, other structures and the constructions subject to demolition within the period established by the khokimiyats of the relevant raions (cities).

Demolition of residential, production and other structures and the constructions belonging to the legal entity, can be carried out only after agreement of type, amount and term of compensation with it.

### **The order and conditions of calculations at transfer and restoration in a new place of houses, structures and constructions subject to demolition**

At the will of the citizens and legal entities residential, production and other buildings and constructions owned by them on the property right and subject to demolition, can be transferred and restored in a new place.

Transfer and restoration in a new place of residential production and other buildings and constructions owned by the citizens and legal entities on the property right, are carried out according to the decision of khokimiyats of the relevant raions (cities) at the expense of the enterprises, establishments and organizations to which the withdrawn land plots are allocated. At the same time citizens and legal entities - owners of housing are provided with the temporary accommodation by khokimiyats on the terms of rent contract for the period of up to two years during development of the land plot and transfer and restoration of housing.

Transfer and restoration should be carried out within the area (settlement) in the land plots allotted according to the established norms, and only provided that technical condition of houses, structures and constructions allows their transfer, i.e. the condition of structures and elements should allow possibility of dismantling, transportation and assembly in a new place.

Possibility of transfer of houses, structures and constructions is determined by the commissions in compliance with the corresponding feasibility study (FS) and the design estimates developed by the specialized design organizations, at the expense of the builder to which the withdrawn land plot is allocated.

Transfer and restoration in a new place of residential, production and other buildings and constructions should be carried out within the terms determined by the khokimiyats of the relevant raions (cities), but no more than one year.

All expenses on transfer and restoration in a new place of residential, production and other buildings and constructions, rent of temporary accommodation, transportation of property of citizens or legal entities to temporary accommodation, and also from temporary accommodation to the house, structure and construction restored in a new place, are carried out according to the decision of khokimiyats of the

respective raions (cities) at the expense of the builder or land owner (land user, tenant) to which the withdrawn land plot is allocated.

Transfer of equivalent residential, production and other buildings and constructions owned by the legal entity on the property right to a new place, is carried out only after agreement of a type, the amount and term of compensation with it.

**The order and conditions of calculations at construction in new places of residence houses and constructions for citizens and legal entities houses (apartments) of which are subject to demolition**

Houses, structures are constructed at will and for citizens and legal entities, which houses (apartments) are subject to demolition, in a new place and transferred to them for the ownership. Thus monetary compensation of cost of the demolished houses (apartments), structures and constructions is not paid.

Construction of houses, structures in a new place and their transfer for ownership to citizens and legal entities which houses (apartments) are subject to demolition, is carried out by khokimiyats of the respective raions (cities).

In case of alienation of the land plots to the enterprises, establishments or organizations construction in a new place of houses, structures and their transfer for ownership to the citizens and legal entities which houses (apartments) are subject to demolition, is carried out at the expense of these enterprises, establishments or organizations.

Construction in a new place of houses for citizens and legal entities, which houses (apartments) are subject to demolition, should be carried out within the area (settlement). At the same time citizens and legal entities which houses (apartments) are subject to demolition, are provided with the temporary accommodation for rent for the period of construction of a house, structure in a new place, by the khokimiyats of the respective raions (cities).

All expenses on rent of a temporary accommodation, transportation of property of citizens and legal entities to the temporary accommodation and from the temporary accommodation to the house constructed in a new place, according to the decision of khokimiyats of the respective raions (cities) are beared at the expense of the builder or land owner (land user, tenant) for whom the withdrawn plot is allocated.

For obtaining of the house, structure constructed in a new place instead of demolished house (apartment), citizens and legal entities, which houses (apartments) are subject to demolition, should submit application with the indication of family structure, number of constantly living persons, and also privileges available for them on provision of housing to the khokimiyats of the respective raions (cities) within one month period after receiving of the notice on demolition.

## **CHAPTER V: POSSIBLE DISCREPANCIES OF THE COUNTRY LAWS WITH THE WORLD BANK POLICY IN THE SPHERE OF RESETTLEMENT AND MECHANISMS FOR ELIMINATION OF THESE DISCREPANCIES**

According to the OP WB 4.12 the resettled persons can be referred to the one of the three following categories:

- a) the persons having the official legal rights for the land plots (including the rights based on customs and traditions which are recognized by the legislation of this country);
- b) the persons not having the official legal rights for the land plots at the time of the beginning of conducting census, but having declared their rights for such plots or property, – provided that such claims are recognized by the legislation of this country or gain recognition in the order determined by the resettlement plan
- c) persons not having the legal rights and claims concerning the land plots occupied by them.

Thus, according to OP WB 4.12, persons referred to the categories a) and b) receive compensation for the land plots withdrawn from them, as well as other necessary assistance to achieve the objectives of OP 4.12 (including assistance to restore livelihoods). Persons referred to the category (c), are provided with the help at resettlement to a new residence instead of compensation for the land plots withdrawn from them, and resettlement assistance, for achievement of the objectives (including assistance to restore livelihoods). However, entitlements are due to affected persons, provided that they occupied the land plots allocated for project implementation before the certain final date determined by the borrower in agreement with the Bank. The persons settled in this territory after the determined final date, have no right to compensation or any other type of the help in view of resettlement. Compensation for property loss besides the land plots is paid to all persons referred to the categories (a), (b) and (c).

OP WB 4.12 specifies that the special attention should be paid to the needs of the most vulnerable categories of resettled persons, especially to the people living below level of poverty, not having land, aged, to women and children, representatives of aboriginal peoples, ethnic minorities, and also other categories of the resettled persons which interests cannot be protected by the national legislation regarding compensations for the land plots subject to withdrawal.

