



ASIAN INFRASTRUCTURE
INVESTMENT BANK

Resettlement Planning Framework



ФЕДЕРАЛЬНОЕ ДОРОЖНОЕ АГЕНТСТВО
РОСАВТОДОР

Project of Road Modernization in the
Russian Federation

11 November 2019

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| Document details | |
| Document title | Initial Resettlement Planning Framework for Public Disclosure |
| Document subtitle | Project of Road Modernization in the Russian Federation |
| Date | 11 November 2019 |
| Version | 1.0 |

11 November 2019

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Acronyms and Abbreviations

| Name | Description |
|------|------------------------------------|
| AIB | Asian Development Bank |
| ERM | External Resettlement Monitor |
| ESS | Environmental and Social Standards |
| GRM | Grievance Redress Mechanism |
| LAR | Land Acquisition and Resettlement |
| RP | Resettlement Plan |
| PAP | Project Affected Person |
| PIU | Project Implementation Units |
| RF | Russian Federation |
| RPF | Resettlement Planning Framework |

DEFINITION OF TERMS

| | |
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| Abbreviated Resettlement Plan (ARP) / Resettlement Plan (RP) | A document consistent with the principles and objectives of AIB ESS2 and with the RPF in which responsible entity specifies the procedures that it will follow and the actions that it will take to mitigate adverse effects, compensate losses, and provide development benefits to persons and communities affected by the Project in certain area. In accordance with ESS2, ARP is prepared when the affected people are not physically displaced and less than 10 percent of their productive assets are lost or fewer than 200 people are displaced. |
| Compensation – | refers to any payment in cash or in kind of the replacement cost of the acquired assets. Compensation will be paid before taking possession of the land and assets in all cases. |
| Corridor of Impact – | it is the area that is impacted by the road civil works or by the need to retain sites for use in road maintenance. In the context of involuntary land acquisition and resettlement, it is the area where the project affected persons will be identified who are eligible to receive compensation based on the cut-off date established under the project. Resettlement impacts generally are confined within a fairly narrow corridor of impact (Col), which is the area where it is unsafe or not permitted for people to occupy structures, carry out business activities, or to cultivate land. The width of this corridor varies depending upon the type of road and usually is less than the legal Right of Way, which includes the road with all associated infrastructure, planting, safety and maintenance areas. For purposes of resettlement planning, whatever has to be removed or demolished, whether permanently or temporarily, is by definition inside a corridor of impact. and those suffering losses caused by the project should be assisted. |
| Cut-off date - | Date of beginning of the census of persons and inventory of assets affected by the Project. If (a) person(s) should occupy the project area after the cut-off date, they will not be eligible for compensation and/or resettlement assistance. Similarly, fixed assets (such as built structures, crops, fruit trees, and woodlots) established after the cut-off date will not be compensated. The cut-off date will be publicly disclosed in local communities and at consultation meetings, with an accompanying explanation. The public announcement will also be posted, as necessary, on frequently visited locations throughout the affected areas. |
| Economic Displacement | Includes all loss of income sources or means of livelihood as a result of land acquisition or obstructed access to resources (land, water, or forest) as a result of Project implementation, regardless whether Project affected persons must move to another location or not. |
| Project Affected Persons – | People, households, or legal entities, who experience full or partial, permanent or temporary physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) resulting from involuntary acquisition or land or involuntary restrictions on land use. |
| Entitlement – | is a range of measures comprising compensation in cash or in kind, income restoration, transfer assistance, income substitution, and relocation which are due to PAPs, depending on the nature of their losses, to restore their economic and social base. |
| Grievance Mechanism – | Redress is the process established under law, local regulations, or administrative decisions to enable property owners and other PAPs to redress issues related to acquisition, compensation, or other aspects of resettlement. |
| Household – | means all persons living together as a single social unit. They are identified in a census being an instrument of their recognition and legitimacy to receive compensation, rehabilitation and assistance under the Project. |
| Income Restoration – | is the reestablishment of income sources and livelihoods of PAPs to their pre-project levels. |
| Involuntary resettlement | Includes all cases with social and economic impact in which, because of the Project implementation, land or assets are taken in a legal process without owners consent or power of choice, resulting in relocation or loss of shelter, loss of assets or access to assets, or loss of income sources or means of livelihood. |

RP

| | |
|--------------------------------|--|
| Livelihood restoration | Includes all efforts to be undertaken to assist PAPs impacted by physical or economical displacement to restore, and where possible, improve their livelihoods and standards of living to level prior to the beginning of project implementation. Assistance in livelihood restoration will continue in a transition period, based on a reasonable estimate of the time likely needed. |
| Moving allowance | The moving allowance is a cash compensation for expenses directly associated to moving/relocation of the household. |
| Project Affected Person | any person who, as a result of the implementation of the Project suffers loss of assets or access to assets. |
| Relocation – | is the physical shifting of PAP from his/her pre-Project place of residence and/or business. |
| Replacement Cost – | <ul style="list-style-type: none"> • For agricultural land, it 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. • For land in urban areas, it is the pre displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes. • 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. Where Russian law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard. |
| Transitional allowance | A one-off cash compensation as an additional financial assistance to facilitate PAP adjustment in the area to which they are relocated. |
| Vulnerable group/individual(s) | refers to people who, by virtue of factors beyond their control: (a) are more likely to be adversely affected by the Project's environmental and social impacts; and (b) are more likely than others to be limited in their ability to claim or take advantage of Project benefits. Such an individual or group is also more likely to be excluded from or unable to participate fully in the mainstream consultation process and may require specific measures or assistance (or both) to do so. |

1. INTRODUCTION

1.1 Introduction

The Resettlement Planning Framework (RPF) is required, as the Project may involve Involuntary Resettlement but consists of subprojects and activities whose details are not yet identified. It was designed for the Motor Road Modernisation Project (the Project) to be implemented by the Russian Federal Road Agency (Rosavtodor, the Project Implementation Agency or PIA) and its local departments (the Project Implementation Units or PIU). The RPF is essentially a manual for developers, investors and consultants of the Project. The RPF is an integral part of the Environmental and Social Management Framework Programme (the Programme) and governs implementation of the Project by Rosavtodor's local departments.

This document defines the policy, procedures and institutional requirements to develop detailed Resettlement Plans (RP) for Subprojects in line with the Russian legislation, the Environmental and Social Policy of the Asian Infrastructure Investment Bank (AIIB) including Environmental and Social Standard 2: Involuntary Resettlement, as well as the EHS Guidelines of the World Bank Group.

This document also defines actions that would have to be implemented to ensure compliance with requirements of international banks and national legislation on acquisition of land and involuntary resettlement. With regard to specific Subprojects, the RPF will provide guidance on management of land acquisition and resettlement issues.

1.2 Principles

During implementation of the Project, the need for land acquisition and involuntary resettlement may occur as a result of civil works foreseen under the Project. This document provides the following basic and binding principles to be applied:

- If possible, all resettlement should be avoided by exploring viable alternatives in Project design.
- If this proves to be impossible, all adverse effects should be rendered to the bare unavoidable minimum.
- When unavoidable adverse effects and social impact occurs, all loss of property shall be compensated at replacement costs and PPs livelihood restored at least to the level before the Project implementation.
- PAPs will be assisted in all phases of the Project in their effort in livelihood restoration and living standards in real terms to level prior to Project implementation and resettlement.
- All resettlement needs to be managed in accordance with Russian regulations, AIIB ESS2, accepted international good practices and the basic principles of this document.
- Inclusion of women, part of affected households, in all public consultation, specific gender-tailored mitigation measures, and other measures with the goal to provide women the possibility to participate in mitigation measures provided for resettlement impact, will be given under this RPF.
- Special support and concern in resettlement process and during complete Project implementation under this RPF shall be provided for affected vulnerable groups according to their specific vulnerability.
- In accordance with this RPF, RPs will be prepared for all cases of resettlement under each sub-project. Full RPs will be prepared for all cases when resettlement impacts are significant. ARP is prepared when less than 200 people are affected, and resettlement impacts are minor.

- RPF and the RPs publicly disclosed with public consultations held prior to its final approval to allow affected persons and stakeholders to participate in Project development and planning and implementation of resettlement programs.
- During the Project implementation and resettlement cycle, stakeholders will be provided with clear information about grievance rights and procedures. All grievances will be taken into account during Project implementation and resettlement activities.
- All resettlement activities should be conceived as sustainable projects providing sufficient investment resources to enable principles and goals of resettlement defined by this RPF and RPs.

