RUE MINSKAVTODOR-CENTER

REPUBLIC OF BELARUS

Project "Upgrading of the M6 Motor Road "Minsk-Grodno-Border of the Republic of Poland (Bruzgi)" on the Section between km 57.2 211"

Resettlement Policy Framework

March 2014

Glossary of Key Terms

Cut - off date refers to a day on and beyond which any person who occupies land or assets on land, required for project use, will not be eligible for compensation. The date is often the day when the census of persons and their property in the project area commences.

Compensation means payment in cash or in kind of the replacement value of the acquired property and/or impacted assets.

Entitlements means entitlements of a particular eligibility category to compensation and other forms of assistance provided to impacted persons in the respective eligibility category.

Grievance Redress Procedures means the processes established under law, local regulations, or administrative decision to enable property owners and other impacted persons to redress issues related to acquisition, compensation, or other aspects of resettlement.

Involuntary Land Acquisition means the process whereby a person is compelled by government or a government agency to alienate all or part of the land he/she owns or possesses, to the ownership and possession of that agency, for public purpose in return for a consideration.

Land Acquisition means the taking of or alienation of land, including anything growing on or permanently attached to the land, such as buildings or crops, or other assets thereon for the purpose of the Project.

Market Value means the most probable selling price or the value most often sought by buyers and sellers. It assumes that buyers and sellers have reasonable knowledge, act competitively and rationally, are motivated by self-interest to maximize satisfaction and both act independently and without collusion, fraud or misrepresentation.

Project Affected Person means a person that loses whether permanent or temporary assets and/or usage rights and/or income generation capacities (e.g. land, structure, crops, businesses) because these assets/rights/capacities are located in the land to be acquired or used, for needs of the Project.

Relocation means the physical moving of PAPs from their pre-project place or residence, place for work or business premises.

Replacement cost means the amount that will be paid to replace the value for the land and all assets on it, without any deductions for depreciation.¹.

Resettlement Policy Framework (RPF) refers to the present safeguard instrument (document) which is the overall Policy Framework for Compensation, Resettlement and Rehabilitation of Project Affected Persons for the purposes of project implementation. The Policy Framework describes the process and methods for carrying out resettlement under the Project, including compensation, relocation and rehabilitation of project affected persons.

Resettlement Action Plan (RAP) means the resettlement action plans prepared for specific subprojects.

Resettlement means all the measures taken under the Project to mitigate any and all adverse impacts of the Project on PAP's property and/or livelihoods, including compensation, relocation (where relevant), and rehabilitation.

¹ 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.

OVERVIEW AND RATIONALE

The purpose of this Resettlement Policy Framework (RPF) is to clarify resettlement principles, organizational arrangements, and design criteria to be applied to subprojects to be prepared during project implementation. The RPF will meet the needs of the project affected people.

This RPF is written to the standards of the Government's own policy on resettlement and the Involuntary Resettlement Policy of the World Bank OP/BP 4.12.

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.
- (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 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.

The objective of the RPF is to displace (or deprive of resources) as few people as possible, as required by the Project, and to make sure that all the subprojects are implemented following the general principles of "doing no harm", avoiding or minimizing resettlement.

Project Description

Negotiations are underway between the Government of the Republic of Belarus and the World Bank regarding financial support to the proposed second project "Upgrading of the M6 Motor Road "Minsk-Grodno-Border of the Republic of Poland (Bruzgi)" on the Section between km 57.2 211" (hereinafter referred to as "the Project").

The key objective of the Project is to reduce traffic accident rates along with improving access to the public road network of the Republic of Belarus, their operating conditions and road safety through upgrading and modernization of road sections between km 57.02 - 211.00 on the M-6 highway and elimination of key black spots that have been identified by RUE "Minskavtodor Center" and RUE "Grodnovavtodor" over the entire length of the road in Minsk and Grodno oblasts; increasing the throughput capacity for transit transport; and mitigating adverse environmental impacts.

The Project consists of two main components: (i) upgrading and modernization of the road section from the existing two-lane to a four-lane carriageway (to meet Category 1 standards); and (ii) strengthening of the institutional capacity of the road and transport sector in the Republic of Belarus.

<u>Component 1. Upgrading and modernization of the M6 Motor Road "Minsk-Grodno-Border of the Republic of Poland (Bruzgi)" on the Section between km 57.2 211.</u>

Component 1 will finance upgrading and modernization of the M6 road section between km 57.02 - 211.00. The land acquisition will be required for the implementation of this component.

This section currently has the highest freight and passenger traffic rates within the public road network, with high traffic intensity and increased risk levels. This road connects western regions of Belarus (northern areas of the Republic of Poland) to the central part of the country and the City of Minsk - the capital of the Republic of Belarus. The road section to be impacted by the Project largely runs through sparsely populated rural areas (isolated farmsteads), traversing a slightly sloping landscape with minor horizontal and vertical curvatures.

The total length of the road under consideration is 272 km, including 91.0 km in Minsk region and 181.0 km in Grodno region. The road sections to be reconstructed have a total length of 154 km, of which 34 km in Minsk region and 120 km in Grodno region meet Category 1 standards (4-lane carriageway), and the remaining sections have a 2-lane carriageway.

The Project will provide for upgrading the existing two-lane road sections to a four-lane carriageway.

In addition, the problem of black spots will be addressed and resolved.