As it was already mentioned in the chapter above, the national legislation does not provide for the compensation of cost of unauthorized built residential, production and other buildings and constructions, and also guilty for unauthorized occupation of the land plots. Thus, under national law, the resettled persons referred to the category b) and c) should not be provided with any type of compensation. Under this Bank Policy 4.12, persons under b) and c) would be entitled to compensation for lost assets and transition expenses. The Bank Policy 4.12 will prevail in cases of discrepancies between WB and Uzbekistan legislation.

It was developed Comparison table of legislation of the Republic of Uzbekistan and the WB policy (Table below) which allows following discrepancies (they are taken into account in this RPF).

- 1. Public consultations / meetings / disclosure of information**
- 2. Assessment market rate of the target;**
- 3. Illegal construction / persons without legal rights on assets;**
- 4. Transitional allowance;**
- 5. Allowances to vulnerable households.**



**Table 1. Comparative Table of the Uzbek Legislation and the WB's Policy**

<b>OP 4.12 WB Requirements</b>	<b>Laws and Decrees of the Republic of Uzbekistan on lands acquisition and resettlement</b>	<b>Agreement</b>
<p>All the affected households/persons should be informed/consulted on resettlement/compensations options.</p>	<p>Legislation and normative-legal base does not provide for conducting consultations/public meetings.</p>	<p>Within this Project all the affected households/persons received consultations during the group sessions and individual meetings. The main provisions of resettlement policy were presented in the special brochures, issued in Uzbek language and disseminated through the Administration of land resources and cadastre or khokimiyats. Similar brochures were disseminated during the consultations/meetings. Consultations were undertaken for the preparation of the RPF and the first RAP.</p> <p>Consultations have been and will be undertaken as part of the preparation of the Resettlement Audit and accompanying Social Action Plan.</p> <p>Consultations will be undertaken as part of the preparation of subsequent RAPs.</p>
<p>Compensations and assistance to AP should be arranged so that their economic/social future is as favorable as it were in case of Project absence.</p>	<p>Legislation and normative-legal base provides for payment of compensations for the loss of property right for land, structures, harvest, plantations and other assets. Nevertheless there is no compensation for income loss of working people and vulnerable affected households.</p>	<p>The present project envisages compensation for the lease loss of land, structures and loss of harvest. Besides that, additional compensation payments for socially vulnerable households and households suffered from serious consequences as a result of Project implementation are provided. Additional support will be provided to affected households to ensure livelihood restoration.</p>

<b>OP 4.12 WB Requirements</b>	<b>Laws and Decrees of the Republic of Uzbekistan on lands acquisition and resettlement</b>	<b>Agreement</b>
<p>Compensation should be provided in full at full replacement cost rates<sup>2</sup>. In case of “land for land” exchange, the replacement land should have a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site.</p>	<p>Compensation at compensation rates through allocation of land plots – “land for land” is provided. However location of compensation lands is not always taken into account.</p>	<p>Within this Project land plots will be allocated for withdrawn lands.. Land will be allocated taking into account a number of factors including productivity and location. The allocated land plots should be located in the same agricultural, residential and working environment and/or at the distance agreed with the affected household.</p>
<p>WB requirements provide for additional payments to households covering their transportation costs at resettlement.</p>	<p>According to the established order payment for transportation costs are not provided.</p>	<p>Payment of compensation will include costs of households for resettlement/ transportation costs in case of household resettlement.</p>

<sup>2</sup>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

<b>OP 4.12 WB Requirements</b>	<b>Laws and Decrees of the Republic of Uzbekistan on lands acquisition and resettlement</b>	<b>Agreement</b>
<p>Replacement cost for structures: 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.</p>	<p>According to the established order replacement cost includes market cost of the affected structure or 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</p>	<p>Replacement cost will include 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.</p>
<p>Lack of official legal right of some affected groups should not be an obstacle to receiving of compensation or possibility of recovery.</p>	<p>Compensation is envisaged only for officially registered owners.</p>	<p>This issue is not related to agricultural lands affected within this Project, as all farmers affected by lands withdrawal are officially legally registered owners. In case there is any affected household with non-registered land use, for this project, the Executive Agency (EA/PIU) will ensure legalization of right for land tenure which makes the affected household eligible for compensations.</p>
<p>According to the WB requirements, vulnerable HH should be provided with assistance to mitigate negative and disproportionate impacts on these households and individuals.</p>	<p>Uzbek legislation does not provide for additional payments specified in WB requirements.</p>	<p>Within this Project additional payments to socially vulnerable households affected by the project are foreseen.</p>

## **CHAPTER VI: RIGHT FOR COMPENSATIONS AND HELP**

### **6.1 CATEGORY OF PERSONS SUBJECT TO INVOLUNTARY RESETTLEMENT**

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). Persons subject to involuntary resettlement refer to the following categories:

- owners of land who lose all or part of their land, building or property owned by them;
- persons who are not owners of land or the property, however livelihood funds of which directly depend on the land or property, but this land or property is necessary for project implementation (for example, private land plots);
- owners of land in use.

Categories of users of land plots in Uzbekistan subject to compensation of losses in view of land alienation are determined in the Land Code:

- Legal entities having land plots on the right of permanent ownership, use, terminal (temporary) use, rent and property according to the order established by the law;
- Natural persons having land plots on the right of lifelong inheritable ownership, permanent use, terminal (temporary) use, rent and property according to the order established by the law.

Therefore, all persons referred to these categories on the basis of the appropriate legal documents, are legal owners of the property owned by them, are protected by the law of the Republic of Uzbekistan and have the right to apply for compensation for loss of this property in the order established by the law.

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.