1.3 Objectives

The Resettlement Planning Framework's main objective is to define overarching principles, procedures, actions, organizational structures and capacity requirements during resettlement, if such should be required, and its impact attributable to Project implementation. It provides the framework for individual RPs under the Project. The specific following objectives are:

- detail Russia's legal solutions in all events of involuntary resettlement, relocation and loss of assets, including legal and administrative procedures and compensation paid for loss of assets; compare them to AIIB's ESS2 and international good practices; and provide the way to bridge the gaps;
- identify key Russian institutions, besides Rosavtodor, involved in the Project implementation, including especially legally authorized state institutions implementing the procedures and safeguards of involuntary resettlement process; including Rosavtodor measures and monitoring in order to provide compliance with ESS2, international good practices, RPF and individual RPs;
- identify stakeholders and ways of their engagement in course of Project implementation.
- present PAPs eligibility criteria and compensation entitlement matrix according to type of loss assets;
- define the process of identification and evaluation of affected assets and the value of compensation to replace the loss of assets;
- provide prompt and effective compensation at full replacement cost for loss of assets or access to assets;
- describe mitigation measures under this RPF and individual RPs, including procedures in order to minimize impacts on PAPs during Project implementation, including specific mitigation measures provided for vulnerable groups and women;
- define grievance and complaint rights, process, bodies and procedures available to PAPs during the whole course of Project implementation, including feedback reporting;
- describe and provide directions to preparation of individual RP and approval procedure, future RP outlines and their implementation process;
- specify requirement of public disclosure, disclosure of documents, public and local community involvement in all phases of the Project preparation; including development of RPF and RPs; especially including public consultation in the PAP community during process of involuntary resettlement and Project implementation that may result in loss of assets;
- establish a gender-sensitive framework for resettlement in order to determine differential impacts since economic and social disruption do not result in equal hardship for women and men;
- specify internal monitoring activities during all phases of Project implementation, especially regarding resettlement issues, safeguarding legal and under this RPF defined process, including evaluation of the resettlement process;

- define the need and extent of monitoring and evaluation of the resettlement process, including external monitoring and evaluation;
- provide forms and questionnaires key to safeguarding and implementing the resettlement process under this RPF and individual RPs.
- Explore Project alternatives to avoid resettlement and land acquisition wherever possible; to minimise land acquisition where avoidance is not feasible;
- Conduct a comprehensive analysis of potential resettlement-related impacts of the Project (Subprojects) and ensure minimisation of resettlement where avoidance is not feasible;
- Where avoidance of resettlement and land acquisition is not feasible, develop detailed Resettlement Plans (RPs) as required by AIIB ESS 2;
- All persons affected by resettlement to be duly notified and invited to participate in the public consultation process during the development, implementation and monitoring phases of the RP;
- Facilitate identification and resolution of key issues related to activities of Rosavtodor and/or its local departments;
- Offer a feedback mechanism including for feedback on the effectiveness of management of resettlement-related impacts.

1.4 Resettlement Planning Framework

This Resettlement Planning Framework (RPF) is formulated based on relevant laws on land acquisition and resettlement (LAR) in the Russian Federation (RF) environmental, health, safety and social regulatory requirements as well as AIIB's ESP, the Environmental and Social Standards (ESSs) and internationally recognized standards, such as the World Bank Group's Environmental, Health and Safety Guidelines (EHSGs)

The RPF identifies likely impacts of the investment, describes anticipated groups of PAPs, clarifies land and resettlement principles, assesses the legal framework for land acquisition and resettlement in RF and respective policies of AIIB, describes standard procedures and methods of grievance redress, and outlines steps that will be taken to plan, obtain concurrence from AIIB, and to implement and monitor the impact of land acquisition and resettlement along the Project (subproject).

This RPF applies to the PAPs, whose lands will be permanently or temporarily affected by compulsory actions due to any land acquisition and/or restriction of access required for public and municipal needs under the Project development. It also applies to people who lease private or state-owned lands or those who have no registered or legal rights over the land they use, and who will be adversely affected as a result of the Project. However, the RPF does not apply to state land that is transferred from one state entity to another, or used temporarily by the PIU during construction works, unless third parties are adversely affected by the transfer or use.

This RPF applies only to future additional/new involuntary land acquisition requirements and expresses the commitment of the Rosavtodor to avoid adverse involuntary land acquisition and resettlement impacts, where possible, and to mitigate and manage them to ensure that PAPs are able to maintain, restore or improve their livelihoods at the end of the Project.

2. PLANNING FRAMEWORK AND ENTITLEMENTS

2.1 National resettlement regulatory framework

Russian legislation provides for several laws and regulations covering the land acquisition process. A brief summary of applicable requirements is presented in Table 1.

Table 1: Key Applicable Russian Legislation relevant to Land Acquisition and Resettlement

| Law / Regulation | Short summary of applicability to the Project |
|--|--|
| Russian Constitution (December 12, 1993), last amendment dated December 30, 2008 | Everyone has the right to own, use and dispose of property both individually and jointly with other persons. No one may be deprived of his property except by a court decision. Compulsory alienation of property for state needs can be made only on condition of preliminary and equivalent compensation (Article 35). |
| The Law of the Russian Federation dated October 25, 2001, № 137- FZ "On Introduction of the Land Code of the Russian Federation" (rev. May 1, 2019) | Before delineation of state property, the local authorities are authorized to deal with state property within their boundaries. The Government of the Russian Federation has established procedures for the delineation of state property. |
| The Land Code of the Russian Federation dated October 25, 2001 № 136-FZ (rev. dated June 02, 2019) | The land legislation regulates the relationships of use and preservation of land in the Russian Federation, which forms the basis of the livelihood of people residing on a given territory (land relationships). It also defines proprietary rights of the state, regions, municipalities, and private individuals and entities. The land code sets out the category of lands. The land code regulates the withdrawal of land plots, and the transfer of land from one land use category to another. The code also regulates the lease of state and municipal lands. It identifies common rules of compensation for losses and damages, and establishes the basis for land valuation. In addition, it sets out the roles and responsibilities for resolving land disputes and establishes penalties for violation of land legislation. |
| The Civil Code of the Russian Federation (part 1) dated November 30, 1994 № 51-FZ | The Civil Code defines types of legal interest in property (full ownership, lease, third party). It requires that proprietary rights and other rights for immovable property, as well as any restrictions, formation, assignment or transfer of rights must be registered with the state. Use rights, servitude rights and mortgages must also be registered. The Civil Code makes a general definition of losses and determines the rules for the compensation of losses. |
| The Forest Code of the Russian Federation dated December 04, 2006 № 200-FZ (rev. dated August 03, 2018) with amendments and changes become law January 1, 2019 | Use, conservation, protection and regeneration of forests shall be performed in accordance with the intended use of lands where the forests are located (protected, operational or reserve). Boundaries of forest land and other lands where forests are located, are defined in accordance with land legislation, forest legislation and urban planning legislation. Use of forests in the Russian Federation is chargeable: a rental fee or a purchase/sale agreement fee may be charged for the use of forests. |
| The Civil Procedures Code of the Russian Federation dated November 14, 2002, № 138-FZ | The Civil Procedures Code sets out procedures and applicable timeframes for actions and appeals through the courts by individual persons. |
| "Urban Planning Code of the Russian Federation" dated December 29, 2004 N 190-FZ (as amended on August 2, 2019) | The Urban Planning Code establishes the right of the public (citizens) to obtain timely, complete and accurate information about the environment, and the right to participate in environmental decision-making at all stages of operations. |
| The Law of the Russian Federation dated July 24, 2002 № 101-FZ "On Farm Land Turnover" | This law establishes rules to ownership, use, and disposal of agricultural lands and defines conditions for provision of agricultural land plots that belong to the state or municipalities. |
| Federal Law "On State Registration of Real Estate" dated 07.13.2015 N 218-FZ (latest revision) | Establishes real estate registration procedures |
| Federal Valuation Law dated 07.29.1998 N 135-ФЗ (latest revision) | Clarifies state cadastral valuation procedures, land acquisition procedures for state needs |

2.2 Acquisition of land for state and municipal needs

The overall procedure for acquisition of land for state and municipal needs is mainly governed by the Russian Civil Code (Articles 279-283) and the Russian Land Code (Articles 49, 55, 57, 63).

This process involves the following sequence of actions:

- An authorised executive body or a local authority passes a decision to acquire a land plot or land plots for state or municipal needs;
- The land owners, users and tenants are notified of the decision at least one year prior to acquisition;
- The decision is entered into the Unified State Register of Rights, following which the land owner is notified accordingly (Item 4, Article 279 of the Civil Code);
- A land acquisition (sale and purchase) agreement and a deed of transfer are entered into between the governmental body and the land owner (subject to the latter's consent for acquisition);
- In the absence of consent from the land owner, the governmental body goes into court to acquire the land. The claim can be filed within 3 years after notifying the land owner of the land acquisition decision (Article 282 of the Civil Code);
- The owner is paid the acquisition price for the land plot;
- State registration of the transfer of title.

This process applies not only for owners of land plots but also for persons who own the land plot under a perpetual use right or lifetime inheritable tenure or a leasing arrangement.

The overall procedure of land plots withdrawal is provided in Figure 1.