1. BASIC TERMS OF PREPARATION OF THE RPF

RUE "Minskavtodor-Center" prepared the Resettlement Policy Framework. The objective of this RPF is to identify the strategies, principles, institutional arrangements, timelines and tentative budgets for implementation of resettlement activities under the Project.

RUE "Minskavtodor-Center" and RUE "Grodnoavtodor" will also be required to prepare Resettlement Action Plans (RAPs) for individual subprojects upon availability of the detailed site-specific technical designs (expected in August 2014). RUE "Minskavtodor-Center" and RUE "Grodnoavtodor" will take part in the development of RAPs together with other members of the project design team, including a task force of engineers and designers. RUE "Minskavtodor-Center" and RUE "Grodnoavtodor" will consult all the stakeholders in the process of drafting the RAPs. RUE "Minskavtodor-

Center" and RUE "Grodnoavtodor" will submit final drafts of the RAPs to the World Bank for review. Two RAPs will be prepared for reconstruction works under Component 1.

2. GUIDING PRINCIPLES FOR RESETTLEMENT PLANNING AND IMPLEMENTATION

Potential land acquisition for the above component is likely to be limited to what will be needed for expansion of the road bed under the Project. It will affect not more than 50 land owners with only about 20% of them losing more than 20% of their land or having to relocate. The supposed real impacts upon the remaining plot and the principle of plots being economically viable will take precedence, even for land owners losing less than 20% of their land. Compensation will be governed by the following general principles:

- All possible steps will be taken to minimize acquisition of productive, privately owned land and to avoid acquisition of land that is used for residential and business purposes, through careful selection of the needed land lots.
- Related to the above, the Project will use public land as much as possible for construction of the necessary facilities.
- In case land acquisition is necessary, the property and inheritance rights of affected persons will be respected and procedures specified in the RPF document and relevant RAP will be followed.
- Based on the annual Project work plan, RUE "Minskavtodor-Center" and RUE "Grodnoavtodor" will prepare an annual Resettlement Action Plan.
- The preparation and implementation of the annual land acquisition and compensation plan will be done in a transparent manner with the participation of affected persons and relevant institutions.
- The Project envisages that the persons losing productive agricultural land will be provided with replacement land of equivalent value. Where land-for-land replacement is impossible, a cash compensation will be offered. Affected people will be provided replacement land or compensated at full replacement value, without deduction for depreciation or for any other purpose, prior to the commencement of construction works.
- Valuation of land, businesses, and other assets for which compensation is given will be based on full replacement cost.
- Any infrastructure facilities, such as roads, water supply pipes, and communication networks, disrupted in the course of the Project during the construction of facilities intended to eliminate black spots, will be replaced. In addition to being replaced, the project will include mitigation measures to ensure project affected people retains access to these services during construction works.
- Preference shall be given for resolving issues outside of courts using the grievance redress mechanism in place. In cases where an affected person is not satisfied with

- the outcome of the grievance redress mechanism, he or she can as a last resort appeal to a court of competent jurisdiction.
- These policy applies to all affected persons regardless of their total number, severity of impact and whether or not they have legal title to land or assets. Particular attention shall be paid to the needs of vulnerable groups among those affected (elderly persons living alone, people with disability, households living below the poverty line, households with many children, female headed households).

REVIEWED ALTERNATIVE ROUTING

If resettlement activities are implemented, they will aim to improve safety in the project areas and will be caused by the need to upgrade the road to a higher category, straighten out the existing road curves and generate more traffic.

Alternative alignment options for the road were reviewed, and the selection of road alignments was made with a view to minimize, to the extent possible, the need for resettlement.

There were 3 options of the road lay our reviewed in Minsk oblast in the most critical segments causing resettlement.

- 1. Road lay out to the right from the current position in Pershai village (would have caused acquisition of the 5 residential houses with the land plots attached to them instead of currently 1 non-residential (summer)house, plus this would require significantly increased amount of ground works.
- 2. Road lay out near the town of Volozhyn with the optimal radius would have resulted in shortening of this segment of the road by nearly 1km and its moving away from the residential buildings. However this would require construction of the two transport hubs at the exits from the town and would have required drainage along the whole segment due to complex soils. In addition to that the old road would have to be preserved as a local connection road. This option was not socially and economically viable.
- 3. Road lay out to the right from Tsaiuny village would have caused resettlement of 5 households instead of one. In addition road lay out bypassing the village would have required drainage along the whole segment due to complex soils. This option was not socially and economically viable.

3. LAND ACQUISITION AND EXPECTED RESETTLEMENT. CATEGORIES OF PROJECT AFFECTED PERSONS

At the moment it is clear that the Project may involve relocation related to allocation of land for expansion of the carriageway.

The allocated land is divided into the following categories

- Land not subject to compensation: land in the jurisdiction of village councils, land of the reserve fund of village councils, agricultural land, public use land;
- Land subject to compensation for deforestation: forest land, land of state-owned forestry enterprises, forest fund;
- Land subject to purchasing/compensation with alternative land: privately owned land (land shares), privately owned land (farming enterprises), privately owned land (vegetable gardens), departmental property.

