



MINISTRY of TRANSPORT and ROADS, KYRGYZ REPUBLIC

CAREC Corridors 1 and 3 Connector Road Project

Semi-Annual Social Safeguards Monitoring Report No. 1

Reporting Period: February 2016 to July 2016

ADB SDA Number: G6002-KGZ CAREC Corridors 1 & 3 Connector Road Project Design Advance

ADB Loan Number: L3432 / G0496-KGZ CAREC Corridors 1 & 3 Connector Road Project

Prepared for: MOTR Investment Projects Implementation Group (IPIG)

August 2016

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MINISTRY of TRANSPORT and ROADS, KYRGYZ REPUBLIC
Semi-Annual Social Safeguards Monitoring Report

Report No. 1 – February 2016 to July 2016

As per ADB's Safeguard Policy Statement (2009) and the Operations Manual section on safeguard policy (OM F1), borrowers/clients are required to establish and maintain procedures to monitor the status of the implementation of social safeguards management and ensure progress is made towards the desired outcomes.

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ABBREVIATIONS

ADB	Asian Development Bank
AH / SAH	Affected Household / Severely Affected Household
AP / SAP	Affected Person / Severely Affected Person
AVH	Affected Vulnerable Household
AVP	Affected Vulnerable Person
CAREC	Central Asia Regional Economic Cooperation
CBO	Community-Based Organization
CEMP	Construction Environmental Management Plan
CPP	Consultation and Participation Plan
CSC	Construction Supervision Consultant
DDR	Due Diligence Report
DED	Detailed Engineering Design
DMF	Design Monitoring Framework
DP	Displaced Person
EA	Executing Agency
EARF	Environmental Assessment and Review Framework
ESMP	Environmental and Social Management Plan
FPIC	Free, Prior, and Informed Consultation
GAP	Gender Action Plan
GSDS	Gender and Social Development Specialist
GoK	Government of the Kyrgyz Republic
GRG	Grievance Redress Group
GRM	Grievance Redress Mechanism
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IA	Implementing Agency
IEE	Initial Environmental Examination
ICB	International Competitive Bidding
IMA	Independent Monitoring Agency
IPIG	Investment Projects Implementation Group
LAR	Land Acquisition and Resettlement
LARC	Land Acquisition and Resettlement Commission
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
MOC	Ministry of Culture
M&E	Monitoring and Evaluation
MOTR	Ministry of Transport and Roads
MOU	Memorandum of Understanding
NGO	Non-Governmental Organization
NSS	National Social Safeguard/Resettlement Specialist
NCB	National Competitive Bidding
PAM	Project Administration Manual
PED	Preliminary Engineering Design
PDA	Project Design Advance
PIU	Project Implementation Unit
PPMS	Project Performance Monitoring System
PPTA	Project Preparatory Technical Assistance
RIB	Resettlement Information Brochure
RoW	Right of Way
RF	Resettlement Framework
RS	Resettlement Specialist
SES	Socio-economic Survey
SGE	Some gender Elements
SPS	Safeguards Policy Statement (ADB 2009)
SSM	Social Summary Matrix
SSRS	Social Safeguard/Resettlement Specialist
SSSMR	Semi-Annual Social Safeguard Monitoring Report

GLOSSARY OF TERMS

Affected Persons	All persons living in the project impact zone whether they are land owning, tenants or without title to land. Usage of the term 'affected person' and 'displaced person' are interchangeable in this report.
Country Safeguard System	This is the legal and institutional framework of the Republic and consists of its national, sub-national or sectoral implementing institutions and relevant laws, regulations, rules, and procedures that pertain to the policy areas of safeguards - both social and environmental.
Displaced Persons	In the context of involuntary resettlement, displaced persons are those who are physically displaced (relocation, loss of residential land or loss of shelter) and/or economically displaced (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.
Economic Displacement	Loss of land, assets, access to assets, income sources or means of livelihoods as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.
Gender Mainstreaming	The process of ensuring that gender concerns and women's needs, and perspectives are explicitly considered in projects and programs and that women participate in the decision-making processes associated with development-based activities.
Indigenous Peoples	This is a generic term used to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by other groups; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and natural resources in these habitats and territories; (iii) customary cultural, economic, social, or political institutions separate from those of the dominant society and culture; and (iv) a distinct language, often different from the official language of the country or region. Many indigenous peoples have become minorities in their own country, but in the Republic they do not suffer specific discrimination or disadvantage
Meaningful Consultation	A process that (i) begins early in a project and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision-making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation measures. This follows the principles of free, prior, and informed consultation (FPIC).
Physical Displacement	This means relocation, loss of residential land, or loss of shelter as a result of (i) Involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.
Significant Impact	The loss of 10% or more of productive assets (income generation) or physical displacement and/or both.
Temporary Use of Land	Land required to facilitate the works such as for a road diversion. The land will be occupied / used by the Contractor on a temporary basis. The Contractor will pay rent for the use of the land and will pay compensation for any associated impacts.