GENERAL PROCEDURE FOR CREATION OF LAND PLOTS FOR CONSTRUCTION OF PUBLIC ROADS IN RUSSIA

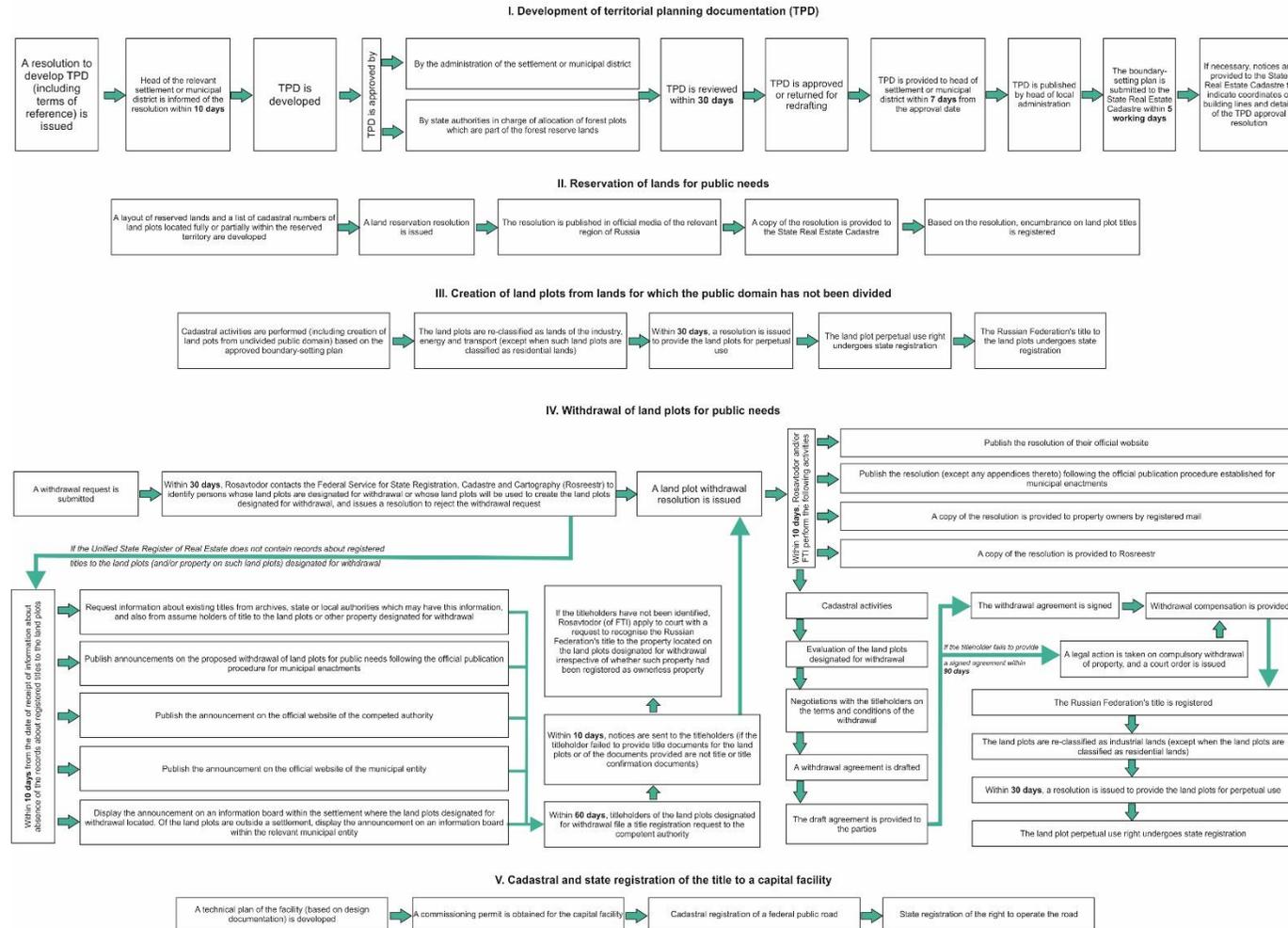


Figure 1 General procedure of land plot withdrawal for public needs

2.3 AIIB Environmental and Social Standard 2: Involuntary Resettlement

Sub-projects, which are in fully or partially sponsored or funded by the Project, triggering land acquisition and involuntary resettlement are subject to AIIB ESS2 and this RPF. This Standard is not restricted to cases of physical resettlement, but also covers any loss of income, channels or means of livelihood (economic displacement) consequential from resettlement or restricted access to resources (land, water, or forest), resulting from project implementation or its associated facilities.

The policy applies to all components of the Project causing involuntary resettlement, regardless of the source of Project component funding. It further applies to activities that cause involuntary resettlement, which are directly and materially related to the Project, carried/planned to be carried out with the Project, necessary for the Project to be viable and would not be undertaken if the Project did not exist.

ESS2's general principles that are fully adopted as principles of this RPF, and are as follows:

- Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs.
- Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient resources to enable the persons displaced by the project to share in project benefits. Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.
- 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.
- Special attention should be given to vulnerable groups, including those below the poverty line, elderly, women and children, ethnic minorities etc.
- Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance.

In addition to the general principles, the following Project-specific requirements, based on ESS2, shall be applied during Project-related resettlement:

- Displaced persons will be informed about their options and rights referring to the resettlement;
- Displaced persons will be consulted and offered the choice and provision of resettlement assistance;
- Displaced persons will be provided with fast and effective compensation at full replacement cost for the property loss as a direct consequence of the Project. Preference should be given to resettlement strategies based on replacement land rather than compensation in cash payment with a particular attention when agricultural cultivated land is affected and to the displaced persons whose livelihood are land based;
- If the impacts include physical resettlement, displaced persons will be provided such assistance as compensation for relocation during the resettlement, residential building or residential location, or, if necessary, agricultural location for which combination of production potential, location benefits and other factors have at least the same benefits as the former location;
- Displaced persons may be eligible for additional assistance, on top of compensation for the acquired property;
- Displaced persons may be provided support after relocation for a transitional period of time necessary for the restoration of their living standards;

- Displaced persons will have unhindered access to a grievance mechanism with accessible and transparent procedures for settling land acquisition, resettlement and construction-related disputes.

These principles are adopted by this RPF, and will be applied during Project implementation, governing all activities where land acquisition and involuntary resettlement occurs.

2.4 Comparison of AIIB's requirements on Involuntary Resettlement and Russian Legislation and Actions to Address the Difference

The Project (Subprojects) will comply with national legislation and the AIIB policy (in particular, the Bank's ESS 2: Involuntary Resettlement). In the event of a discrepancy between national legislation and AIIB requirements, priority will be given to compliance with ESS 2.

In particular, the AIIB Environmental and Social Policy does not view absence of formal land titles as a barrier to receive compensation for loss of non-land assets and also provides for additional support to vulnerable groups.

AIIB's requirements place a special focus on the need to improve means of livelihood and quality of life of the affected vulnerable groups, while the national legislation of Russia does not include these conditions. Under the Russian law, compensation is calculated based on the market value of land, while the AIIB requires calculation of the total cost of compensation for the loss of assets.

The checklist for assessment of the compliance the subproject with the eligibility criteria of AIIB on land acquisition and resettlement issues are set out in Appendix 1.

2.5 Identification of persons, land plots and/or other property to be acquired for state needs

The extent of impacts caused by the Project (Subprojects) will be estimated during the detailed design stage. As information about design documents for Subprojects is currently unknown, the need for land acquisition and resettlement may occur in the future. If that turns out to be the case, PIU will prepare a social impact assessment and develop the Resettlement Plan in line with all applicable requirements set herein.

After that, the need for land acquisition and resettlement may be assessed, and if necessary the RAP may be developed based on the principles presented in this document.

The social impact assessment should use the following actions to assess affected persons and anticipated impacts:

- thematic maps that identify such features as population settlements, infrastructure, soil composition, natural vegetation areas, water resources, and land use patterns;
- a census that enumerates the affected people and registers them according to location;
- an inventory of lost and affected assets at the household, enterprise, and community level;
- socioeconomic surveys and studies of all affected people ;
- analysis of surveys and studies to establish compensation parameters, to design appropriate income restoration and sustainable development initiatives, and to identify baseline monitoring indicators; and
- consultation with affected populations regarding mitigation of effects and development opportunities.

Prior to commencement of construction works within the RoW of the Project the complete implementation of the Resettlement Plan will be verified and confirmed by the External Resettlement Monitor.

In case unregistered land users are affected, the PIU or relevant responsible authorities will assist the affected land users to register or update the registration of their lands in order to compensate them under existing RF legislation.

The non-land assets/structures on the affected plots of land users without titles will be evaluated and compensated by exactly the same criteria as those with titles.