Based on the category of land that may be allocated for the Project and the data provided by the land management agencies of the Minsk Oblast and Grodno Oblast Executive Committees and by RUE "Belgiprozem" on the current status of land use, the following categories of affected persons and compensation measures were identified:

| Category of affected persons | Compensation measures | | |
|-------------------------------------|---|--|--|
| | Will be provided with acceptable replacement land of | | |
| | equivalent productive value or compensation at full | | |
| | market value of the land. The compensation shall also | | |
| | include the full amount of losses suffered by the owner | | |
| | as a result of the land lot acquisition (fruit trees to and | | |
| 1. Private land owners | other valuable perennial plants will also be | | |
| | compensated), including lost benefits and processing | | |
| | costs. The market price of the land depends on its | | |
| | quality, average yield, and is calculated with a | | |
| | capitalization period of 33 years. This corresponds to | | |
| | the World Bank's requirement of "replacement value". | | |
| | Major leaseholders e.g. major agricultural companies or | | |
| | other leaseholders losing less than 20% of their land | | |
| | will be notified by respective oblast executive | | |
| | committees and local authorities 1 year in advance to | | |
| 2. Leaseholders of land | avoid loss of crops. Lease agreements will be amended | | |
| held by village | according with the Law to reflect area of land to be | | |
| councils | withdrawn for the project. (In most instances, the | | |
| | project affected land lots owned by village councils are | | |
| | leased to agricultural enterprises). | | |
| | Significantly affected leaseholders losing more than | | |
| | 20% of their productive land will be in addition | | |

| 3. Owners of residential houses with corresponding land lots | provided with alternative land lease options for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the land taken. Will receive replacement housing and corresponding land lots for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site, as per Resolution of the Council of Ministers of the Republic of Belarus No. 462 dated March 26, 2008 as well as assistance in moving. | |
|--|---|--|
| 4. Socially vulnerable groups (should be defined in a Resettlement Action Plan; e.g., may include elderly people living alone; disabled people; families with many children) | Will receive additional forms of assistance, such as access to schools and hospitals (if moving to a different residential area), where access to new social infrastructure facilities is needed; or any additional measure required during the resettlement such as additional support for moving (determined on a case-by-case basis) | |
| 5. Private land lots used illegitimately or without formal legal rights | It is not expected that the land lots required for implementation of the Project are being used illegitimately or without formal legal rights. However, where such cases will be identified, land users will receive compensation for losses of, and damages to, other assets that will receive compensation such as trees and valuable perennial plants, structures and businesses (as described in item 1). | |
| 6. Public land holders (the State, local government bodies, village councils) | Will transfer land with no compensation to RUE "Minskavtodor-Center" and RUE "Grodnoavtodor" for the purposes of the Project. | |

ELIGIBILITY CRITERIA FOR VARIOUS CATEGORIES OF PROJECT AFFECTED PERSONS

Under the WB's OP 4.12, PAPs are defined as those who are affected by project activities which result in:

• Relocation or loss of shelter

- Loss of assets or access to assets; and/or
- Loss of income source, business or means of livelihood, whether or not affected person must move to another location.

All project affected people irrespective of their status or possessionsion of formal titles, legal rights, squatters or encroaching illegally on land, are eligible for some kind of assistance if they occupied the project area before the cut-off date. Persons who encroach on the area after the cut-off date and the socio-economic study (census and valuation) are not entitled to compensation or any other form of resettlement assistance.

It will be important to set a cut-off date at an early stage of the preparation process in order to avoid speculation and illegitimate claims at a later stage.

An appropriate cut-off date will be the time when the census of persons and their property in the project areas is carried out.

The establishment of a cut-off date is required to prevent opportunistic invasions /rush migration into the chosen land thereby posing a major risk to the Project.

The local authorities will play a crucial role in identifying users of land since most of them would have acquired their customary rights to use the land by decision of these authorities.

The Project willidentify significantly affected leaseholders of public land and offer alternatives for land use or lease by these groups.

Based on current assessments, it is not expected that leaseholders/users of public land will be significantly affected taking into account the following factors:

- a) part of the public land is, in effect, land strips along the road, where road reconstruction and expansion will take place;
 - б) most of the leaseholders are big agricultural companies.

Nevertheless, provisions for significantly affected persons are included in the Entitlements Matrix in the effect such groups are identified in the course of the Project.

The Entitlement Matrix appears at the end of this document as Annex A. The precise number of affected persons (private and public owners, businesses and leaseholders) will not be known until the detailed technical design is completed, which is due in August 2014.

It is expected that affected persons will receive acceptable replacement land, which will be identified and made available before land acquisition occurs. All other affected persons entitled to be compensated for losses of or damages to land or buildings and structures attached thereto will be duly compensated before commencement of the project works by RUE "Minskavtodor-Center" in the respective land lots.

4. LEGAL FRAMEWORK FOR RESETTLEMENT

Land Acquisition

The following legal framework shall be used for the land acquisition purposes:

- Constitution of the Republic of Belarus (Article 13), with provides for priority public ownership of land: «The mineral wealth, waters and forests are the sole and exclusive property of the State. The land for agricultural use is the property of the State."
- Land Code of the Republic of Belarus (dated July 23, 2008), (in particular, Articles 6-9, 12, 14, 17, 20, 23-30, 32, 33, 34-43, 47-50, 60-69, 73-75, 84-88, 92-96, 646).
- Civil Code of the Republic of Belarus (No. 218-Z, dated 07.01.1998) determines the legal status of participants of civil turnover, the grounds of arising and the procedure of the exercise of right of ownership and other rights in rem, the rights to the results of intellectual activity, regulates the relations between the persons engaged in entrepreneurial activities, or activities with their participation, contractual and other obligations, as well as other property relations and personal non-property relations related thereto.
- Civil Procedure Code of the Republic of Belarus (No. 238-Z dated January 11,1999) regulates by law the procedure for consideration and resolution by courts of civil, family, labor, and other cases; cases arising from administrative legal relations, cases subject to special proceedings, cases subject to writ proceedings, etc., as well as the procedure for court enforcement action.
- Edict of the President of the Republic of Belarus No. 667 of December 27, 2007 "On Land Withdrawal and Allocation" provides for the regulation of relations in the field of protection and use of land in the territory of the Republic of Belarus, including the procedure for land allocation as part of the sale of state-owned real estate, the empowerment of local executive committees in matters related to land withdrawal and allocation.
- Resolution of the Council of Ministers No. 1780 dated December 30, 2001 "On Approval of the Regulation on the Procedure of Changing the Designated Use of Land Lots" establishes the procedure for changing the designated use of land lots allocated in due order to a private individual, an individual entrepreneur, a legal entity, *inter alia*, a resident of a free economic zone, in cases not prohibited by legislation.
- Resolution of the Council of Ministers of the Republic of Belarus No. 462 dated March 26, 2008 with the Regulation on the Procedure for Acquisition of Privately Owned Land for Public Use; the Regulation on the Procedure for Organization and Conduct of Auctions for Land Lease Contracts; the Regulation on the Procedure for Valuation of Damages Caused to Land Users by Expropriation of their Land Lots and Demolition of Non-movable Assets Attached Thereto; the Regulation on the

Procedure for Compensation of Production Losses in Agriculture; the Regulations on the Procedure for Compensation of Production Losses in Forestry; the List of Organizations Authorized to Perform Valuation of Damages Caused by Expropriation of Land Lots and Demolition of Non-movable Assets Attached Thereto;

• World Banks OP 4.12 - Involuntary Resettlement.

Temporary Land Use during Construction

Compensation for the temporary use of land during construction is established by the Resolution of the Council of Ministers of the Republic of Belarus # 462 dated March 26, 2008 is provided in accordance with the Regulation on the Procedure for Acquisition of Privately Owned Land for Public Use; the Regulation on the Procedure for Organization and Conduct of Auctions for Land Lease Contracts; the Regulation on the Procedure for Valuation of Damages Caused to Land Users by Expropriation of their Land Lots and Demolition of Non-movable Assets Attached Thereto; the Regulations on the Procedure for Compensation of Production Losses in Agriculture; the Regulations on the Procedure for Compensation of Production Losses in Forestry; the List of Organizations Authorized to Perform Valuation of Damages Caused by Expropriation of Land Lots and Demolition of Non-movable Assets Attached Thereto.

The full text of OP 4.12 including its Annex A on Resettlement Instruments is presented in Annex 3.

OP 4.12 on Involuntary Resettlement is triggered where impacts on livelihoods, impacts on assets, acquisition of natural resources may take place as a result of project activities.

Differences between National Legislation of Belarus and WB OP 4.12

Where there is a difference between national legislation and the World Bank policy, OP 4.12 and the resettlement instruments based upon them such as the present Resettlement Policy Framework and the subsequent Action Plan will take precedence over national legislation. Where national law does not meet the standard of full replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard.

7. METHODS OF VALUATION OF PROJECT AFFECTED ASSETS

Land valuation is carried out by specialized organizations, duly licensed by the State to carry out land planning activities in accordance with the Resolution of the Council of Ministers of the Republic of Belarus No. 462 dated March 26, 2008 and the list below:

1. Republican Unitary Enterprise "Design Institute Belgiprozem";

- 2. Subsidiary Unitary Enterprise "Design Institute Brestgiprozem" of the Republican Unitary Enterprise "Design Institute Belgiprozem";
- 3. Subsidiary Unitary Enterprise "Design Institute Vitebskgiprozem" of the Republican Unitary Enterprise "Design Institute Belgiprozem";
 - 4. Republican Unitary Enterprise "Design Institute Gomelgiprozem";
- 5. Subsidiary Unitary Enterprise "Design Institute Grodnogiprozem" of the Republican Unitary Enterprise "Design Institute Belgiprozem";
- 6. Republican Unitary Subsidiary Enterprise "Design Institute Mogilevgiprozem" of the Republican Unitary Enterprise "Design Institute Belgiprozem";
- 7. Republican Unitary Enterprise "Brest Agency for State Registration and Land Cadaster";
- 8. Republican Unitary Enterprise "Vitebsk Agency for State Registration and Land Cadaster";
- 9. Republican Unitary Enterprise "Gomel Agency for State Registration and Land Cadaster";
- 10 . Republican Unitary Enterprise "Grodno Agency for State Registration and Land Cadaster";.
- 11. Republican Unitary Enterprise "Minsk Oblast Agency for State Registration and Land Cadaster";
- 12. Republican Unitary Enterprise "Minsk City Agency for State Registration and Land Cadaster";
- 13. Republican Unitary Enterprise "Mogilev Agency for State Registration and Land Cadaster";
- 14. Municipal Real Estate Unitary Enterprise "Minsk Oblast Center for Real Estate Inventory";
 - 15. Municipal Unitary Enterprise "Minsk City Center for Real Estate";
 - 16. Republican Unitary Enterprise "Institute of Real Estate and Valuation";
- 17. Republican Subsidiary Unitary Enterprise "Vitebsk Institute of Real Estate and Valuation";
- 18. Republican Subsidiary Unitary Enterprise "Institute of Real Estate and Valuation";
 - 19. Borisov Republican Unitary Enterprise "Zemlemer" (Land Surveyor);
- 20. Scientific and Production State-owned Republican Unitary Enterprise "National Cadaster Agency";
 - 21. Mogilev City Unitary Municipal Enterprise "Center for Privatization";
- 22. Research Republican Unitary Enterprise for Land Management, Geodesy and Cartography "BelNITszem".