EXECUTIVE SUMMARY

1. INTRODUCTION & BACKGROUND

- (i) This report was prepared for the ADB and the Investment Projects Implementation Group (IPIG) of the Ministry of Transport and Roads (MOTR) of the Kyrgyz Republic (KR), by Japan Overseas Consultants Co. Ltd. [hereinafter called the Consultant] pursuant to the terms and conditions of their Design Services Contract as co-signed in February 2016.
- (ii) The Project covers the rehabilitation of an existing narrow roadway to form an international link between CAREC Corridors 1 and 3 of an appropriate modern standard. The proposed work involves the upgrading of the present 2-lane road to a Category II connector road standard with some minor changes in the horizontal and vertical alignments as well as the provision of asphalt concrete surfaces and partial width, paved shoulders. A full 4-lane cross section is to be introduced within villages along the route however that will feature dedicated pedestrian walkways as well as road safety improvements in the form of new street lighting and modern-style, road signs and markings.
- (iii) The three main Sections of road included in this project, extend from near Balykchy in the east [at Issyk-Kul] via Kochkor and Epkin to the community of Dyikan [Bashkuugandy] in the west. The route and locations of the adjacent major communities are shown in **Figure 1** of this report. The original project was to also contain stretches at the western end [i.e. Section C and Section 3] but these were later deleted from this ASB-financed project after an alternative funding source had been secured by the Government. For thus Project, Section 2 was then sub-divided into two parts - i.e. Sections 2A and 2B - to comply with the ADB funding provisions. Section 2B was always part of the ADB's 'original 2015-16 financing package' while Sections 1 and 2A were to be the subject of a different loan agreement being considered as an 'additional financing package'.
- (iv) Design for the Section 2B Works Contract began in early 2016 with reviews of some of the initial design details made available from the then still ongoing PPTA stage. Detailed design and procurement services are expected to continue until July 2017 with construction work scheduled to begin in late 2017 over a 36-month period ending in 2020. The rehabilitation work will be subject to a 12-month defects notification period ending in 2021.
- (v) Work on the other two Sections [1 & 2A] is to be done in parallel with the physical works scheduled to begin in 2018 after the required 'additional financing package' becomes available. The contract duration periods for both Lots is likely to be 24-months with provision that a Contractor could to be awarded both Lots as package, if suitably qualified. Completion is expected in 2020 with the DNP periods running into 2021.

- (vi) Construction supervision is to be provided by international consultancy firms who will be procured by a standard ADB competitive process. Section 2B is expected to be awarded to one firm with the Section 1 [Lot 1] and Section 2A [Lot 2] as a package, handled by another, after the financing is secured.
- (vii) When completed, the three separate sections of this part of the Connector Road will be included in the MOTR's new Road Asset Management program for administration in subsequent years.

2. MONITORING AND EVALUATION PROCESS

- (viii) This report contains details of the first Semi-Annual Social Safeguard Monitoring Report process for the work developed from the overall Project Performance Monitoring System [PPMS]. These systems are to be used to measure and confirm the effectiveness of the proposed intervention in terms of various technical, environmental and social impact criteria. These were identified initially in the conceptual planning stages of the Project and further defined in the Design Monitoring Framework [DMF] and Project Administration Manual [PAM] documents prepared during the PPTA stage. The PAM is expected to be further updated during the detailed design stages. The indicators established for use in the monitoring and evaluation process fall into the following main categories:

- Traffic service and road conditions;
- Environmental and Social impacts;
- Public awareness;
- MOTR capacity strengthening.

- (ix) These indicators are to be evaluated and reported upon at regular intervals during and immediately after the Works Contract implementation stages. The SSSM reports contain templates [in tabular form] that must be updated as the Project proceeds, by M&E staff appointed within MOTR and assisted as and when required by the Construction Supervision Consultants after they are in place.

3. REPORTING

- (x) Each item in the above data set must be monitored at regular intervals and reported upon at least semi-annually. The present document is the first of the SSSM Reports [Report No. 1] that covers the six-month period from **February to July 2016**. This is essentially the period covering the launch of the supplementary field survey tasks needed to update PPTA information ahead of the detailed design. As such, it covers the baseline data collection services only.

1. PROJECT BACKGROUND

1.1. Introduction

1. The six CAREC corridors inter-link the Central Asian region's key economic hubs and connect some of the landlocked member countries to both the Eurasian and wider, global markets. The implementation action plan for the CAREC Transport and Trade Facilitation Strategy contains an aggressive investment plan to upgrade all six Transport Corridors to international standards by the end of the this decade.
2. One of the most important of the six Corridors, **CAREC Corridor 1** links Europe to the People's Republic of China (PRC) and East Asia. The Corridor traverses from the border with the Russian Federation to the PRC via Kazakhstan and the Kyrgyz Republic. It contains 13,600 km of roads and 12,000 km of railways, 1 logistics center and 3 airports.
3. The **CAREC Corridor 3** has 6,900 km of roads and 4,800 km of railways, running from the west and south of the Siberian region of the Russian Federation through Afghanistan, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan to the Middle East and South Asia.
4. Within the Kyrgyz Republic the main CAREC 1 and CAREC 3 north-south corridors need an east-west link. The **CAREC Corridors 1 and 3 Connector Road** will help to meet this important need and at the same time, help to link the southern regions of Osh, Batken and Jalal-Abad with the northern regions of Naryn, Issyk-Kul, Chui and Talas. The rehabilitated road will thus address the following main objectives:
 - (i) reduce the cost of passenger and cargo transportation between the southern and northern regions;
 - (ii) provide a more direct transit route between Kazakhstan and Tajikistan;
 - (iii) help stimulate regional and international trade.
5. The proposed new link represents an important part of the Government's overall strategy for economic and social development in the Republic.
6. This, the CAREC Corridors 1 and 3 Connector Road Project is being prepared by the Ministry of Transport and Roads [MOTR] and is partially financed by an Asian Development Bank (ADB) loan* with counterpart funding provided for specific items, by the Government of the Kyrgyz Republic.