Consultant prepared matrix (provided below) of losses during project implementation by each category of objects:

**Table 2. Matrix of losses because of involuntary resettlement during project implementation**

Losses	Application	Determination of owner	Compensation policy	Implementation issues
Agricultural lands	Loss of land regardless of impact degree	Lessee / leaseholder	<p>a) Compensation “land for land” is being provided to all households.</p> <p>Affected persons to be provided opportunity to harvest standing crop prior to land acquisition. If not, compensation for standing crop to be provided.</p> <p>AND</p> <p><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 (the affected annual crops)</p> <p><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 (the affected tree) and full replacement cost of the tree.</p>	<p>a) 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.</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) will be created.</p>

Losses	Application	Determination of owner	Compensation policy	Implementation issues
			b) Not covered plots of affected arable land will be also compensated if after impact they are unsuitable for use.	
	Additional provision in case of strong impact (loss of more than 10% of production capacities)		<p>a) 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>b) 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>	
	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>3</sup>	

<sup>3</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 times the minimal wage in the Republic for each working family member). In case the average income of the affected household is less than 1.5 times the minimal wage in the Republic for each working family member, the compensation will be paid based on 1.5 times the minimal wage in the Republic for each working family member. The 3-month income is calculated based on provisions stated in Cabinet Minister 'decree #165, average aggregate income of affected household.

<b>Losses</b>	<b>Application</b>	<b>Determination of owner</b>	<b>Compensation policy</b>	<b>Implementation issues</b>
Loss of residential structures of the households	Losses of the inhabited structures, adjacent to the territory and the objects located in this territory	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</p> <p>c) Compensation for moving</p>	<p>a) 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 payment, taking into account inflation and market fluctuation in prices in the real estate sphere, including all payments related to it;</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 will be created. Valuation will be undertaken by an appraisal company, which is non-governmental and independent.</p>
Loss of commercial, business and industrial objects	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 works in this sphere	<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.</p> <p>b) Compensation for movement</p>	<p>a) 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		Low income households, female-headed households with fewer than 2 adult income-earners, the elderly	<p>a) Inclusion in existing safety net programs to ensure the continuation, or increase, of previous income.</p>	

Losses	Application	Determination of owner	Compensation policy	Implementation issues
		headed HHs with unemployed family members <sup>4</sup> and disabled)	<p>b) One-time additional allowance equivalent to their 3-month average household.</p> <p>c) Priority for employment in project-related jobs, training opportunities, self-employment and wage employment assistance.</p> <p>d) Livelihood restoration measures such as training to ensure that continuation, or increase, or previous income. (More detailed measures will be described in specific Resettlement Action Plans)</p>	
Rehabilitation and reclamation of the affected land	Agricultural lands, orchard, state reserve lands, pastures and other classified as agricultural land	<p>The state (Special account of rational/regional Department for Land Use and State Cadastre of Goscomzemgeodezcadastre).</p> <p><i>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).</i></p>	<p>Compensations are to be paid to rehabilitate lands through irrigation and agro-irrigation activities in order to maintain the fertility/productivity of existing lands in accordance with the unit rate</p> <p>Calculations of compensations are done according to the Cabinet of Ministers Decree # 146. 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 Hokimiyats and relevant agencies that are responsible to rehabilitate and develop affected land.</p> <p>All losses to economic trees, crops, pasture land, and/or other economic activities will be compensated based on the entitlement matrix.</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, support for equipment's and linkages with various agriculture development programs of the</li> </ul>	

<sup>4</sup> In case of unemployed APs, necessary required paper from local Labour authorities.



Losses	Application	Determination of owner	Compensation policy	Implementation issues
			government; <ul style="list-style-type: none"> <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> <li>• 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.</li> </ul>	

For the households who lose the main source of income or have negative impact of the livelihood as the result resettlement and project implementation this RPF includes special measures to ensure that their livelihoods are, at minimum, restored at pre-displacement levels described in Entitlement Matrix.

## **CHAPTER VII: PROCEDURES OF CONSIDERATION AND REDRESSING OF GRIEVANCES**

### **7.1 MECHANISM FOR REDRESSING OF GRIEVANCE**

Withdrawal of lands and involuntary resettlement of citizens is difficult process which in addition can be accompanied by judicial proceedings in view of complaints concerning compensation payments, as well as non-fulfillment of other obligations on assistance to citizens in resettlement issues. On the basis of the existing practice of development of the similar mechanism in the similar projects providing involuntary resettlement, the approximate grievance procedure was developed. This mechanism provides for the appeal of any actions and decisions violating the rights and freedoms of citizens affected by the project.

As it was discussed above, laws of the Republic of Uzbekistan and various regulations determine the procedures of allotment of land and the amount of compensation payments in view of withdrawal of the land plots, and also are directed on avoidance of the possible conflicts and violations of the rights of land users. These procedures provide for participation of all land users and members of their families in decision-making process on the choice of the new land plot and on the rate of losses and the suffered damage in connection with implementation of the project. In cases when the persons having legal rights for withdrawn property, do not agree with the decisions of the organizations or establishments on compensation, or with other decisions, they have the right to submit the preliminary claims to local authorities (raional or regional khokimiyats).