The specialized organization determines the procedure for compensation of the losses and the scope of the losses to be compensated in accordance with the Regulation on the Procedure for Valuation of Damages Caused to Land Users by Expropriation of their Land Lots and Demolition of Non-movable Assets Attached Thereto; the Regulation on the

Procedure for Compensation of Production Losses in Agriculture; the Regulations on the Procedure for Compensation of Production Losses in Forestry; the List of Organizations Authorized to Perform Valuation of Damages Caused by Expropriation of Land Lots and Demolition of Non-movable Assets Attached Thereto.

All the expenditures shall be covered from the corresponding public budgets.

Land users who are not satisfied with the result of the valuation have a right to hire a different valuation officer at their own expense.

Each asset will be enumerated and inscribed on a register. Values for each types of asset will be pre-printed, shown to the affected person, and set against the type and number of such losses that the individual will sustain. Both the total compensation for that category of loss and the total of all losses will be shown. The inventory and valuation form will be signed and a copy given on the spot to the affected person during the first valuation. The form will say that the inventory will not be considered official until a second signed copy, verified by project supervision staff, is returned to the affected person. At that time, a copy of the grievance procedure will also be given to the affected person.

Land (owners) users who are not satisfied with the decision of the Committee can appeal to the court, following procedures set forth by the Belarusian legislation. The ruling of the court also determines who will pay the cost of litigation.

During the negotiations, RUE "Minskavtodor-Center" and RUE "Grodnoavtodor" will make every effort to address all issues with respect to the affected persons in order to avoid litigation at law.

8. ORGANIZATIONAL ARRANGEMENTS AND PROCEDURES FOR DELIVERY OF ENTITLEMENTS AND RESPONSIBILITIES OF EACH ACTOR

In accordance with Article 22 of the Code of the Republic of Belarus on Land, citizens have a right to participate in the consideration of matters related to the decisions adopted by government bodies on withdrawal and allocation of land lots, change of the designated use of land lots, establishment and termination of restrictions (encumbrances) on the rights to land lots, that affect their rights and legally protected interests, by applying to local councils of deputies, executive committees, territorial public self-government bodies; participation in referendums, public environmental reviews, meetings and other forms of direct participation in state and public affairs, as well as through public associations in accordance with the law.

People residing on or in close proximity to the land, which is required for the Project, are contacted to obtain their permission, and their signatures are submitted for review as part of a package of documents in accordance with the law of the Republic of Belarus.

The communication process takes place via newspapers, websites and radio, registered mail and regular mail, as well as during public consultations. Compliance with this requirement is monitored by RUE "Minskavtodor-Center" and RUE "Grodnoavtodor".

In case RUE "Minskavtodor-Center" and RUE "Grodnoavtodor" fail to fulfill the advance notification requirement, no legal sanctions will be applied against them². RUE "Minskavtodor-Center" and RUE "Grodnoavtodor" are obliged to fulfill the requirement to provide notification of all land acquisition cases under this Policy Framework one year before the commencement of the works.

RUE "Minskavtodor-Center" and RUE "Grodnoavtodor" will be responsible for preparing a Resettlement Action Plan (RAP) for the relevant land lots once information on the exact location and size of the needed land lot or needed property becomes available. This RAP will then be submitted [to the relevant authority] along with other documents to obtain a construction permit. Each RAP includes detailed information regarding the affected land, persons, property and other relevant information. It will specify the amount of compensation and processes of compensation as described in this RPF.

A technical design for the M-6 road is being prepared for RUE "Minskavtodor-Center" by a design institute. RAPs shall contain information on every land lot, property and business that need to be taken for permanent use. Besides, a RAP includes a list of all trees and other valuable perennial plants that need to be removed for construction purposes or in order to provide a protected right-of-way.

A RAP for a relevant land lot shall be approved by local self-government bodies or executive authorities (depending on the location of the land lot) that make decisions on land allocation. The estimated cost of the land that will be provided for permanent use and for lease during the construction period is duly calculated by a licensed organization and approved by a local self-government body or executive authority (depending on the location of the land lot). The total cost estimate is based on the estimated cost of every project affected land lot and other property. RUE "Minskavtodor-Center" will supervise the implementation process and evaluate the impacts.

RUE "Minskavtodor-Center" and RUE "Grodnoavtodor" will disclose information regarding the relevant land lot included in the Land Acquisition and Resettlement Plan through mass media and public authorities. Specialists from RUE "Minskavtodor-Center" and RUE "Grodnoavtodor" will then directly contact land owners and users whose land lots are to be affected to inform them about the valuation, land transfer procedures and the construction process.

If the land that needs to be acquired for construction of the necessary facilities belongs to a private owner or land user, whose title to this land must be proved in accordance with the law on public ownership of land, then such land will be purchased for permanent ownership and transferred to RUE "Minskavtodor-Center" and RUE "Grodnoavtodor" in accordance with the Land Code of the Republic of Belarus.