* For the 2015-16 project preparation [PPTA] stage and some of the subsequent detailed design, funding was initially provided by the ADB in the form of a Grant under a Project Design Advance (PDA) agreement.

Funding for subsequent work on Section 2B from 31 July 2017 [including completion of IEE and LARP updates completion and Works Contract procurement services] through to 31 December 2018 is to be provided under a loan agreement.

The corresponding Works Contracts for Section 1 and Section 2A are likely to be covered by an ‘additional financing package’ that is to be presented to the ADB’s Board of Directors later. In the meantime, design development is to continuing to be provided by the DED Consultant under the present design services contract that runs until 31 July 2017.

2.2 Designated Corridor Sections

7. The ADB-funded part of the CAREC Corridors 1 and 3 Connector Road Project was originally comprised of three main Sections of road as shown in **Figure 1** below:

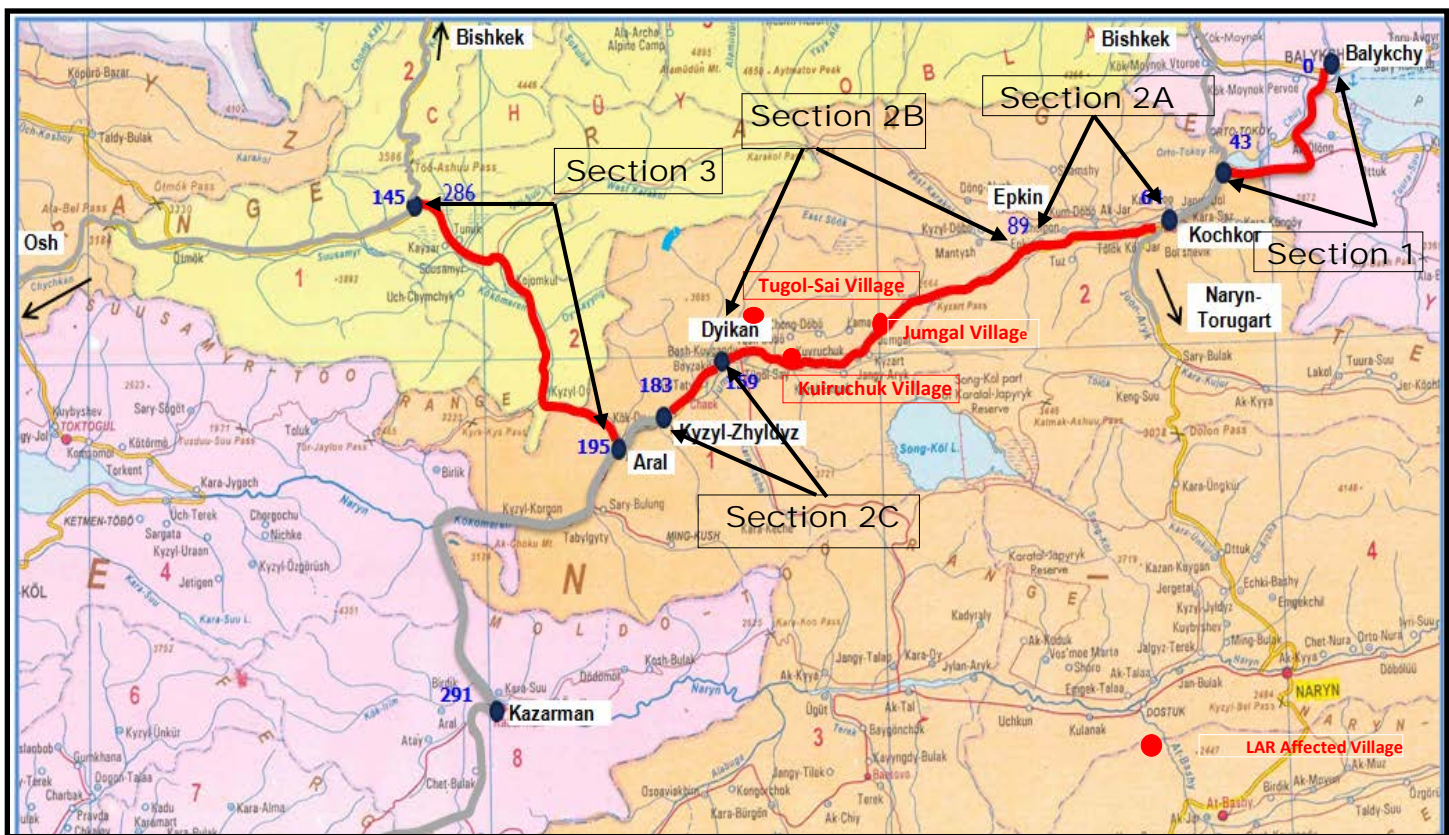


Figure 1: Section Location Map

8. The western-most stretches [i.e. Section 2C - Bashkuugandy to Kyzyl-Zhyldyz and Section 3 - Aral to Too Ashuu stretches] however, were deleted from the detailed design part of this Project during the ADB’s Mission in February 2016 after alternative sources of funding became available to MOTR. Since that time design work has been focused on Sections 1, 2A and 2B. Section 2B was covered by the ‘original financing agreement’ while Section 1 and Section 2A are to be considered for funding under a possible future ‘additional financing

package'. This is to be negotiated and confirmed later when the design details including cost estimates, become available.

9. For ADB funding and Works Contract procurement purposes, the three stretches of the road to be included in the design services contract were therefore confirmed to be:

- **Section 1 - from km 0 to km 43 approx. [Balychky to Kochkor section].**
- **Section 2A - from km 62+400 to km 89+500 approx. [Kochkor to Epkin¹ section];**
- **Section 2B - from km 89+500 to 159+200 approx. [Epkin to Dyikan² section].**

10. In each stretch, the construction work required to improve the corridor will involve the:

- Rehabilitation of the existing road using both recycled in-situ and imported materials from local sources;
- Minor changes in horizontal alignment to minimize environmental and property impacts and to improve geometry and thereby, operational road safety;
- Provision of protection measures to reduce impacts on architectural heritage sites located alongside the roads;
- Widening of the cross sectional width to meet the required 2-lane inter-urban standard but with 4-lane configurations in all village areas];
- Raising of the road elevation to improve resistance to flood events and to offset the effects of longer term changes in climate;
- Improved cross culvert and drainage ditch capacity;
- Upgrading of the existing 6 bridge structures [one in Section 1, four in Section 2A and one in Section 2B] by widening and/or replacement work needed to address structural integrity concerns and to improve drainage capacity under flood-flow conditions;
- Upgrading of the existing railway crossing [single track] in Section 1 only;