3. PROCEDURES OF PLANNING FRAMEWORK

3.1 Eligibility, evaluation and entitlement

3.1.1 Persons eligible for compensation

According to this RPF, the following persons are entitled for compensation, if present in the Project area prior to cut-off date:

- PAPs who are formal owners or lessees, or legal users under the provisions of the Russian law, or unregistered owners¹ and informal users² of privately or publicly owned affected agricultural or construction land, or part of the land;
- PAPs who are owners and informal users of affected crops that are affected by the Project;
- PAPs who are owners and informal users of perennial plants and trees such as fruit bearing trees and vineyards that are affected by the Project;
- PAPs who are owners and informal users, of affected vineyards and orchards that have not given yield yet that are affected by the Project;
- PAPs who are owners and informal users, of the nursery which has not yield yet that are affected by the Project;
- PAPs who are owners of the affected non-agricultural business on the whole plot or a part of it that are affected by the Project;
- Workers, agricultural processors and farmers on affected property, whose incomes and livelihoods are temporarily affected due to Project's impact.
- Communities or households whose access to their buildings and usual resources are affected by the Project;
- PAPs who are formal owners, or lessees, or legal users under the provision of Russian law, or unregistered owners and informal users, and who are affected by the Project because of the temporarily occupation of their land;
- Vulnerable groups (VG), persons below the poverty line in accordance with national laws, women led households, single parents, elderly, disabled persons or those with long-term health problems which are affected by the Project;
- PAPs who are formal or informal owners (building constructed without building permit on one's own land plot, or someone else's or state-owned plot) or lessees of the building (residential, commercial, industrial, institutional, auxiliary, etc.), or persons with occupancy rights on flats in expropriated residential building or apartment, or a part of the building that is affected by the Project, or informal users of public buildings; and
- PAP's whose losses cannot be determined or foreseen at this stage of the Project.

¹ Owners with recognisable legal right or claim

² Persons who have established usage of public or private land and have invested in immovable objects, crops, woods, trees, fruit bearing trees, vineyards, etc.

3.1.2 Cut-off date

The cut-off date is a moratorium date. Persons encroaching into the Project area after the Cut-off date are not eligible for compensation or for any other resettlement assistance. Also, any investments in fixed assets (such as structures, crops, fruit, trees, woodlots, etc.) as result of activities commencing after the Cut-off date will not be eligible for compensation. This cut-off date policy will not include persons who became owners after the cut-off date by court decision of a property existing prior to cut-off date. The date counters opportunistic claims from those moving into the Project area solely in anticipation of benefits.

In order to establish a cut-off date for determine the eligibility of PAPs for resettlement compensation and assistance, a census of persons and inventory of assets shall be produced, as soon as the sub-project is identified, to enumerate all likely impacts and, if possible, supported by video and photo material. The report on the surveys shall be signed off by the PAPs and representative of PIU. The date of beginning of census will be considered as cut-off date. Before the census, PIU will disseminate information about the cut-off date in appropriate local media, informing all owners and users of the initiation of the expropriation process. The cut-off date will also be publicly disclosed on notice boards in local communities and relevant municipalities and at consultation meetings, with an accompanying explanation. The public announcement will also be posted, as necessary, on frequently visited locations throughout the affected areas.

3.1.3 Evaluation of affected assets

Some general rules shall apply when evaluating assets for compensation:

Compensations for buildings and land. Compensation for agricultural land, an expropriated building or land can be another appropriate replacement property, which corresponds in value, quality, accessibility, etc. If there is a difference of values at replacement cost between expropriated and offered property, the PIU and property owner can agree on additional cash payment to bridge the gap. Cash compensation at replacement cost (including all associated costs of transaction, for example, registration costs in land/cadastre registries, transfer and administrative fees, if any), will be provided for land and buildings. The compensation will also be provided for all possible damages caused by any construction activities.

Compensation for crops and trees. During the expropriation, it is preferable to comply with the rule that access to site is performed only after all remaining annual crops are collected, whenever possible. For annual crops harvested before access to site the compensation will not be paid. Annual crops that cannot be harvested prior to access to site the compensation shall be provided at replacement costs. The PAP shall have the choice to harvest the crops even after the access to site by PIU, if possible. Compensation for perennial plants and trees will be ensured at a replacement cost. Determining full replacement cost requires consideration not only of yield, but also of costs of setting up the plantation from the start (seedlings, ground preparation etc.), as well as income lost during the period necessary to achieve yield again.

Compensation for other losses. If the project activities result in loss or resettlement of livelihood sources (for example beehives), such persons will be compensated for a loss of production of one season plus reasonable costs in relation to relocating production resources.

3.2 Entitlements to Compensation and Assistance

Compensation and entitlements must ensure that the PAPs maintain or improve their livelihood and standard of living after the project.

Table 2 below provides the entitlements for various categories of PAPs and degrees of impacts related to the Project.

Table 2: Entitlement and Compensation Matrix

| Type of loss | PAPs legal rights status | Compensation policy |
|---|--|--|
| Economic displacement | | |
| Agricultural land regardless to severity of loss (whether partial or complete loss) | Owner with formal title | Replacement land of equal or higher value and similar productivity in direct proximity or in the surroundings of the expropriated land together with all costs of resettlement and administrative fees needed for transfer of ownership rights, if any. OR Cash compensation at replacement costs; |
| | Lessee with valid documents of the right of lease who cultivates agricultural land pursuant to agreement | Compensation for all improvements on land (such as irrigation). Compensation will be paid at replacement cost. AND Costs of equipment relocation and installation AND Replacement land for lease, if land was leased from state |
| | PAPs without formal title | PAPs without a formal title who were in possession of the land on cut-off date will not receive compensation for the land but will be compensated for all investments made on land including labor. Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. |
| Construction land regardless to severity of loss (whether partial or complete loss) | Owner with formal title | Cash compensation at replacement costs; OR At property owner demand, if legal terms are met, replacement land of equal or higher value and similar value in direct proximity or in the surroundings of the expropriated land together with all costs of resettlement and administrative fees needed for transfer of ownership rights, if any |
| | Lessee with valid documents of the right of lease | Compensation for all investments on land Compensation will be paid at replacement cost AND Costs of equipment relocation and installation AND |

| Type of loss | PAPs legal rights status | Compensation policy |
|--|--|--|
| | | Replacement land for lease, if land was leased from state AND Compensation for all rent paid in advance, for the period not expired |
| | PAPs without formal title | PAPs without a formal title who were in possession of the land on cut-off date will not receive compensation for the land but will be compensated for all investments made on land. Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. |
| Unviable land, agricultural or construction | Property owners | In case the remaining area of land is not viable, it can be expropriated upon PAPs request and compensated according to type of property |
| Plants and structures on agricultural land (but not houses) | | |
| Loss of annual crops, that could not have been harvested prior to land repossession | Owners of plants (irrelevant if the owner of crops is owner of land, or lessee, or informal owner/user of land providing that they bore costs of planting crops) | Cash compensation which equals the value of expropriated crops including the value of time needed to produce such crop, as well as costs of possible investment (work and labor force) |
| Loss of perennial plants and trees (fruit bearing trees, vineyards and fruit bearing plants) | | The right to collect fruits; AND Cash compensation at replacement cost on the basis of sort, year and productive value, including the value of time needed to produce such crop, as well as costs of possible investment (work and labor force), to plant a new vineyard, orchard or similar, till the moment it reaches the full fructuous potential. |
| Affected vineyards and orchards not yet fruit bearing | | Cash compensation for the investment in planting a new vineyard or orchard (labor, seedlings, etc), including the value of time needed to reproduce a replacement vineyard or orchard |
| Wood mass (mature or nearly mature) | | The replacement cost determined based on the value of the dry wood volume at market value |
| Forests without mature wood mass | | Cash compensation for the investment in planting a new forest, including the value of time needed to reproduce a replacement forest |
| Nursery not yet yielding | | Cash compensation for the investment in planting material (nursery and other reproductive material). |

| Type of loss | PAPs legal rights status | Compensation policy |
|---|--|---|
| Buildings used for keeping and raising livestock (sheds, stables, etc.) | Owners of structures used for keeping livestock | Cash compensation at replacement costs; OR At property owner demand, if legal terms are met, appropriate replacement property + costs of resettlement and administrative fees needed for transfer of ownership rights, if any |
| Impact on agricultural employees, or processors | Workers, employees | In case of disturbance of income source compensation on a one-time basis will be paid commensurate with income loss. AND Training for alternative jobs if possible. AND Priority in employment on the Project, if possible and on a case by case basis (In accordance with social assessment processed in RAPs) |
| Businesses (non-agriculture) | | |
| Business structures (shops, kiosks, offices, etc.) | Owners with formal title | Cash compensation at replacement costs, including taxes AND Costs of equipment and inventory relocation and re-installation AND Cash compensation on a one-time basis (transitional allowance) to be determined on a case to case basis during social survey by obtaining relevant data on income and livelihood. Transitional allowance shall then be determined commensurate with the loss. OR At property owner demand, if legal terms are met, replacement property of equal or higher value and similar feature, in direct proximity or in the surroundings of the expropriated building together with all costs of resettlement and administrative fees needed for transfer of ownership rights, if any |
| | Lessee with valid documents of the right of lease who uses premises according to agreement | Compensation for all improvements on premises (such as reconstruction, refurbishment etc.). Compensation will be paid at replacement cost. AND Costs of equipment and inventory relocation and re-installation, AND |