Process of redressing of grievances at non-agreement with certain amount of losses and losses of agricultural production:

1. The affected persons will submit their complaints to the chairman of makhalla committee or to PIU (the responsible person for resettlement) which will register these complaints and will try to resolve them. If the complaint is not solved within one week, it goes to raional/regional level. Initiative groups under makhalla committees consisting of representatives of farms and households, taking active part in consideration of issues on involuntary resettlement and compensations within the project will also be created.
2. Bodies responsible for resettlement (makhalla committees and PIU) should have stitched journals for complaints registration. The submitted complaints should be considered within 21 working days. Also PIU representative is obliged to look through the journals for complaints registration of the makhalla committees every 14 calendar days.
3. All possible measures for solution of the arisen problem will be taken in raional khokimiyat within the powers of the raional khokim. If within two weeks the solution is not found, the complaint is transferred to the commission on consideration of issues of provision (acquisition) of the land plots.
4. The authorized person of the commission receives the complaint, registers it and tries to find the solution.
5. If there is no decision within two weeks, the complaint is brought into the Supreme court of the Republic of Uzbekistan and is resolved according to the legislation of the Republic of Uzbekistan taking into account the agreements between Government of Uzbekistan and the World Bank. In these cases the state law will prevail as long as it is aligned with the World Bank policy OP 4.12.

Reports and settlement of disputes will be monitored through the monitoring and evaluation and khokimiyat.

## **CHAPTER VIII: PUBLIC CONSULTATIONS**

Beginning from July, 2013 to October 2014 just before geodetic works and during Project preparation representatives of PIU carried out number of preliminary consultations with persons affected by the project, and informed them on the project, the necessary rights and other issues, concerning them. The consultations were undertaken as part of the preparation of the RPF and the first RAP. Within these activities announcements, brochures containing relevant information were distributed. Representatives of relevant state organizations, khokimiyats, makhalla committees, cadastral service and other local authorities, and also the persons, affected by the project implementation took part in these consultations.

As a result of the held consultations the population affected by the project, was informed and consulted on all important issues on resettlement and payments of compensation, the order of conducting of all activities, property evaluation, terms of payments of compensation and provision (if necessary) of the land plots, terms of activity on alienation of lands and other issues. Further consultations will be undertaken in the preparation of site-specific RAPs and will include all elements of impacts and mitigation measures including valuation, timeline for compensation payments, and livelihood restoration. In addition, consultations have been, and will continue to be undertaken as part of the preparation of the Resettlement Audit and Social Action Plan.

By the results of public consultations protocols of meetings are prepared.

Key issues are agreed with all participants of public consultations. Copy of each project documentation will be published on the Ministry website, and also will be available in local departments of the Road fund in each project raion.

## **CHAPTER IX: EXPENSES AND BUDGET**

During implementation of the project it will be necessary to calculate the cost of the affected property along the line of railway construction and to pay compensation to the persons affected by the project, prior to construction works.

For the present it is possible to calculate the approximate cost of withdrawn property as at this stage there is no final approved version of the feasibility study of the project. Specified cost indicator will be available only at the stage of preparation of a final version of design.

Preliminary calculations which will be revised and detailed during project implementation and evaluation are given below.

Thus, according to the presumable evaluation, the budget includes estimated costs on compensations for the land, movement, recovery of the income, assistance in obtaining of the rights of PAP, administrative expenses (2,5 percent of the total budget), contingencies (10 percent of the total budget).

Total resettlement budget is **UZS 4 919 017 397** or **US\$ 2 056 014** at the exchange rate of the Central bank (CB) of the Republic of Uzbekistan as for November 11, 2014. Budget includes all expenses concerning land acquisition, movement, rehabilitation, recovery of the income, administrative expenses, monitoring and evaluation, and contingencies.<sup>5</sup>

Final cost estimates will be provided after preparation of the final version of design.

All the expenses upon the resettlement actions will be covered by local authorities (khokimiyats) by funds of the state budget of RUz. The order of financing with the borrower will be assigned by the terms of the agreement /contract. Each Resettlement Action Plan, prepared by a representative of the PIU or a consultant, will include a detailed budget.

The Ministry of Finance is responsible for the distribution and transferring the funds from the state budget to the local authorities in time. In their turns, local authorities will provide the affected households with the required amount of evaluated compensation.

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<sup>5</sup>Total costs and budget are calculated preliminary.

## **CHAPTER X: 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 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. The surveys will be timed to obtain representative data and also to complement, and provide independent verification of any relevant ongoing survey activities.

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. The budget for M&E is US\$170 000 and included into the preliminary resettlement budget. The report will be prepared on the results of M&E for six months.

## CONCLUSION

During the Project works temporary and permanent withdrawal of lands under construction of railway will be carried out. Project implementation provides for the payment of compensations to private owners (with/without property rights) and to owners of commercial structures for income and property loss.

Thus, for the most effective process of withdrawal and allocation of lands along with the property of the subjects affected by Project implementation, RPF should be applied which envisages:

- measures directed on that persons subject to involuntary resettlement were informed on opportunities available for them and the rights in connection with resettlement;
- activities on involuntary resettlement with allocation of sufficient investment resources that will allow the persons resettled in view of project implementation to receive benefits from its implementation, namely:
  - a) ensuring timely payments of compensations in amount of the overall cost of the compensation, related to the property loss for the reasons directly connected with the works within the project;
  - b) provision of housing or plots for housing construction, or (at involuntary resettlement of people for whom the land is the main source of livelihood) which by number of characteristics (production capacity, favorable location, other factors), at least, would not be worse, than the withdrawn plots;
  - c) assistance in the process of involuntary resettlement;
  - d) Assistance in the restoration of livelihoods of affected persons, at minimum, restored to pre-project or pre-displacement levels (if required).

Acquisition of land and other property may be implemented only after payment of the appropriate compensations or after provision of new land plots to the resettled persons.