- Provision of all-weather, asphalt concrete pavement surfaces throughout;
- Installation of road safety features including modern horizontal and vertical signage;
- Provision in each village area of street lighting, pedestrian sidewalks with connections to crosswalks located on the identified major pedestrian 'desire' lines.

11. The ADB-funded part of the overall Project requires the following general sequence of inputs:

- Project Preparatory Technical Assistance [PPTA, 2015-16] stage - involving preliminary design development, cost estimates and economic assessment, preliminary safeguard

¹ Now renamed as Ak-Uchuk village

² Now renamed as Bashkuugandy village

development [both environmental and social] as well institutional and sectoral capacity building;

- Detailed Design and Works Contract Procurement stage [DED, 2016-17] - involving further development of earlier designs [following field investigations and testing programs], updating and finalization of the environmental and land acquisition / resettlement reports, preparation of bidding documents and the procurement of Works Contracts using ICB procedures;
- Works implementation stage [Works Contracts. 2018-2021] - involving physical construction of the required rehabilitation works under the supervision of an appointed specialist firm[s];
- Post-construction stage [M&E, after 2021] - involving evaluating the effectiveness of the investment in economic and operational terms using an approved PPMS placed on ADB and MOTR web-sites;
- Monitoring of the effectiveness of the land acquisition / resettlement provisions by means of a series of Semi-Annual Social Safeguard Monitoring reports in addition to the PPMS itself.

2.3 Detailed Design and Works Contract Procurement Status

12. At the present time [Q3 of 2016] the Project has advanced into the detailed design and Bid Document preparation stages. Field work for all 3 Sections has been completed and horizontal and vertical alignments re-defined based on the approved typical cross-sections. The contents of the Bid Document packages based on the agreed 'master set' have been assembled in draft form. Additional details will be in-filled as the remainder of the design details emerge.

2.4 Environmental Safeguards

13. Environmental studies were completed for all three sub sections. At the PPTA stage draft statements were prepared and these were subsequently updated to reflect design modifications introduced in the subsequent design process.

14. It was concluded that all three of the sub-projects fall into the standard ADB "**Category B**" for which only Initial Environmental Examination documents would be required. Discussions over the required format for the documents were held with ADB and Government agencies during this reporting period. It is anticipated that final approvals will be secured in early to mid-2017.

2.5 Land Acquisition & Resettlement Safeguards Status

15. Similarly, assessment of land acquisition requirements has been undertaken for all three sub sections to determine preliminary impacts based on the PPTA stage alignments and cross

sections. These will be repeated once the details of the final alignments, typical cross sections and plotted cross sections emerge from the current detailed design stage.