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² While there might not be ground for legal action, failure to notify people sufficiently in advance as specified in the RPF (one year) could have consequences upon the compensation entitlements of Project Affected People, in cases where it results in additional losses of crops for example. Since RUE "Minskavtodor-Center" and RUE "Grodnoavtodor" will also be making compensation payments (via respective local self-government bodies), any failure to give sufficient notification would certainly affect the amount of comprisation they will have to pay.

Will be provided with acceptable replacement land of

Compensation to be provided to the land owners for the withdrawn (purchased) land is based on the full market price of the land lot as of the date of withdrawal. The market price of the land depends on its quality, average yield, and is calculated with a capitalization period of 33 years plus the processing cost. This corresponds to the World Bank's requirement of "replacement value", as it enables the person to purchase equivalent land.

The full market price includes the market value of the land lot and the property attached thereto, as well as the full amount of losses suffered by the owner as a result of the land lot acquisition, including opportunity costs. and processing costs.

Following an agreement with the owner of the land lot to be purchased, the authority that took a decision on the land purchase for public needs will provide the owner either with another land lot of equivalent quality within the same rayon (district) or with monetary compensation for the land at replacement value as per Resolution of the Council of Ministers of the Republic of Belarus No. 462 dated March 26, 2008.

If the land owner accepts this option, he (she) may receive another land lot or property, the cost of which will be taken into account in the calculation of the acquisition price. If the land owner accepts this option, he (she) may receive another land lot of a higher value (in this case, the land owner will pay the difference in the value of the land lots), or of a lower value (in this case, the difference in the value of the land lots will be paid to the land owner). The replacement land that can be offered to the land owners is available. However, under the legislation of the Republic of Belarus, the owners shall also be offered an option of monetary compensation. Thus, at this stage it is not possible to assert that land-for-land replacement will take place in all cases.

The amount of compensation is calculated separately for each specific land lot by specialized organizations.

The indicative and actual amount of damages (hereinafter referred to as "amount of damages") caused to the owner (citizen, individual entrepreneur, non-state-owned legal entity) by expropriation of a land lot and demolition of a single-family residential house or an apartment in a multi-family residential building (hereinafter referred to as "apartment") buildings, structures and trees attached thereto, is determined to be equal to their market value in accordance with the law, but not less than the cost of construction of an equivalent single-family residential house or apartment, buildings, and structures pursuant to the Regulation on the Procedure for Valuation of Damages Caused to Land Users by Expropriation of their Land Lots and Demolition of Non-movable Assets Attached Thereto, approved by Resolution of the Council of Ministers of the Republic of Belarus No. 462 dated March 26, 2008

In the event of purchasing privately owned land, RUE "Minskavtodor-Center", RUE "Grodnoavtodor" or a private investor will pay compensation for the land to the private owners. This mechanism will be described in detail in the RAP.

RUE "Minskavtodor-Center" and RUE "Grodnoavtodor" will pay compensation to the owners of the trees that have been on a land lot within 2 months following the approval of the land acquisition plan for the respective land lot. The amount of compensation is determined pursuant to the Resolution of the Council of Ministers of the Republic of Belarus No. 462 dated March 26, 2008.

To determine the amount of damages and full compensation of their real value, a committee is established to prepare valuation protocol. Such committees are established in accordance with the law to ensure transparency of the compensation process.

Compensation, which provides for land-for-land replacement, will be the option of choice. If a land owner chooses land-for-land replacement, he/she will be offered a land lot equivalent to the land taken, with no costs to be incurred by the owner.

All efforts will be made to prevent adverse impacts on the livelihoods of persons affected as a result of construction of infrastructure facilities funded by the Project. At a minimum, the livelihoods of the project affected persons should be restored to levels prevailing prior to the intervention financed by the World Bank. Measures for restoring these livelihoods will be reviewed on a case-by-case basis.

9. IMPLEMENTATION SCHEDULE, LINKING RESETTLEMENT IMPLEMENTATION TO CIVIL WORKS

The land allocation procedure was started in 2013 on the basis of decisions taken by the rayon executive committees. After this, work was started to develop a feasibility study and a preliminary design, which will be completed in May and will serve as a basis for estimating the indicative compensation costs. In parallel, work is underway with the RUE "Belgiprozem" on the matters of land acquisition for permanent and temporary use. The decisions on land acquisitions will be tentatively obtained in January - February 2015.

RUE "Minskavtodor-Center" and RUE "Grodnoavtodor" will be responsible for preparation of RAPs for the relevant land lots and will bear full responsibility for their implementation. The RAPs will include full budget for provision of compensation that will be paid by RUE "Minskavtodor-Center" and RUE "Grodnovavtodor".

After the local self-government body or executive authority (depending on the location of the land lot in question) and the land owner will jointly sign the contract of sale or lease, RUE "Minskavtodor-Center" and RUE "Grodnoavtodor" will transfer the amount of compensation directly to the current account of the local self-government body or executive authority (depending on the location of the land lot in question), which will pay the compensation to the affected persons.

The RAPs will be fully implemented and corresponding compensations made prior to commencement of any public works.