| Type of loss | PAPs legal rights status | Compensation policy |
|--|--|--|
| | | <p>Cash compensation on a one-time basis (transitional allowance) to be determined on a case to case basis during social survey by obtaining relevant data on income and livelihood. Transitional allowance shall then be determined commensurate with the loss.</p> <p>AND</p> <p>Replacement premises for lease, if premises leased from state</p> |
| | <p>PAPs, owners without formal title (building constructed without building permit on one's own plot of land, or on somebody else's land - presumably state owned)</p> | <p>Cash compensation for the building at replacement cost of the structure, including taxes</p> <p>AND</p> <p>Costs of equipment and inventory relocation and re-installation</p> <p>AND</p> <p>Cash compensation on a one-off basis (transitional allowance) to be determined on a case to case basis during social survey by obtaining relevant data on income and livelihood. Transitional allowance shall then be determined commensurate with the loss.</p> |
| <p>Loss of non-agricultural businesses</p> | <p>Owner of business</p> | <p>Cash compensation for relocating the business, including compensation for immovable inventory and replacement cost of investment.</p> <p>AND</p> <p>Cash compensation on a one-time basis (transitional allowance)</p> <p>AND</p> <p>Any registration taxes.</p> <p>AND</p> <p>Appropriate level of support for improving the skills if necessary, to perform restoration of income source (livelihood).</p> |
| | <p>Workers, employees</p> | <p>In case of disturbance of income source compensation on a one-time basis will be paid commensurate with income loss.</p> <p>AND</p> <p>Training for alternative jobs if possible.</p> <p>AND</p> <p>Priority in employment on the Project, if possible and on a case by case basis (In accordance with social assessment processed in RAPs)</p> |

| Type of loss | PAPs legal rights status | Compensation policy |
|--|---|--|
| Living premises (houses, flats, dachas, etc.) but where owner doesn't live in, so no physical resettlement is needed, but are used for lease as source of livelihood | Owner of property | Cash compensation for building at full replacement cost AND Compensation for costs of relocation (moving allowance) AND Cash compensation on a one-time basis (transitional allowance, if rent was a source of livelihood) |
| Physical resettlement | | |
| Buildings (residential, houses, flats etc.) | Owner with formal title | Cash compensation at replacement costs, AND |
| | Informal owner - building constructed without building permit on one's own plot of land if subject to legalization | Payment for relocation costs (moving allowance) and compensation for other costs during relocation and cash compensation on a one-time basis (transitional allowance); OR At property owner demand, if legal terms are met, replacement property of equal or higher value, in direct proximity or in the surroundings of the expropriated property together with all costs of resettlement and administrative fees needed for transfer of ownership rights, if any AND Payment for relocation costs (moving allowance) and compensation for other costs during relocation and cash compensation on a one-time basis (transitional allowance); If immediate accommodation/storage is unavailable, housing/storage rental allowance covering rent for at least 3 months or more if rental requirement period is longer. |
| | Informal owner - building constructed without building permit on one's own plot of land or constructed without building permit on someone else's or state-owned - not eligible for legalization | Cash compensation for the building at replacement cost of the structure; AND Payment for relocation costs (moving allowance) and compensation for other costs during relocation and cash compensation on a one-time basis (transitional allowance). |
| | Lessee of the affected property | Payment of resettlement costs and compensation for proven costs caused by relocation and cash compensation on a one-time basis (transitional allowance). |

| Type of loss | PAPs legal rights status | Compensation policy |
|---|---|--|
| | Lessee or person with occupancy right to state owned flat | Provide lease or occupancy rights of same kind of another equivalent, social or state-owned property in nearest vicinity; AND Payment for relocation costs (moving allowance) and compensation for other costs during relocation and cash compensation on a one-time basis (transitional allowance) evaluated based on potential extra costs incurred by increased commuting costs. |
| | Owners of temporary/ movable structures | Approved site to relocate structure with the relevant permissions and access to the road, if required. |
| Unviable buildings | Owner of building | In case that the remaining building is not viable or under a physical impediment for physical use can be expropriated upon PAPs request. Compensation is provided in the way as prescribed for that type of building in accordance with this matrix. |
| Other resettlement situations | | |
| Publicly or state-owned buildings, or parts of buildings | Informal users, squatters | Payment for relocation costs (moving allowance) and compensation for other costs during relocation and cash compensation on a one-time basis (transitional allowance). AND Assistance in finding new accommodation |
| Loss of access to community assets, buildings and structures | Communities or households | Replacement of public ownership or conveniences (roads and the like). Access to equal conveniences or services. |
| Impacts caused by temporary occupancy of land and any damages to the property | Property owner | Market price of lease for duration of the occupancy. The land must be returned to original condition. Improved quality of the land due to top soiling work should not be removed, except if agreed upon differently with PAP. AND Replacement cost in accordance with this matrix for affected crops, orchards, nurseries etc. AND Compensation for any damages to the property evaluated at replacement costs if land cannot be restored to original status at the end of rental. |

| Type of loss | PAPs legal rights status | Compensation policy |
|-----------------------------|---|--|
| Impact on vulnerable groups | Vulnerable PAPs: persons below the poverty line in accordance with Russian laws, households led by women, families with more than four children, single parent, elderly, disabled person, veterans or those with long-term health problems. | On top of all rights defined in this matrix, vulnerable PAPs will be provided additional assistance including legal assistance and help during physical relocation. Any additional support required for any affected vulnerable households will be determined on case-to-case basis during socio-economic survey. AND Support for enrollment in government social assistance program if not yet enrolled; These PAPs are given priority of compensation and employment on the project if that is possible. |
| Undetermined impact | Owner or formal beneficiary | Any undetermined impact will be mitigated in accordance with principles and aims of the RPF |

For unexpected adverse effects during the project implementation, the PIU will undertake measures in accordance with the objectives of the RPF of restoring the socio-economic and living conditions of the affected persons. The PIU will conduct census / socio-economic survey of PAPs and prepare the Resettlement Plan covering all applicable requirements consistent with the approved Resettlement PF.

In the case of cash compensation, payments will be delivered through the banks based on the preference of the PAPs free from fees or processing charges. Expenses related to transfer of funds, and documentation requirements will be covered by the Rosavtodor.

3.3 Procedures for Impact Assessment

Assessment of impacts for Project (subprojects) will be done based on the design documentation.

The land cadastre and other responsible authorities will be used to identify the names of the registered landowners / leaseholders with permanent land use rights, land use, size of the affected plots and the proportion of affected land against the total area of the plot. Impacts of land acquisition will be fully assessed once the land plan, Plan of the spatial development is available and Corridor of Impact (Col) boundaries has been marked on the ground.

Affected roadside users (i.e. roadside businesses, and services) will be identified through field visits by PIU jointly with representative of Rosavtodor. Background information on the PAPs will be obtained using a structured census / socio-economic questionnaire. Secondary information on the social, demographic and livelihood conditions in the Project area will be collected from state agencies and community / district / oblast administrations. On the basis of the impact assessment and consultation with PAPs, a Resettlement Plan will be prepared. The sample outline of Resettlement Plan is presented in Appendix 2.

The impact assessment during detailed design will involve the following procedures:

1. Marking of road Col boundaries by the PIU in collaboration with responsible authorities;
2. Inventory and valuation of affected assets (land, structures, crops, trees, other improvements) by valuers commissioned by the PIU. A map that will indicate the location of affected structures will be prepared for each road section, as means of controlling which owners should be eligible for assistance during Resettlement Plan implementation;
3. Census of all PAPs by the PIU taking into account their socio-economic characteristics, gender, ethnicity and demography;
4. In parallel with the inventory of assets, a replacement cost survey will be undertaken by independent valuers to serve as a basis for establishing compensation rates at pre-project level replacement cost.

The inventory of affected assets will summarize the: (i) number of structures that will be demolished and information on their ownership disaggregated by gender; (ii) the types of construction materials used in the affected structures; and (iii) other immovable assets like electricity connections and source of drinking water, etc.