16. On the basis that the work proposed is essentially rehabilitation of an existing roadway, it was concluded that the three sub-projects all fall into the standard ADB “**Category B**” in terms of land acquisition and resettlement impacts for which separate LARP documentation³ was required.
17. At this time [August 2016] the LARP / DMS report situation has not been able to be finalized. It appears likely however that in Section 1, no properties will be affected.

2.6 Indigenous Peoples & Gender Safeguards Status

18. Initial social impact studies have been carried out in all three sub-sections to assess community impacts and to introduce necessary corrective measures.
19. The project area⁴ had a recorded population of 150,000 by 2016 of which the proportion of Kyrgyz and ethnic minority people accounted for about 96% and 4% respectively. There is no ethnic minority community in the immediate area of the proposed project - of the 6,000 ethnic minority people in the overall region nearly 98% are concentrated in the urban area of Balykchy within Issyk-Kul Oblast.
20. Due to the above, the three Sections all fall into “**Category C**”. This is similar to the classification given to other major transport sector projects in the Kyrgyz Republic where indigenous peoples’ numbers are also low. No specific development interventions or actions with respect to indigenous peoples are likely to be needed during project implementation.
16. It was also determined that the Project should be classified as “**Category SGE**” (Some Gender Elements) as the work will directly and indirectly address social and gender issues including as limited accessibility and mobility associated with poor road connectivity, women’s limited participation in the transport sector; HIV/AIDS, illicit drugs, and human trafficking preventions; road safety issues; community consultations etc.
17. Social and gender measures relating to the project addressing relevant several issues and concerns were developed at the PPTA stage and those measures are detailed in the SSM [Social Summary Matrix], referenced in Project’s PAM document and further reflected in the

³ LARPs, for Section 1 and 2A combined and another for Sections 2B, were prepared for this Project

⁴ The project area consists of Jumgal and Kochkor Rayons in Naryn Oblast and Balykchy City and Ton Rayon in Issyk-Kul Oblast.

Design Monitoring Framework [DMF], The resulting covenants included in the Loan Agreement documents are reproduced for reference herein in **Annex A**.

18. At this time [August 2016] the Indigenous Peoples and Gender Issues have been assessed to be as follows:

- Section 1 - minor impact;
- Section 2B - minor impact;
- Section 2A - minor impact.

2.7 Focus of this SSSM Report

19. This report covers the 6-month period from February 2016 [project inception] to July 2016 and is the 1st semi-annual publication reflecting work done in detailed engineering design (DED) and early procurement preparation phases. In addition to engineering design, tasks in the DED process have included further development of the environmental and LARP documents and assessment of some of the social impact alleviation measures to be indicated in the final LARP & Entitlement Matrices. These are contained in **Annexes B** to this report.

20. The SSSMR reports are required to mainly focus on the history of the LARP preparation work and give the status of some of the relevant social issues as the design develops. They must also present baseline socio-economic data available for the impacted rayons and villages within the two Oblasts covered by the proposed project.

3. ADB SAFEGUARD POLICY

3.1 Framework

21. ADB's safeguard policy framework consists of three operational policies on the Environment, Indigenous Peoples and Involuntary Resettlement. These are accompanied by corresponding Operations Manual sections on the same environmental, involuntary resettlement and indigenous peoples' aspects.

22. ADB policies on resettlement address (i) social and economic impacts - permanent or temporary - caused by acquisition of land and other fixed assets; and (ii) changes in the use of land or restrictions imposed on such land as a result of a Bank operation. An affected or displaced person (AP/DP) is defined as one who experiences such impacts.

23. The objectives of the policy are: (i) to avoid involuntary resettlement impacts wherever feasible; (ii) to minimize resettlement impacts by choosing alternative viable project options; and (iii) to ensure that affected people receive compensation, assistance for relocation

(including provision of relocation sites with appropriate facilities and services). Also, assistance with any rehabilitation found to be needed so that recipients will be at least as well off as they would have been in a 'without project' situation.

3.2 SPS July 2009

24. In July of 2009, the Asian Development Bank approved a new Safeguard Policy Statement replacing earlier documents and intended to protect communities from any harmful impacts of ADB projects and programs. The ADB's Safeguard Policy Statement relates to three areas of impact - the environment, involuntary resettlement and indigenous peoples.
25. Safeguard policies are key in protecting communities from the unintended impacts of projects. In many cases, violation of the Bank's safeguard policies, or weaknesses in the policies themselves, have been the cause of high profile controversy surrounding projects that have negatively impacted some communities.
26. Being a multilateral institution made up of member governments, the ADB is not legally required to abide by national laws, and its charter provides the Bank with immunity from judicial proceedings. The ADB's own policies are therefore the only tools that civil society and affected people can use to hold the Bank to account. The ADB's semi-independent Accountability Mechanism enables affected communities to file a complaint if they feel that they have suffered material harm. Safeguard issues have been at the core of most complaints that have been brought to the Accountability Mechanism to date.
27. As a result, ADB will not finance projects that do not comply with the SPS nor will it finance projects that do not comply with the host country's social and environmental laws and regulations, including those laws implementing host country obligations under international law. In addition, ADB will not finance activities on the prohibited investment activities list.
28. The SPS applies to all ADB-financed and/or ADB-administered sovereign and non-sovereign projects, and their components regardless of the source of financing, including investment projects funded by a loan; and/or a grant; and/or other means, such as equity and/or guarantees (hereafter broadly referred to as projects).