10.GRIEVANCE REDRESS MECHANISMS

It must be emphasized that the risk of complaints and grievances will be reduced to a minimum owing to the fact that affected persons to be displaced will be involved in the work of the evaluation committee and will have an opportunity to reach consensus during joint discussion. Should such consensus not be reached, affected persons may submit prejudicial claims to local authorities concerning potential harm that the decisions of the evaluation committee will inflict on them.

If potentially affected persons oppose the location of the proposed land or structures, they can register an objection during the discussions and development of a design plan. Once the Land Acquisition and Resettlement Plans have been adopted with respect to a particular land lot, affected persons can negotiate with RUE "Minskavtodor-Center", RUE "Grodnoavtodor" and local self-governments or executive authorities (depending on the location of the land lot in question) regarding a compensation for the purchase or lease of land for the period of construction.

Grievance related to any aspect of the Project will be handled through negotiation, which will aim at achieving a consensus settlement. Details of the GRM will be shared in writing with PAPs.

PAPs may follow the procedures outline below:

- Grievance form will be filled by person affected by the Project with the RUE "Minskavtodor-Center" or RUE "Grodnoavtodor";
- If no understanding or amicable solution is reached, or the affected person does not receive a response, the affected person can appeal to the Main Department for Motor Roads of the Ministry of Transport and Communications of the Republic of Belarus (MDMR).

A person will be designated by the MDMR to register claims and grievances and attempt to resolve them at the local level. Contact details for this person at the MDMR will be shared with PAPs at public meetings. Record of the grievances shall be performed and submitted to the Bank on a periodical basis including details such as date and name of person who submitted the complaint, the nature of the complaint as well as what action was taken.

• If an affected person is not satisfied with the decision received, he can as a last resort appeal to a court of competent jurisdiction.

The grievance redress procedure shall be presented at the local level during the public hearings dedicated to the RAP and subsequent public hearings on the RAPs. In addition, the grievance redress mechanisms should be accessible to local residents at the self-government bodies of relevant rayons. The responsibilities for monitoring of, and responding to, complains on the part of the Project will be detailed in the Project Implementation Manual.

11. BUDGET AND FUNDING ARRANGEMENTS

At this stage, it is not possible to estimate the resettlement budget due to the following reasons:

- there is no final data on the resettlement and land allocation required for the Project;
- the land lots will be purchased based on market price that will be determined as of the purchase date.
- the information on additional measures to achieve replacement value will be necessary and should be added in corse of preparing the RAP.

RUE "Minskavtodor-Center" and RUE "Grodnoavtodor" shall be responsible for financing the resettlement and land acquisition process.

The applicable procedure will be as described below.

The title to residential houses, other buildings, structures and plants can be annulled as a result of acquisition of the land to which they are attached if both parties give their consent.

The title to residential houses, other buildings, structures and plants can be annulled as a result of acquisition of the land to which they are attached, through a court decision, through their purchase, with mandatory compensation for all losses from the implementation of such a purchase. The court may decide to remove a residential house and other buildings, structures and plants attached to the purchased land, or, if the owner so desires, to move them to, and rebuild them on, a different land lot, if it is feasible.

If the said assets have been demolished or moved to a different land lot, the owner is entitled to receive advance compensation of losses, which will also cover the land improvement costs and lost benefits.

A residential house shall not be demolished until the person, who owns and lives in this house, his/her family, or any other tenants and their families living in this house, are provided with new housing. The size and the procedure of provision of such housing are established by legislation. To ensure compliance with OP 4.12, the new housing should be comparable in size, location and quality to the housing that has been taken.

The amount of compensation for residential houses, other buildings, structures and plants shall be based on the valuation of these assets (as per Resolution of the Council of Ministers of the Republic of Belarus No. 462 dated March 26, 2008 with the Regulation on the Procedure for Acquisition of Privately Owned Land for Public Use and the Regulation on the Procedure for Valuation of Damages Caused to Land Users by Expropriation of their Land Lots and Demolition of Non-movable Assets Attached Thereto), which, as pointed out above, corresponds to the World Bank's requirement of "replacement value", as it enables the person to purchase equivalent land or property.

12. CONSULTATION WITH, AND PARTICIPATION OF, AFFECTED PERSONS

Meaningful consultations are to be conducted for both the Resettlement Policy Framework, which sets multiple parameters by which resettlement will be carried out, and the individual RAPs which will be prepared for each subproject. Meaningful consultation is a two-way process in which stakeholders provide advice and input on the design of proposed projects in an iterative manner from planning to implementation and post-resettlement.

Public consultations and participation of project affected persons are essential because they enable the PAPs to contribute to both the design and implementation of project activities and reduce the likelihood of conflicts, as well as increase benefits from the Project for the PAPs.

Effective and thorough consultations with local communities and representatives of local authorities are a necessary prerequisite for success of this Project. With this in mind, special attention will be given to public consultations with individuals/households that may be adversely affected by the Project.

Stakeholders for this purpose of this Project shall be defined as all those people and institutions that have an interest in the successful planning and execution of the Project. This includes all persons and institutions positively and negatively affected by the Project. Records of public consultations will be maintained by RUE "Belgiprodor".

The consultation process shall ensure that all those identified as stakeholders are consulted. Information about the Project will be shared with the public, to enable meaningful contribution by stakeholders and to enhance success of the Project.