The census / socio-economic surveys of PAPs by the external qualified experts will cover, but not limited to: (a) profiles of household heads by age, gender and education; (b) household members, labor force and employment, disaggregated by gender; (c) family incomes and its sources as compared with poverty thresholds in the oblast; (d) asset ownership such as land, crops and trees; (e) access to social services like schools, clinics, public markets and places of worship; (f) access to electricity connections and roads; and (g) access to common resources in the area. The census will identify the: (a) loss of potential incomes from small business operating alongside of the road; and (b) potential displacement of workers employed by affected business shops. Likewise, the census will identify the impacts and associated risks arising from losses to PAPs particularly on reduced

household incomes, and displacement from employment in affected small business shops. It will also identify vulnerable and non-vulnerable households. These impacts will be the basis for compensation and income restoration of the PAPs. The result of the survey will be complemented with available district-level secondary socio-economic information for the Project area.

3.4 Inventory and Valuation of Losses

The licensed independent licensed valuator engaged to assess the current market value of lands and structures to be affected by the Project will conduct a detailed measurement survey of the affected assets.

To establish a basis for compensation rates for affected lands and structures to ensure that PAPs are compensated at replacement cost, a replacement cost survey will be conducted. On the basis of this and further information on required rehabilitation measures the compensation, relocation and rehabilitation budget for the Project(s) will be prepared. The final amount of compensation will be agreed between the PAPs and the PIU. All compensation payments, land transfers will be free of taxes and administrative costs. Costs related to Resettlement Plan preparation and implementation will be the responsibility of the PIU is responsible for ensuring the payments are made on time.

The cost, timeline and other conditions of acquisition of land plot for state needs will be agreed with land plot owner or the non-governmental land user. In determining the cost of land plot, the full replacement value or the cost of rights to use the land will be considered including the assets found thereon at the time when the right to ownership or land use is terminated. It will also reflect the losses borne by land owner or non-governmental land user at the time of termination of the contract, and losses due to early termination of their obligations to third parties.

The full replacement value of the land plot will be determined according to AIBB policy on involuntary resettlement, which requires replacement cost assessed at current market price and is therefore a higher principle than envisaged under RF laws.

Data sources on farm productivity and agricultural crops will be the (a) the Regional/municipal Department of Agriculture, (b) Statistics Department and (c) PAPs' statements and other documents/data (pledge agreements, statistics data and tax information regarding farms, etc.).

Compensation for crop losses is calculated by taking the average of the gross harvest for the previous three years prior to the acquisition. The unit rate for each crop will be derived by adding the average gross harvest per hectare for the previous three years divided by three.

Representatives from construction companies can be consulted on the average cost estimate for constructing a square meter of different structure categories in recent months. Respective community / district / oblast administrations will also be consulted on the current building standards and prices.

4. CONSULTATIONS DISCLOSURE AND GRIEVANCE REDRESS MECHANISM

4.1 Consultations

The Project (subprojects) will promote the active public and stakeholders' participation that involve information exchange and decision-making during the Resettlement Plan preparation and implementation process.

The objectives of consultations are to:

- identify and help address PAPs' concerns related to the preparation and implementation of the Resettlement Plan;
- determine PAPs' preferences on the type and delivery of compensation;

- minimize PAPs' concerns and ensure transparency of Resettlement Plan activities; and,
- help avoiding unnecessary and costly project development delay.

According to AIIB policy, the PAPs must be fully consulted and provided with opportunities to participate in the planning and implementation of LAR processes. They also must be informed in an appropriate and timely manner on their rights and entitlements, the outcomes of the planning process, as well as the schedules and procedures for implementation of the Resettlement Plan.

Public information and consultation campaign must be carried out by the PIU (or other entity as delegated by PIU) with participation of the Rosavtodor during all stages of the LAR process. In addition, the PIU with participation of the regional authorities must also organize public information meetings to ensure disclosure of Resettlement Plan and inform PAPs about the procedures for payments for compensation and relocation. For the Project (subproject) at least one consultation with PAPs will be conducted once the CoI is determined.

The consultation will present the scope of the Project (or its relevant section), description of temporary and permanent impacts, entitlements of PAPs to compensation and assistance, grievance procedures, schedule of land acquisition activities, role of various agencies and other related information. To ensure that PAPs and other key stakeholders are informed of these consultations, schedule and venues of consultations will be announced in local newspapers at least two weeks before the activity. Individual notifications of potential PAPs will also be made as required under the Land Code. Representatives from NGOs will also be invited as observers to ensure that discussions are free of intimidation and PAPs are allowed to speak. Staff from the PIU (or other entity as delegated by PIU) will record the discussion and prepare minutes of the meeting.

Community / district / oblast administrations shall be informed about Project (subprojects), as their assistance will be solicited for conducting the inventory of affected assets, the census / socio-economic survey of PAPs and the detailed measurement surveys. Also, prior to the finalization of the Resettlement Plan and its submission to ABII for endorsement, the PIU shall thoroughly inform PAPs on the results of the census and detailed measurement survey, and their preferences on compensation or other resettlement assistance shall be given due consideration. The processes and mechanisms ensuring the active involvement of PAPs and other stakeholders will be detailed in the final Resettlement Plan including the date, list of participants, and minutes of consultation meetings.

4.2 Disclosure of Information

The Resettlement Planning Framework shall be made available at the Project area. The Resettlement PF (in Russian and English languages) will be uploaded on the websites of AIIB and PIU/Rosavtodor. During the different stages of the Project (planning, implementation, and monitoring), once any Land acquisition and resettlement impacts occur, the following actions shall be carried out: (i) distribution of public information brochure, (ii) availability of copies of the Resettlement Plan in the office/sites of PIU/Rosavtodor and (iii) uploading of the Resettlement Plan to the PIU/Rosavtodor and AIIB websites.

A summary of the Resettlement Plan shall be distributed among the PAPs to provide additional information on the implementation arrangement, payment schedule, assistance to specific groups and complaints resolution options.

5. GRIEVANCE REDRESS MECHANISM

Complaints consideration procedures for the project aim to provide an effective and systematic mechanism for the Project in responding to queries, feedbacks and complaints from affected persons, other key stakeholders and the general public.

In the section below the grievance handling process in relation to land acquisition and resettlement is described in detail.

The Grievance Redress Mechanism (GRM) is available to people living or working in the areas impacted by the project activities.

Any person impacted by or concerned about the project activities has the right to participate in the GRM, should have the easy access to it, and be encouraged to use it. The proposed GRM does not replace the public mechanisms of complaint and conflict resolution envisaged by the legal system of the Russian Federation, but attempts to minimize use of it to the extent possible.

Overall responsibility for timely implementation of GRM lies with the Rosavtodor involved in managing and supervising the civil works and other activities under the subproject.

This GRM envisages two levels of grievance resolution for the road sector subprojects implemented under the supervision of Rosavtodor:

- Tier I: complaints considered by specialists responsible for the implementation of the GRM in the local divisions of Rosavtodor (PIU)
- Tier II: complaints considered by responsible specialists by Rosavtodor in line with requirements GRM.

5.1 Tier I: PIU's GRM procedure

At the Tier I, grievances can be submitted through the following channels:

- Send a filled grievance form by mail;
- Send a filled grievance form by e-mail;
- Fill grievance e-form at the PIU's site (put the web address);
- Call by phone;
- Meeting in person;

PIU's GRM officer at the regional level also considers the anonymous complaints, in case the complainant refuses to provide contact details, or no contact information is available in the grievance received by e-mail / mail / fax. Grievances will be recorded in a standard format envisaged by the GRM.

Queries and complaints that are clarified and resolved at the intake point are closed immediately, their outcome is duly recorded and acknowledged.

In case of anonymous complaints, the response will be posted at the information board of the PIU office and website within 20 working days of the logging of the grievance.

Receipt of grievances lodged in person or via phone will be acknowledged immediately, while those logged in person, email, fax and mail submissions will be acknowledged within two working days. The acknowledgment should provide the complainant with the basic information about the next steps.

The GRM officer will then investigate by trying to understand the issue from the perspective of the complainant and understand what action he/she requires. The officer will investigate facts and circumstances, interview all parties involved and confer with relevant stakeholders. Once investigated, and depending on the severity and type of grievance, a provisional decision shall be discussed with the complainant in the timeframe of 10 working days after the acknowledgement of the grievance. The final agreement should be specific and agreed with the complainant no later than 20 working days after the acknowledgement of the grievance. Closing out the grievance occurs after the implementation of the resolution has been verified. Even when an agreement is not reached, or the grievance was rejected, GRM officer shall document the result, actions and effort put into the attempted resolution.

5.2 Tier II: Rosavtodor's GRM procedure

Following unsuccessful resolution of grievance by PIU at the regional level, complaint resolution will be attempted to Rosavtodor.

Feedback provision: If the grievance was resolved, the complaining party will be informed on the outcome of grievance resolution. If grievance was not resolved by the GRM specialist of Rosavtodor, appropriate information will be provided to the complaining party, including details why the case was not resolved, as well as recommendation to seek for resolution through the Russian Federation legal system.

Disclosure of information on results of consideration of anonymous complaints is similar to the GRM approved at the regional level.