3.3 Operations Manual [Section F1/QP]

29. A corresponding Operations Manual Section was issued by ADB in October 2013 section to confirm the procedural requirements through which the Asian Development Bank (ADB) can ensure the social and environmental sustainability of the projects it supports. The

commitments are as elaborated in ADB's 2009 Safeguard Policy Statement (SPS) which therefore covers:

- environmental safeguards;
- involuntary resettlement safeguards;
- Indigenous peoples' safeguards.

3.4 Common Safeguard Approach

30. The ADB has developed a common safeguard approach for the Project that is consistent with the Kyrgyz Republic's country system as supplemented where necessary, by additional elements taken from the ADB's own safeguard policy. A Land Acquisition and Resettlement Plan (LARP) is required for 'Category B' sub-projects.

31. In principle, the requirements are that:

- (i) Land acquisition must be avoided or at least, minimized through careful engineering judgment applied during the detailed design process. There must be no or minimum physical displacements of people.
- (ii) The MOTR with the help of its Consultants is responsible for public consultations to be carried out as an ongoing process throughout the Project's planning, design and implementation stages.

32. The impacts of the Project including any unforeseen losses and damages that may occur during either the construction or operational phases, must be carefully and frequently monitored and remedial steps taken, if and when required.

4 KYRGYZ LEGAL AND POLICY DETAILS

4.1 Legislation on Land Tenure and Ownership

33. The following laws and Normative Acts regulate land/real property ownership rights and rules and procedures for obtaining state ownership right to privately owned land parcels based on the necessary public needs caused due to constructions activities:

- Constitution of the Kyrgyz Republic (28 December 2016)
- Civil Code (08 May 1996, No. 16; last amended on 08 June 2017)
- Land Code (02 June 1999, No. 45; last amended 01 June 2017)
- Law on Automobile Roads (No. 72 dated 02 June 1998, last amended on 03 August

- 2015)
- Law on State Registration of Rights and Associated Transactions (22 December 1988, N 153, last amended on 10 February 2017)
 - Law on Grievances (dated 04 May 2007, last amended on 27 July 2016)
 - Valuation Standards for Valuers (Government Resolution No.217, 03 April 2006, last amended on 15 November 2016)
34. Constitution of the Kyrgyz Republic is the principal and supreme law to which all other Kyrgyz laws must conform. According to the Constitution, international agreements to which the Kyrgyz Republic is a party that have entered into force under the established legal procedure shall be the constituent part of the legal system of the Kyrgyz Republic. Enforcement of an international agreement may be done through its signing, exchange of notes and letters, ratification, approval, accession to an international agreement, or other way agreed by the parties of such international agreement. If an international agreement ratified by the Jogorku Kenesh (National Parliament) of Kyrgyz Republic establishes rules other than those envisaged by civil legislation, the rules of the international agreement shall be applied (Article 6, Civil Code 2017).
35. The Constitution of Kyrgyz Republic (28 December 2016), Article 12 also provides that:
- The Kyrgyz Republic recognizes diversity of ownership forms and guarantees the equal legal protection to private, state, municipal and other types of ownership (Clause 1).
 - Ownership is inviolable and no one can be dispossessed of its property arbitrarily. The property can be acquired by the state against the person's (party's) will only base on the court's ruling (Clause 2)
 - Land can be in private, municipal and other types of ownership with an exception of pasturelands that cannot be held in private ownership (Clause 5).
 - Acquisition of property for the public purposes, as defined in the national laws, can be carried out only through the court's ruling and with the fair and prior payment of the compensation for the affected property as well as other costs (Clause 2).
36. The Civil Code (08 May 1996, No. 16; last amendment on 08 June 2017, No. 100) provides that: a party whose rights are violated can claim full loss reimbursement (full compensation for losses incurred), unless the national legislation or the agreements (contracts) prepared in line with the national legislation indicate the contrary. The relevant provisions include articles 14 and 15.

Article 14: Loss Reimbursement. Clause 1 of Article 14 defines the losses that subject to

reimbursement (compensation):

- A person, whose right is violated, may claim full compensation for losses incurred, unless the law and/or terms and conditions of agreement entered by the parties in compliance with the law provides the contrary.
- The losses are defined as follows:
 - A person, whose right was violated and who incurred or will have to incur costs to restore violated rights, losses or damage to his property (actual loss), and also
 - Un-received income, which a person would have received under normal conditions of civil turnover, if his right had not been violated (income loss),
 - If a person earned income through violating a law, a person whose rights were thus violated can claim loss reimbursement along with other costs, actual loss in the amount no less than income earned by a violator.