The affected persons will receive two notifications through the mass media concerning the projected construction of necessary facilities on particular road sections. Besides, relevant notifications will be posted at the local administrations and local self-government bodies or executive authorities (depending on the location of a particular land lot). The affected persons will also be personally contacted twice: when RUE "Minskavtodor-Center" submits an application for development of a detailed design, and when RUE "Minskavtodor-Center" applies for a construction permit. Both notifications will involve negotiations that will continue until an agreement is made or until RUE "Minskavtodor-Center" resorts to court with a request for intervention.

Resettlement Action Plans will be disclosed at a public meeting with affected persons as well as through local media and websites of RUE "Minskavtodor-Center" and RUE "Grodnoavtodor".

Local authorities will supervise the relocation process. In the framework of each subproject, resettlement elements will be included in the subproject implementation schedule. Neither subproject will be accepted without full information on the acquisition of land and a relevant RAP, or a statement that a RAP is not needed.

13. MONITORING ARRANGEMENTS

The Main Department for Motor Roads (DMR) shall designate a specialist to monitor land acquisition procedures and report to the World Bank any irregularities and

shortcomings in the implementation of the Resettlement Action Plans for a relevant land lot or any unexpected negative impacts on affected persons.

The specialist will work closely with the regional authorities and RUE "Minskavtodor-Center" to monitor the processes of resettlement of and provision of compensation to PAPs in their respective subprojects.

To monitor the resettlement process, every six months there will be selected a random sampling of subprojects subject to resettlement, site visits will be conducted, and a report on the resettlement progress will be submitted. The monitoring results will be summarized in a report to the World Bank using key performance indicators selected by the Project and agreed in the RAP as reporting topics. In addition, comments on the resettlement nature and standards will be provided.

RAPs for individual subprojects will be developed once the technical design becomes available.

Early screening was conducted as part of the resettlement planning. The objective of this preliminary screening was to identify and address resettlement problems as early as possible. The resultswill be used to identify the type and nature of potential adverse impacts of the interventions proposed under the Project, and to ensure adequate response to these impacts. Resettlement Action Plans will be prepared by RUE "Minskavtodor-Center" and RUE "Grodnoavtodor" for their respective oblasts. The Resettlement Action Plan cleared by the Bank must be duly disclosed in the Bank's Infoshop and on the web-sites of RUE "Minskavtodor-Center" and RUE "Grodnoavtodor" and subsequently reviewed during the public hearings and approved by the Bank. The RAP will be fully implemented prior to commencement of the construction phase.

A specific RAP shall cover the following elements, at a minimum:

- 1) description of the amount of land to be taken and the resulting impacts;
- 2) a census survey (of affected persons and assets);
- 3) Entitlement Matrix that specifies based on the same conditions as those listed in the RPF the entitlements with respect to each affected person, the expected compensation and assistance;
- 4) consultations with affected people regarding acceptable form of compensation;
- 5) institutional responsibilities for implementation and financing;
- 6) arrangements for implementation monitoring and grievance redress mechanism;
- 7) a timetable and budget.

Annex A. ENTITLEMENT MATRIX

| Element | Project Impact | Category of Project Affected Persons (PAP)s | Entitlement |
|---|--|--|---|
| Road widening or rehabilitation | Private land plot full or partial acquisition for permanent use | Private land owners | Provision of acceptable replacement land of equivalent productive value or compensation at full market value of the land. The compensation shall also include the full amount of losses suffered by the owner as a result of the |
| Construction of bypasses or interchanges | | | land lot acquisition (fruit trees to and other valuable perennial plants will also be compensated), including lost benefits and processing costs. The market price of the land depends on its quality, average yield, and is calculated with a capitalization period of 33 years. |
| Road safety improvements, including road rehabilitation as well as construction of additional structures | Private land plot with the house on it acquisition for permanent use | Private land and houses owners | Provision of replacement housing and corresponding land lots for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site, as per Resolution of the Council of Ministers of the Republic of Belarus No. 462 dated March 26, 2008 as well as assistance in moving. |

| | Socially vulnerable groups (to be defined in RAP; examples may include elderly persons living alone, people with disability, households living below the poverty line, households with many children) | Provision of additional forms of assistance, such as access to schools and hospitals (if moving to a different residential area), where access to new social infrastructure facilities is needed; or any additional measure required during the resettlement such as additional support for moving (determined on a case-by-case basis). |
|--|---|--|
| Loss of agricultural land lease (In most instances, the project affected land lots owned by village councils are leased to agricultural enterprises) | Land leaseholders losing less than 20% of their land Significantly affected leaseholders losing more than 20% of their productive land | Major leaseholders will be notified by respective oblast executive committees and local authorities 1 year in advance to avoid loss of crops. Lease agreements will be amended according with the Law to reflect area of land to be withdrawn for the project. Significantly affected leaseholders losing more than 20% of their productive land will be in addition provided with alternative land lease options for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the land taken. |
| Loss of productive land | Informal or illegal users, encroachers (the land needed for Project activities is not expected to be informally or illegally used) | Where such cases will be identified, land users will receive compensation for losses of, and damages to, other assets that will receive compensation such as trees and valuable perennial plants, structures and businesses. |

| Land withdrawal for | Private Owner | Compensation for disruption; compensation for damage to |
|---------------------|---------------|---|
| temporary use | | crops, structures; land returned to original physical |
| | | condition for handover. |
| | | |
| | | |
| | Land Teanants | Will be informed one year in advance to avoid loss of |
| | | yield, will be compensated for the lost benefit. The land |
| | | will be returned to the original physical condition for the |
| | | handover. |
| | | |

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