The GRM system shall keep a grievance register log. Each grievance will be recorded in the register with the following information at the minimum:

- Type of grievance;
- Description of grievance;
- Gender-disaggregate data of complainant/grievance;
- Date of receipt acknowledgement returned to the complainant,
- Description of actions taken (investigation, corrective measures), and
- Date of resolution and closure / provision of feedback to the complainant OR Date of escalation to Tier II THEN
- Description of actions taken (investigation, corrective measures) by Tier II
- Date of resolution and closure / provision of feedback to the complainant by Tier II

The monitoring of Grievance management will be through a set of indicators ensuring effective and timely resolution of grievance. The indicators will be measures within the reporting periods. The indicators are listed below:

- Number of Grievances received;
- Number (%) of Grievances acknowledged within the timeframe;
- Number (%) of Grievances unilaterally decided;
- Number (%) of Grievances closed within the specified timeframe;
- Number (%) of grievance related to a same or repeated event and /or location to identify areas most affected by potentially negative impacts of the project.
- Number (%) of grievance received comparing to the previous reporting period.
- Number (%) of complainant satisfied with the process (timely, fair)
- Number (%) of complainant satisfied with the outcome.

5.3 Legal system

If after the intervention and assistance from the GRM responsible specialist of Rosavtodor, no solution has been reached, and if the grievance redress system fails to satisfy the complaining parties, the case will be referred to the court for resolution in accordance with the Russian Federation legislation.

In the meantime, it should also be emphasized that the GRM does not limit the right of the complaining party to submit the case to the court of law in the first stage of grievance process.

5.4 Disclosure of the Grievance Process

The complaints resolution process for this RPF will be disseminated through web-site of the PIU and Rosavtodor.

Grievance redress mechanism will also be presented during the public consultations and informal meetings at subproject area by Rosavtodor representatives. The information of grievance resolution will be summarized in PIU's progress reports to be submitted to AIIB.

6. MONITORING AND REPORTING ARRANGEMENTS

The primary objective of monitoring is to identify as early as possible progress on Resettlement Plan implementation achieved and the cause(s) of constraints so that arrangements in RP implementation can be adjusted.

The following two mechanisms will be used:

- internal monitoring in collaboration with Rosavtodor; and
- external monitoring by independent expert.

6.1 Internal Monitoring

Indicators subject to integrated internal monitoring will be linked to the process and results of the RPF implementation:

- Number of public discussions and consultations on RAPs;
- Percentage of purchased land in relation to needed land acquired for the purposes of the Project, including total expropriated land area, and land area per person;
- Number of completed payments of compensation on lands and affected structures;
- Number of replacement properties given and houses provided;
- status of relocation of affected structures and other assets of PAPs;
- Number and amount of payment for loss of income; Number of provided of alternative land leases;
- Number and type of assistances provided to vulnerable groups of PAPs;
- Number and type of grievances, including legal Actions arising from expropriation (submitted cases, resolved cases, time needed for their resolution).

The preceding indicators will be monitored monthly by applying the following approaches: (a) review of detailed measurement survey of all PAPs; (b) consultations and informal interviews with PAPs; (c) in-depth case studies; (d) sample survey of PAPs; (e) key informant interviews; and (f) public meetings with people in the villages traversed by the road.

The monitoring of outcome of the resettlement process will be through specific metrics demonstrating whether livelihoods have effectively been restored post-displacement and that affected people are at least as well off after implementation. The PIU will make a particular effort to validate whether vulnerable PAPs have been able to effectively restore their livelihoods.

The outcome of the resettlement process shall be monitored by the following outcome indicators:

- Changes in income levels and levels of expenditure of PAP and families based on census prior to Project beginning, during the Project (annually) and upon the Project completion - Number and % of person with improved household income;

- Assess whether the standard of living appears to have improved or deteriorated (e.g., if the household reporting that they bought new furniture, cars, equipment etc.) - Number and % of persons with improved housing conditions;
- Re-establishment of land-based incomes/ livelihoods - Have those who were using land as a source of livelihood/ income managed to re-establish this source and level of livelihood/income and specifically the situation of any users of land, particularly informal ones. - Number and % of persons with re-established land-based income;
- Re-establishment of businesses - survey of net income and comparison to baseline data and survey of employees and their earnings and comparison with baseline data (annually). - Number and % of persons with re-established business;
- Monitor payment of compensation at full replacement cost - Investigate whether recipients of cash compensation who bought replacement properties (land, houses) were able to purchase a similar (or better) property;
- Satisfaction with replacement housing/residence- Number and % of satisfied persons; Number and % of persons decreased among those living below poverty line.
- Average time for payment of compensation, including average time between acceptance of the offer/signing of the contract and the execution of compensation.
- Number of received, open and closed grievances; any trends; and average time for grievance processing.

Dedicated staff will be responsible for the monitoring and reporting on the preparation and implementation of the resettlement. Specialized database of the overall Project resettlement inclusive of all persons and property, with all cases of resettlement and a detailed list of all completed phases will be maintained at all times in two separate copies.

6.2 External monitoring

The function of the External Resettlement Monitor will be carried out by the independent resettlement consultant, which will be appointed prior to beginning of resettlement and will have an obligation to report quarterly. The Consultant will be responsible for external monitoring and preparation/submission of Resettlement Plan completion report to document the Resettlement Plan implementation processes. External monitoring will be carried out during Resettlement Plan implementation and will be concluded after the Resettlement Plan is fully implemented by the preparation of a Completion Report/Compliance Report. If the Resettlement Plan implementation includes Livelihood Restoration Measures which will require longer timescale for full implementation, then the Compliance Report will need to confirm that the implementation of livelihoods restoration measures is on track (in case these are not fully implemented yet).

Based on the quarterly reports the PIU shall do an in-house or external completion report within two months of resettlement completion to summarize the implementation. The report should verify that all physical inputs committed in the site-specific RPs have been delivered and all services provided. In addition, the report should evaluate whether the mitigation actions prescribed have had the desired effect. The socioeconomic status of the affected population should be measured against the baseline conditions of the population before displacement, as established through the census and socioeconomic studies. The final completion audit report will be conducted by an external consultant under a ToR to be approved by the AIIB.

List of indicators for External Resettlement Monitor is presented in Appendix 3.

7. BUDGET AND FINANCING

The Rosavtodor is responsible for Resettlement Plan preparation and implementation, all land acquisition costs, the compensation of losses, resettlement-related operations, transaction/registration costs, costs for allocation of new leases, and land plot re-registration associated with the implementation of RP for subproject.

The RP will include a budget section indicating

- unit compensation rates for all affected items and allowances,
- methodology followed for the computation of unit compensation rates, and
- a cost table for all LAR-related expenses including administrative costs and contingencies.

The Rosavtodor will ensure the timely allocation/transfer of funds needed to implement the Resettlement Plan. Allocations will be periodically reviewed based on the budget requirements indicated in the RP.

APPENDIXES

**APPENDIX 1: LAND ACQUISITION AND RESETTLEMENT
SCREENING FORM**

Land Acquisition and Resettlement Screening Form

General

| | |
|--|--|
| Subproject (short name or number if available) | |
| Form completed by (Name, position, department) | |
| Contact details (telephone, e-mail) | |
| Date | |
| Signed | |

References

| | |
|--|--|
| General Screening form number (this document) | |
| Land Acquisition and Resettlement Screening form number | |

Comments

Land Acquisition and Resettlement Screening Form

| № | Question | Yes | Not |
|----|--|---|---|
| 1 | Does the project include upgrading or updating any facilities of the subproject? | <input type="checkbox"/> Go to next question | <input type="checkbox"/> Go to next question |
| 2 | Does the project include the construction of any new Project facilities? | <input type="checkbox"/> Go to next question | <input type="checkbox"/> Go to next question |
| 3 | Does it require permanent land withdrawal for the needs of the Project? | <input type="checkbox"/> Any acquisition of land for the subproject needs shall not result in physical displacement or may result in a minimum displacement (not more than 200 persons). | <input type="checkbox"/> Go to next question |
| 4 | How many households and people will be affected by the subproject? | <input type="checkbox"/> Any acquisition of land for the subproject needs shall not result in physical displacement or may result in a minimum displacement (not more than 200 persons). | <input type="checkbox"/> Go to next question |
| 5 | Have the affected households identified those that may be classified as poor? If so, how much. | <input type="checkbox"/> Develop a Resettlement Plan, SEP, and include a programme of meaningful consultations with the affected population | <input type="checkbox"/> Go to next question |
| 6 | Are the affected households identified as those headed by women, the elderly, the disabled? If so, how much? | <input type="checkbox"/> Develop a Resettlement Plan, SEP, and include a programme of meaningful consultations with the affected population | <input type="checkbox"/> Go to next question |
| 7 | Is the category and status of land use currently known? | <input type="checkbox"/> Go to next question | <input type="checkbox"/> Go to next question |
| 8 | Are there any categories of citizens who do not have legitimate rights to land, but live there or earn on these affected land plots? | <input type="checkbox"/> Go to next question | <input type="checkbox"/> Go to next question |
| 9 | Is the loss of housing expected? | <input type="checkbox"/> Any acquisition of land for the subproject needs shall not result in physical displacement or may result in a minimum displacement (not more than 200 persons). | <input type="checkbox"/> Go to next question |
| 10 | Is the loss of agricultural land expected? | <input type="checkbox"/> Land acquisition inducing displacement (physical or economic resettlement) can represent no more than 49% of the land used for the sub-project (>51% in existing RoW and/or state-owned land) and shall affect less than a cumulative 200 individuals | <input type="checkbox"/> Go to next question |
| 11 | Are crops, trees or other objects expected to be lost? | <input type="checkbox"/> Land acquisition inducing displacement (physical or economic resettlement) can represent no more than 49% of the land used for the sub-project (>51% in existing RoW and/or state-owned land) and shall affect less than a cumulative 200 individuals | <input type="checkbox"/> Go to next question |