Article 15: Compensation for Losses Caused by the State Agencies and Local self-government. Losses incurred on a citizen or legal entity as a consequence of illegal actions (or inactivity) of state agencies, bodies of local self-government or officials of these bodies, including issuance by a state body of an act that does not comply with legislation, are subject to compensation by the state, as well as local self-government authorities in the cases foreseen under the law.

37. Article 68 of the Land Code (02 June 1999 N 45, last amended on 01 June 2017, No. 95) defines withdrawal of land plot for state and public needs.

38. Article 68 of the Land Code: Withdrawal (Redemption) of the Land for State and Public Needs:

- Acquisition (purchase) of a land plot for state and public needs may be exercised on the grounds of an agreement between the authorized agency and landowner or land-user. If no agreement is achieved with the land owner/land-user, the authorized agency has the right to apply to the court within two months from the date of official denial of landowner/land-user.
- During price calculation, the purchase (redemption) price of a given land plot, shall include market value of the land and buildings and structures attached to the given land plot, as well as losses incurred to landowner/land-user as a result of termination of rights to a land plot, including the damages/losses related to the earlier termination of liabilities with third parties.
- In the event of withdrawal of the land plot for the state or public needs another land plot may be allocated to a land owner/user, subject to his consent and the value of the right to it shall be credited to the redemption price.

39. The Land Code specifies that the right to the land and associated structures can be terminated, among others, when land is needed for state or public purposes. A court decision is required to officially terminate the rights to land and associated structures. The acquisition of the land can be effected only after compensating the costs of the rights termination and associated costs (Article 49).
40. According to Article 49, unless the legislation, land title or lease contract indicates the contrary, the land owners or user can have the right to:
- Use land based on owner's/user's own discretion and in accordance with the targeted purpose of the land;
 - Build structures on the land, according to its targeted purpose, following established procedures and meeting architectural, construction, environmental, sanitary, fire safety and other requirements
 - Claim compensation for losses suffered, as specified by the Kyrgyz Republic legislation.
41. Finally, the Land Code (Article 78) specifies the use regime with regards to the lands of common use. It particularly indicates that lands of common use in settlements/towns/villages (e.g. roads, streets, squares, sidewalks, driveways, park bands, boulevards, mini parks, water bodies, etc.) cannot be in private ownership, and only in exceptional instances can be rented by the authorized state body to legal entities and individuals for maximum of 5 years. The authorized state body may permit construction of light (not capital) structures on lands of common use.
42. According to the Article 4 of the Law on Automobile Roads (02 June 1998, No. 72, last amended on 03 August 2015), roads of common use can only be in state ownership and cannot be sold or held in private ownership. The same Law (Article 27) provides that unless prior permit is given by the State Traffic Inspection and MOTR, the following activities are prohibited on the right-of-way of common use road:
- roadside trading;
 - placement of kiosks and similar structures.
43. The arbitrary use of the lands within right-of-ways can be discontinued without compensating the illegal user(s) for the costs incurred for the duration of the unauthorized use of these lands (Article 23).
44. The Law on State Registration of Rights of Immovable Properties and Associated Transactions (hereinafter - state registration of rights) is a legal act of recognition and confirmation of rights to immovable properties and their encumbrances (restrictions), as well

as real estate transactions, providing protection for the rights and encumbrances (restrictions), except as provided in this Law (Article 1).

45. Any other document or entitlements and their limitations, are subject to mandatory registration in accordance with Article 4 of this Law, submitted to the registration authority not later than thirty days from the date of the (drafting) of the above document (Article 7).

46. The property rights, which are not subject to the registration, but are recognized and protected by the State include (Chapter 1, Article 6):

- Access rights to the communication lines, pipelines, geodesic localities, and other pieces of infrastructure meant for public use;
- Rights of spouses, children, and other individuals;
- Temporary rights, lease or sub-lease for a period of under 3 years;
- Actual use rights for the primary or preferential use of the property;
- Rights arising from the taxation requirements;
- Encumbrances arising from the common rules on healthcare, public safety, environmental protection etc.

47. The Law on Grievances (23 March 2007, last amended on 27 July 2016, No. 151) provides that the grievance from Kyrgyz Republic citizens should be registered, given due consideration, and addressed in an equitable, timely and accountable manner (Article 2 and 4). The grievance registered with the state agency or the local government should be processed within no more than 30 days (Article 8). For the grievance to be given due consideration, it should be filed in written, showcasing the substance of the complaint and, if necessary, supported by the relevant documentation (Article 4 and 5). The grievance submitted should be processed and resolved strictly following the relevant national laws and regulations (Article 11).

48. The valuation of assets is based on the Interim Rules of activities of appraisers and appraisal organizations in the Kyrgyz Republic (Government Resolution No. 537 of 21 August 2003, last amended on 03 December 2012, No. 807) as well as property valuation standards, mandatory for all the subjects of valuation activity in the Kyrgyz Republic (Government Resolution No. 217 of 03 April 2006, last amended on 15 November 2016, No. 593) and other provisions of national legislation.