## ANNEX 1

### OPERATION GUIDELINES OF THE WORLD BANK

#### OPERATION POLICY (OP)

##### OP 4.12

*This document is OP 4.12 Involuntary Resettlement, dated December 2001 and revised on April 2013 containing official text approved by the World Bank.*

*These policies were prepared for use by World Bank staff and are not necessarily a complete treatment of the subject.*

#### Involuntary resettlement

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**Note: OP/BP 4.12, Involuntary Resettlement, were revised on April 2013 to take into account the recommendations in “Investment Lending Reform: Modernizing and Consolidating Operational Policies and Procedures” (R2012-0204 [IDA/R2012-0248]), which were approved by the Executive Directors on October 25, 2012. As a result of these recommendations: (a) OP/BP 10.00, Investment Project Financing, have been revised, among other things, to incorporate OP/BP 13.05, Supervision and OP/BP 13.55, Implementation Completion Reporting, (which have consequently been retired); and (b) OP/BP 8.60, Development Policy Lending, and OP 9.00, Program-for-Results Financing, have also been revised. OP/BP 4.12 have consequently been updated to reflect these changes, to clarify the extent of applicability of OP/BP 4.12 to Development Policy Lending and Program-for-Results-Financing and to reflect the updated title of the Bank’s policy on access to information.**

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**Revised April 2013**

1. Bank<sup>1</sup> experience indicates that involuntary resettlement under development projects, if unmitigated, often gives rise to severe economic, social, and environmental risks: production systems are dismantled; people face impoverishment when their productive assets or income sources are lost; people are relocated to environments where their productive skills may be less applicable and the competition for resources greater; community institutions and social networks are weakened; kin groups are dispersed; and cultural identity, traditional authority, and the potential for mutual help are diminished or lost. This policy includes safeguards to address and mitigate these impoverishment risks.

#### Policy Objectives

2. Involuntary resettlement may cause severe long-term hardship, impoverishment, and environmental damage unless appropriate measures are carefully planned and carried out. For these reasons, the overall objectives of the Bank's policy on involuntary resettlement are the following:

(a) Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs.<sup>2</sup>

(b) Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits. Displaced persons<sup>3</sup> should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.

(c) Displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.<sup>4</sup>

#### Impacts Covered

3 . This policy covers direct economic and social impacts<sup>5</sup> that both result from Bank-assisted investment projects,<sup>6</sup> and are caused by



- (a) the involuntary<sup>7</sup> taking of land<sup>8</sup> resulting in
  - (i) relocation or loss of shelter;
  - (ii) lost of assets or access to assets; or
  - (iii) loss of income sources or means of livelihood, whether or not the affected persons must move to another location; or
- (b) the involuntary restriction of access<sup>9</sup> to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons.

4. This policy applies to all components of the project that result in involuntary resettlement, regardless of the source of financing. It also applies to other activities resulting in involuntary resettlement, that in the judgment of the Bank, are

- (a) directly and significantly related to the Bank-assisted project,
- (b) necessary to achieve its objectives as set forth in the project documents; and
- (c) carried out, or planned to be carried out, contemporaneously with the project.

5. Requests for guidance on the application and scope of this policy should be addressed to the Resettlement Committee (see [BP 4.12, para. 7](#)).<sup>10</sup>

#### **Required Measures**

6. To address the impacts covered under para. 3 (a) of this policy, the borrower prepares a resettlement plan or a resettlement policy framework (see paras. 25-30) that covers the following:

- (a) The resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are
  - (i) informed about their options and rights pertaining to resettlement;
  - (ii) consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; and
  - (iii) provided prompt and effective compensation at full replacement cost<sup>11</sup> for losses of assets<sup>12</sup> attributable directly to the project.
- (b) If the impacts include physical relocation, the resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are
  - (i) provided assistance (such as moving allowances) during relocation; and
  - (ii) provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site.<sup>13</sup>
- (c) Where necessary to achieve the objectives of the policy, the resettlement plan or resettlement policy framework also include measures to ensure that displaced persons are
  - (i) offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living;<sup>14</sup> and
  - (ii) provided with development assistance in addition to compensation measures described in paragraph 6(a);
  - (iii) such as land preparation, credit facilities, training, or job opportunities.

7. In projects involving involuntary restriction of access to legally designated parks and protected areas (see para. 3(b)), the nature of restrictions, as well as the type of measures necessary to mitigate adverse impacts, is determined with the participation of the displaced persons during the design and implementation of the project. In such cases, the borrower prepares a process framework acceptable to the Bank, describing the participatory process by which

- (a) specific components of the project will be prepared and implemented;

- (b) the criteria for eligibility of displaced persons will be determined;
- (c) measures to assist the displaced persons in their efforts to improve their livelihoods, or at least to restore them, in real terms, while maintaining the sustainability of the park or protected area, will be identified; and
- (d) potential conflicts involving displaced persons will be resolved.

The process framework also includes a description of the arrangements for implementing and monitoring the process.

8. To achieve the objectives of this policy, particular attention is paid to the needs of vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples,<sup>15</sup> ethnic minorities, or other displaced persons who may not be protected through national land compensation legislation.

9. Bank experience has shown that resettlement of indigenous peoples with traditional land-based modes of production is particularly complex and may have significant adverse impacts on their identity and cultural survival. For this reason, the Bank satisfies itself that the borrower has explored all viable alternative project designs to avoid physical displacement of these groups. When it is not feasible to avoid such displacement, preference is given to land-based resettlement strategies for these groups (see para. 11) that are compatible with their cultural preferences and are prepared in consultation with them (see [Annex A](#), para. 11).

10. The implementation of resettlement activities is linked to the implementation of the investment component of the project to ensure that displacement or restriction of access does not occur before necessary measures for resettlement are in place. For impacts covered in para. 3(a) of this policy, these measures include provision of compensation and of other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, taking of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons. For impacts covered in para. 3(b) of this policy, the measures to assist the displaced persons are implemented in accordance with the plan of action as part of the project (see para. 30).<sup>16</sup>

11. Preference should be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based. These strategies may include resettlement on public land (see footnote 1 above), or on private land acquired or purchased for resettlement. Whenever replacement land is offered, resettlers are provided with land for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the land taken. If land is not the preferred option of the displaced persons, the provision of land would adversely affect the sustainability of a park or protected area,<sup>17</sup> or sufficient land is not available at a reasonable price, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost. The lack of adequate land must be demonstrated and documented to the satisfaction of the Bank.