| № | Question | Yes | Not |
|----|---|--|--|
| | | Develop a Resettlement Plan, SEP, and include a programme of meaningful consultations with the affected vulnerable groups | |
| 12 | Will there be loss of businesses or enterprises? | <input type="checkbox"/> Land acquisition inducing displacement (physical or economic resettlement) can represent no more than 49% of the land used for the sub-project (>51% in existing RoW and/or state-owned land) and shall affect less than a cumulative 200 individuals Develop a Resettlement Plan, SEP, and include a programme of meaningful consultations with the affected vulnerable groups | <input type="checkbox"/> Go to next question |
| 13 | Will there be loss of incomes and livelihoods? | <input type="checkbox"/> Land acquisition inducing displacement (physical or economic resettlement) can represent no more than 49% of the land used for the sub-project (>51% in existing RoW and/or state-owned land) and shall affect less than a cumulative 200 individuals. Develop a Resettlement Plan, SEP, and include a programme of meaningful consultations with the affected vulnerable groups. | <input type="checkbox"/> Go to next question |
| 14 | Is it expected to lose access to objects, services or natural resources? | <input type="checkbox"/> Subproject has not passed screening. | <input type="checkbox"/> Go to next question |
| 15 | Are any socio-economic activities expected to have an impact on land use? | <input type="checkbox"/> Land acquisition inducing displacement (physical or economic resettlement) can represent no more than 49% of the land used for the sub-project (>51% in existing RoW and/or state-owned land) and shall affect less than a cumulative 200 individuals Develop a Resettlement Plan, SEP, and include a programme of meaningful consultations with the affected population | <input type="checkbox"/> The subproject meets positive screening criteria |

APPENDIX 2: SAMPLE RESETTLEMENT PLAN OUTLINE

A. Executive Summary

This section provides a concise statement of subproject scope, key survey findings, entitlements and recommended actions.

B. Project Description

This section provides a general description of the project, discusses project components that result in land acquisition, involuntary resettlement, or both and identify the project area. It also describes the alternatives considered to avoid or minimize resettlement. Include a table with quantified data and provide a rationale for the final decision.

C. Scope of Land Acquisition and Resettlement

This section:

- discusses the project's potential impacts, and includes maps of the areas or zone of impact of project components or activities;
- describes the scope of land acquisition (provide maps) and explains why it is necessary for the main investment project;
- summarizes the key effects in terms of assets acquired and displaced persons; and
- provides details of common property resources that will be acquired.

D. Socio-economic Information and Profile

This section outlines the results of the social impact assessment, the census survey, and other studies, with information and/or data disaggregated by gender, vulnerability, and other social groupings, including:

- define, identify, and enumerate the people and communities to be affected;
- describe the likely impacts of land and asset acquisition on the people and communities affected taking social, cultural, and economic parameters into account;
- discuss the project's impacts on the poor, indigenous and/or ethnic minorities, and other vulnerable groups; and
- identify gender and resettlement impacts, and the socio-economic situation, impacts, needs, and priorities of women.

E. Information Disclosure, Consultation and Participation

This section:

- identifies project stakeholders, especially primary stakeholders;
- describes the consultation and participation mechanisms to be used during the different stages of the project cycle;
- describes the activities undertaken to disseminate project and resettlement information during project design and preparation for engaging stakeholders;
- summarizes the results of consultations with affected persons (including host communities), and discusses how concerns raised and recommendations made were addressed in the resettlement plan;
- confirms disclosure of the draft resettlement plan to affected persons and includes arrangements to disclose any subsequent plans; and

- describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for consultation with affected persons during project implementation.

F. Grievance Redress Mechanisms

This section describes mechanism to receive and facilitate the resolution of affected persons' concerns and grievances. It explains how the procedures are accessible to affected persons and gender sensitive.

G. Legal Framework

This section:

- describes national and local laws and regulations that apply to the project and identify gaps between local laws and AIIB's policy requirements; and discuss how any gaps will be addressed;
- describes the legal and policy commitments from the executing agency for all types of displaced persons;
- outlines the principles and methodologies used for determining valuations and compensation rates at replacement cost for assets, incomes and livelihoods; and set out the compensation and assistance eligibility criteria and how and when compensation and assistance will be provided.
- Describes the land acquisition process and prepare a schedule for meeting key procedural requirements.

H. Entitlements, Assistance and Benefits

This section:

- defines displaced persons' entitlements and eligibility, and describes all resettlement assistance measures (includes an entitlement matrix);
- specifies all assistance to vulnerable groups, including women, and other special groups; and
- outlines opportunities for affected persons to derive appropriate development benefits from the project.

I. Relocation of Housing and Settlements

This section:

- describes options for relocating housing and other structures, including replacement housing, replacement cash compensation, and/or self-selection (ensure that gender concerns and support to vulnerable groups are identified);
- describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs;
- provides timetables for site preparation and transfer;
- describes the legal arrangements to regularize tenure and transfer titles to resettled persons;
- outlines measures to assist displaced persons with their transfer and establishment at new sites;
- describes plans to provide civic infrastructure; and
- explains how integration with host population will be carried out.

J. Livelihoods Restoration and Rehabilitation

This section:

- identifies livelihood risks and prepare disaggregated tables based on demographic data and livelihood sources;
- describes income restoration programs, including multiple options for restoring all types of livelihoods (examples include induced benefit sharing, revenues sharing arrangements, joint stock for equity contributions such as land, discuss sustainability and safety nets);
- outline measures to provide social safety net through social insurance and/or project special funds;
- describes special measures to support vulnerable groups;
- explains gender considerations; and
- describes training programs.

K Resettlement Budget and Financing Plan

This section:

- provides an itemized budget for all resettlement activities, including for the resettlement unit, staff training, monitoring and evaluation, and preparation of resettlement plans;
- describes the flow of funds (the annual resettlement budget should show the budget scheduled expenditure for key items);
- includes a justification for all assumptions made in calculating compensation rates and other cost estimates (taking into account both physical and cost contingencies), plus replacement costs;
- includes information about the source of funding for the resettlement plan budget.

L Institutional Arrangements

This section:

- describes institutional arrangement responsibilities and mechanisms for carrying out the measures of the resettlement plan;
- includes institutional capacity building program, including technical assistance, if required;
- describes role of NGOs, if involved, and organizations of affected persons in resettlement planning and management; and
- describes how women's groups will be involved in resettlement planning and management.

M Implementation Schedule

This section includes a detailed, time bound, implementation schedule for all key resettlement and rehabilitation activities. The implementation schedule should cover all aspects of resettlement activities synchronized with the project schedule of civil works construction, and provide land acquisition process and timeline.

N Monitoring and Reporting

This section describes the mechanisms and benchmarks appropriate to the project for monitoring and evaluating the implementation of the resettlement plan, It specifies arrangements for participation of affected persons in the monitoring process.

APPENDIX 3: INDICATORS FOR EXTERNAL MONITORING

- Review the records at PIU, Rosavtodor, analyze the payment of compensations, procedures for approving payment of compensations and recommend on their compliance with the LAPF and AIIBs policy requirements;
- Interview a random representative sample of PAPs to assess their knowledge and concerns about the LAR process, their entitlements, and assistance measures;
- Observe the functioning of the LAR operation at all levels to assess the effectiveness of and compliance with Resettlement Plan;
- Verify the nature of grievance issues and the functioning of grievance redress mechanism by reviewing the processing of appeals at all levels by interviewing the aggrieved PAPs;
- Where feasible, survey the standards of living of PAPs and the people in unaffected portion nearest the civil works sites before and after displacement, to assess the effects of LAR to PAPs who own small businesses;
- Advise the Rosavtodor regarding the possible improvements in Resettlement Plan implementation and corrective action plans if required; and
- Prepare Compliance Report.