12. Payment of cash compensation for lost assets may be appropriate where (a) livelihoods are land-based but the land taken for the project is a small fraction<sup>18</sup> of the affected asset and the residual is economically viable; (b) active markets for land, housing, and labor exist, displaced persons use such markets, and there is sufficient supply of land and housing; or (c) livelihoods are not land-based. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.

13. For impacts covered under para. 3(a) of this policy, the Bank also requires the following:

(a) Displaced persons and their communities, and any host communities receiving them, are provided timely and relevant information, consulted on resettlement options, and offered opportunities to participate in planning, implementing, and monitoring resettlement. Appropriate and accessible grievance mechanisms are established for these groups.

(b) In new resettlement sites or host communities, infrastructure and public services are provided as necessary to improve, restore, or maintain accessibility and levels of service for the displaced persons and host communities. Alternative or similar resources are provided to compensate for the loss of access to community resources (such as fishing areas, grazing areas, fuel, or fodder).

(c) Patterns of community organization appropriate to the new circumstances are based on choices made by the displaced persons. To the extent possible, the existing social and cultural institutions of resettlers and any host communities are preserved and resettlers' preferences with respect to relocating in preexisting communities and groups are honored.

#### **Eligibility for Benefits<sup>19</sup>**

14. Upon identification of the need for involuntary resettlement in a project, the borrower carries out a census to identify the persons who will be affected by the project (see the [Annex A](#), para. 6(a)), to determine who will be eligible for assistance, and to discourage inflow of people ineligible for assistance. The borrower also develops a procedure, satisfactory to the Bank, for establishing the criteria by which displaced persons will be deemed eligible for compensation and

other resettlement assistance. The procedure includes provisions for meaningful consultations with affected persons and communities, local authorities, and, as appropriate, nongovernmental organizations (NGOs), and it specifies grievance mechanisms.

15. *Criteria for Eligibility.* Displaced persons may be classified in one of the following three groups:

- (a) those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country);
- (b) those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets-- provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan (see [Annex A](#), para. 7(f)); and<sup>20</sup>
- (c) those who have no recognizable legal right or claim to the land they are occupying.

16. Persons covered under para. 15(a) and (b) are provided compensation for the land they lose, and other assistance in accordance with para. 6. Persons covered under para. 15(c) are provided resettlement assistance<sup>21</sup> in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives set out in this policy, if they occupy the project area prior to a cut-off date established by the borrower and acceptable to the Bank.<sup>22</sup> Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. All persons included in para. 15(a), (b), or (c) are provided compensation for loss of assets other than land.

### **Resettlement Planning, Implementation, and Monitoring**

17. To achieve the objectives of this policy, different planning instruments are used, depending on the type of project:

- (a) a resettlement plan or abbreviated resettlement plan is required for all operations that entail involuntary resettlement unless otherwise specified (see para. 25 and [Annex A](#));
- (b) a resettlement policy framework is required for operations referred to in paras. 26-30 that may entail involuntary resettlement, unless otherwise specified (see [Annex A](#); and
- (c) a process framework is prepared for projects involving restriction of access in accordance with para. 3(b) (see para. 31).

18. The borrower is responsible for preparing, implementing, and monitoring a resettlement plan, a resettlement policy framework, or a process framework (the "resettlement instruments"), as appropriate, that conform to this policy. The resettlement instrument presents a strategy for achieving the objectives of the policy and covers all aspects of the proposed resettlement. Borrower commitment to, and capacity for, undertaking successful resettlement is a key determinant of Bank involvement in a project.

19. Resettlement planning includes early screening, scoping of key issues, the choice of resettlement instrument, and the information required to prepare the resettlement component or subcomponent. The scope and level of detail of the resettlement instruments vary with the magnitude and complexity of resettlement. In preparing the resettlement component, the borrower draws on appropriate social, technical, and legal expertise and on relevant community-based organizations and NGOs.<sup>23</sup> The borrower informs potentially displaced persons at an early stage about the resettlement aspects of the project and takes their views into account in project design.

20. The full costs of resettlement activities necessary to achieve the objectives of the project are included in the total costs of the project. The costs of resettlement, like the costs of other project activities, are treated as a charge against the economic benefits of the project; and any net benefits to resettlers (as compared to the "without-project" circumstances) are added to the benefits stream of the project. Resettlement components or free-standing resettlement projects need not be economically viable on their own, but they should be cost-effective.

21. The borrower ensures that the Project Implementation Plan is fully consistent with the resettlement instrument.

22. As a condition of appraisal of projects involving resettlement, the borrower provides the Bank with the relevant draft resettlement instrument which conforms to this policy, and makes it available at a place accessible to displaced persons and local NGOs, in a form, manner, and language that are understandable to them. Once the Bank accepts this instrument as providing an adequate basis for project appraisal, the Bank makes it available to the public through its InfoShop. After the Bank has approved the final resettlement instrument, the Bank and the borrower disclose it again in the same manner.<sup>24</sup>

23. The borrower's obligations to carry out the resettlement instrument and to keep the Bank informed of implementation progress are provided for in the legal agreements for the project.

24. The borrower is responsible for adequate monitoring and evaluation of the activities set forth in the resettlement instrument. The Bank regularly supervises resettlement implementation to determine compliance with the resettlement instrument. Upon completion of the project, the borrower undertakes an assessment to determine whether the objectives of the resettlement instrument have been achieved. The assessment takes into account the baseline conditions and the results of resettlement monitoring. If the assessment reveals that these objectives may not be realized, the borrower should propose follow-up measures that may serve as the basis for continued Bank supervision, as the Bank deems appropriate (see also [BP 4.12](#), para. 16).

## **Resettlement Instruments**

### *Resettlement Plan*

25. A draft resettlement plan that conforms to this policy is a condition of appraisal (see [Annex A](#), para. 2-21) for projects referred to in para. 17(a) above.<sup>25</sup> However, where impacts on the entire displaced population are minor,<sup>26</sup> or fewer than 200 people are displaced, an abbreviated resettlement plan may be agreed with the borrower (see [Annex A](#), para. 22). The information disclosure procedures set forth in para. 22 apply.

### *Resettlement Policy Framework*

26. For sector investment operations that may involve involuntary resettlement, the Bank requires that the project implementing agency screen subprojects to be financed by the Bank to ensure their consistency with this OP. For these operations, the borrower submits, prior to appraisal, a resettlement policy framework that conforms to this policy (see [Annex A](#), paras. 23-25). The framework also estimates, to the extent feasible, the total population to be displaced and the overall resettlement costs.

27. For financial intermediary operations that may involve involuntary resettlement, the Bank requires that the financial intermediary (FI) screen subprojects to be financed by the Bank to ensure their consistency with this OP. For these operations, the Bank requires that before appraisal the borrower or the FI submit to the Bank a resettlement policy framework conforming to this policy (see [Annex A](#), paras. 23-25). In addition, the framework includes an assessment of the institutional capacity and procedures of each of the FIs that will be responsible for subproject financing. When, in the assessment of the Bank, no resettlement is envisaged in the subprojects to be financed by the FI, a resettlement policy framework is not required. Instead, the legal agreements specify the obligation of the FIs to obtain from the potential subborrowers a resettlement plan consistent with this policy if a subproject gives rise to resettlement. For all subprojects involving resettlement, the resettlement plan is provided to the Bank for approval before the subproject is accepted for Bank financing.

28. For other Bank-assisted project with multiple subprojects<sup>27</sup> that may involve involuntary resettlement, the Bank requires that a draft resettlement plan conforming to this policy be submitted to the Bank before appraisal of the project unless, because of the nature and design of the project or of a specific subproject or subprojects (a) the zone of impact of subprojects cannot be determined, or (b) the zone of impact is known but precise sitting alignments cannot be determined. In such cases, the borrower submits a resettlement policy framework consistent with this policy prior to appraisal (see [Annex A](#), paras. 23-25). For other subprojects that do not fall within the above criteria, a resettlement plan conforming to this policy is required prior to appraisal.

29. For each subproject included in a project described in para. 26, 27, or 28 that may involve resettlement, the Bank requires that a satisfactory resettlement plan or an abbreviated resettlement plan that is consistent with the provisions of the policy framework be submitted to the Bank for approval before the subproject is accepted for Bank financing.

30. For projects described in paras. 26-28 above, the Bank may agree, in writing, that subproject resettlement plans may be approved by the project implementing agency or a responsible government agency or financial intermediary without prior Bank review, if that agency has demonstrated adequate institutional capacity to review resettlement plans and ensure their consistency with this policy. Any such delegation, and appropriate remedies for the entity's approval of resettlement plans found not to be in compliance with Bank policy, are provided for in the legal agreements for the project. In all such cases, implementation of the resettlement plans is subject to ex post review by the Bank.

### *Process Framework*

31. For projects involving restriction of access in accordance with para. 3(b) above, the borrower provides the Bank with a draft process framework that conforms to the relevant provisions of this policy as a condition of appraisal. In addition, during project implementation and before enforcing of the restriction, the borrower prepares a plan of action, acceptable to the Bank, describing the specific measures to be undertaken to assist the displaced persons and the arrangements for their implementation. The plan of action could take the form of a natural resources management plan prepared for the project.

## **Assistance to the Borrower**

32. In furtherance of the objectives of this policy, the Bank may at a borrower's request support the borrower and other concerned entities by providing

- (a) assistance to assess and strengthen resettlement policies, strategies, legal frameworks, and specific plans at a country, regional, or sectoral level;
- (b) financing of technical assistance to strengthen the capacities of agencies responsible for resettlement, or of affected people to participate more effectively in resettlement operations;
- (c) financing of technical assistance for developing resettlement policies, strategies, and specific plans, and for implementation, monitoring, and evaluation of resettlement activities; and
- (d) financing of the investment costs of resettlement.

33. The Bank may finance either a component of the main investment causing displacement and requiring resettlement, or a free-standing resettlement project with appropriate cross-conditionalities, processed and implemented in parallel with the investment that causes the displacement. The Bank may finance resettlement even though it is not financing the main investment that makes resettlement necessary.

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1. "Bank" includes IBRD and IDA; "loans" includes IDA credits and IDA grants, guarantees, Project Preparation Facility (PPF) advances and grants; and "projects" includes projects under (a) PPFs advances and Institutional Development Fund (IDF) grants, if they include investment activities; (b) grants under the Global Environment Facility and Montreal Protocol, for which the Bank is the implementing/executing agency; and (c) grants or loans provided by other donors that are administered by the Bank. The term "project" does not include programs supported by Development Policy Lending (for which the environmental provisions are set out in [OP/BP 8.60, Development Policy Lending](#)), or by Program-for-Results Financing (for which environmental provisions are set out in [OP/BP 9.00, Program-for-Results Financing](#)). "Borrower" also includes, wherever the context requires, the guarantor or the project implementing agency.
  2. In devising approaches to resettlement in Bank-assisted projects, other Bank policies should be taken into account, as relevant. These policies include [OP 4.01, Environmental Assessment](#), [OP 4.04, Natural Habitats](#), [OP 4.10, Indigenous Peoples](#), and [OP 4.11, Physical Cultural Resources](#).
  3. The term "displaced persons" refers to persons who are affected in any of the ways described in para. 3 of this OP.
  4. Displaced persons under para. 3(b) should be assisted in their efforts to improve or restore their livelihoods in a manner that maintains the sustainability of the parks and protected areas.
  5. Where there are adverse indirect social or economic impacts, it is good practice for the borrower to undertake a social assessment and implement measures to minimize and mitigate adverse economic and social impacts, particularly upon poor and vulnerable groups. Other environmental, social, and economic impacts that do not result from land taking may be identified and addressed through environmental assessments and other project reports and instruments.
  6. This policy does not apply to restrictions of access to natural resources under community-based projects, i.e. where the community using the resources decides to restrict access to these resources, provided that an assessment satisfactory to the Bank establishes that the community decision-making process is adequate, and that it provides for identification of appropriate measures to mitigate adverse impacts, if any, on the vulnerable members of the community. This policy also does not cover refugees from natural disasters, war, or civil strife (see [OP 8.00, Rapid Response to Crises and Emergencies](#)).
  7. For the purposes of this policy, "involuntary" means actions that may be taken without the displaced person's informed consent or power of choice.
  8. "Land" includes anything growing on or permanently affixed to land, such as buildings and crops. This policy does not apply to regulations of natural resources on a national or regional level to promote their sustainability, such as watershed management, groundwater management, fisheries management, etc. The policy also does not apply to disputes between private parties in land titling projects, although it is good practice for the borrower to undertake a social assessment and implement measures to minimize and mitigate adverse social impacts, especially those affecting poor and vulnerable groups.
  9. For the purposes of this policy, involuntary restriction of access covers restrictions on the use of resources imposed on people living outside the park or protected area, or on those who continue living inside the park or protected area during and after project implementation. In cases where new parks and protected areas are created as part of the project, persons who lose shelter, land, or other assets are covered under para. 3(a). Persons who lose shelter in existing parks and protected areas are also covered under para. 3(a).
  10. The *Involuntary Resettlement Sourcebook* provides good practice guidance to staff on the policy.
  11. "Replacement cost" is the method of valuation of assets that helps determine the amount sufficient to replace lost assets and cover transaction costs. In applying this method of valuation, depreciation of structures and assets should not be taken into account (for a detailed definition of replacement cost, see [Annex A](#), footnote 1). For losses that cannot easily be valued or compensated for in monetary terms (e.g., access to public services, customers, and suppliers; or to fishing, grazing, or forest areas), attempts are made to establish access to equivalent and culturally acceptable resources and earning opportunities. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures necessary to meet the replacement cost standard. Such additional assistance is distinct from resettlement assistance to be provided under other clauses of para. 6.
  12. If the residual of the asset being taken is not economically viable, compensation and other resettlement assistance are provided as if the entire asset had been taken.
  13. The alternative assets are provided with adequate tenure arrangements. The cost of alternative residential housing, housing sites, business premises, and agricultural sites to be provided can be set off against all or part of the compensation payable for the corresponding asset lost.
  14. Such support could take the form of short-term jobs, subsistence support, salary maintenance or similar arrangements.
  15. See [OP 4.10, Indigenous Peoples](#).
  16. Where the borrower has offered to pay compensation to an affected person in accordance with an approved resettlement plan, but the offer has been rejected, the taking of land and related assets may only proceed if the borrower has deposited funds equal to the offered amount plus 10 percent in a secure form of escrow or other interest-bearing deposit acceptable to the Bank, and has provided a means satisfactory to the Bank for resolving the dispute concerning said offer of compensation in a timely and equitable manner.
  17. See [OP 4.04, Natural Habitats](#).
  18. As a general principle, this applies if the land taken constitutes less than 20% of the total productive area.
  19. Paras. 13-15 do not apply to impacts covered under para. 3(b) of this policy. The eligibility criteria for displaced persons under 3 (b) are covered under the process framework (see paras. 7 and 30).

20. Such claims could be derived from adverse possession, from continued possession of public lands without government action for eviction (that is, with the implicit leave of the government), or from customary and traditional law and usage, and so on.
21. Resettlement assistance may consist of land, other assets, cash, employment, and so on, as appropriate.
22. Normally, this cut-off date is the date the census begins. The cut-off date could also be the date the project area was delineated, prior to the census, provided that there has been an effective public dissemination of information on the area delineated, and systematic and continuous dissemination subsequent to the delineation to prevent further population influx.
23. For projects that are highly risky or contentious, or that involve significant and complex resettlement activities, the borrower should normally engage an advisory panel of independent, internationally recognized resettlement specialists to advise on all aspects of the project relevant to the resettlement activities. The size, role, and frequency of meeting depend on the complexity of the resettlement. If independent technical advisory panels are established under [OP 4.01](#), *Environmental Assessment*, the resettlement panel may form part of the environmental panel of experts.
24. See *The World Bank Policy on Access to Information, para. 34* (Washington, D.C.: World Bank, 2002).
25. An exception to this requirement may be made in highly unusual circumstances (such as emergency operations) with the approval of Bank Management (see [BP 4.12](#), para. 8). In such cases, the Management's approval stipulates a timetable and budget for developing the resettlement plan.
26. Impacts are considered "minor" if the affected people are not physically displaced and less than 10 percent of their productive assets are lost.
27. For the purpose of this paragraph, the term "subprojects" includes components and subcomponents.