5 LAND ACQUISITION AND RESETTLEMENT PROCESS

5.1 Legal Framework

49. LARPs are required to comply with the ADB's Safeguard Policy Statement [SPS 2009] as well as with the laws of the Kyrgyz Republic containing regulations and policies on LARP preparation. The LARP's therefore have chapters that deal with the legal framework and any entitlements due under its provisions. In case there are any differences between requirements set by the legislation of the Kyrgyz Republic and ADB Policy, under the conditions of the loan Agreements, the latter is required to take precedence⁵.
50. The LARPs should also include (i) a CPP plan (consultation and participation plan) (ii) a GRM (grievance redress mechanism) and (iii) an M&E plan (monitoring and evaluation plan).

5.2 LARP Preparation

51. A draft of the LARP for **Section 2B** will be prepared for submission in early 2017. This document will require updating as the design develops and particular impacts are identified.
52. The corresponding draft LARP's for **Section 1 and Section 2A** will be prepared for submission in early 2017.

5.3 Public Consultations

53. Public consultation meetings for affected properties identified will be carried out at the appropriate times. It is expected that there will be few if any, affected areas within **Section 1**.
54. Meetings in Jumgal, Kuiruchuk and Tugol-sai villages again in **Section 2B**, are scheduled to be carried out in September of 2016. The updated design details will be displayed again at follow-up sessions in the same local communities, in about mid-2017.
55. Prior to each of the consultation sessions, a resettlement planning information brochure was prepared for disclosure to every household who could be potentially affected by the LARP work. Information about the engineering designs within settled areas and the process in place for discussion of the details will also be divulged.

5.4 LARP Status

56. At the end of the present reporting period [i.e. Q3 of 2016] the following activities were complete – see below:
- Reviews of PPTA-stage LARP documents for each Section;

⁵ If an international agreement ratified by the Jogorku Kenesh (National Parliament) of the Kyrgyz Republic establishes rules other than those envisaged by current civil legislation, the rules of the international agreement shall be applied (Article 6, Civil Code 2017 relates).

- Initial definition of environmental impacts for all three Sections;
- Initial definition of resettlement implications for all three Sections;
- Confirmation of the absence of Indigenous Peoples in all three Sections;
- Draft of Gender Action Plans for all three Sections.

5.5 Detailed Measurement Surveys [Initial]

57. Work on the DMS for **Section 1 and Section 2A** began in October 2016 and at the present time, it has been confirmed that no land acquisition and resettlement impacts will occur in Section 1 but that there will be some impacts in terms of agricultural land Section 2A. The number of units used for other purposes is still ongoing,
58. The Detailed Measurement Survey (DMS) for **Section 2B** is now substantially complete and it is estimated that about 150 assets will be directly affected requiring negotiations, resettlement and the payment of compensation. Full details are still being finalized.
59. Valuations for compensation purposes within **Sections 1, 2A and 2B** are expected to become available in early 2017. It is anticipated that approvals will be granted and that the formal acquisition process will be launched in mid-2017. This is required so that clear access to the whole of the “site” can be provided to the Works contractor[s] at the start of works late this year. The Bid Documents for section 2B are expected to be released in Q2 of 2017 and for Sections 1 and 2A later that year.

6 SOCIAL MEASURES ASSESSMENT PROCESS

6.1 Design Features

60. **Table 2** lists the social measures to be implemented during this the detailed design stage. As indicated in the table, the key social measures or actions to be taken by the team will be the design review workshops which can also be termed ‘public consultation and participation’ meetings.
61. The following issues are anticipated to be raised by the communities during the consultation process:
- traffic safety within the villages due to increased volumes and operating speeds;
 - impacts on state-owned and private properties including compensation levels;
 - impacts on business operations;
 - effects on facilities [e.g. power and water supply lines];

- functionality of drainage and irrigation channels during and after project construction;
- affected people and their villages to keep good function of irrigation and drainage channels.

6.2 Consultation & Participation

62. At least three design review workshops are planned – a minimum of one in each Section of the roadway. These will be coordinated with formal public consultation and participation sessions [for LARP purposes] as much as possible and are likely to occur in late 2016 or early 2017.

63. Official records of each session will be kept and appended to the relevant reports.

6.3 Other Items

64. To better facilitate the preparation and implementation of LARPs for the project, MOTR is expected to issue orders concerning the approval of a GRM (Grievance Redress Mechanism) and the establishment of GRG's (grievance redress groups) for the project. These are expected to become available in early to mid-2017 and will be referenced in the latest of the SSSM Reports at that time.

Approval of GRM

65. The GRM is a process through which the APs are provided with a means to voice and resolve concerns about the LAR for the project as an effective way to address their concerns. For this project, the GRM will be established and officially notified in written form to affected people in advanced of and during the upcoming public consultations scheduled for 2017.

66. It is understood that a formal GRM is already under consideration by the Minister of the MOTR and that an official Order will be released sometime in 2017.

Establishment of GRGs

67. Grievance Redress Groups must be established at both local and central levels on a formal basis for which the release of an official Order will be required. The GRGs will operate for the duration of the LARP development and through the project implementation period. It is likely that the local GRGs will include one in affected village with the central GRG set up within MOTR in Bishkek.

68. It is understood that a formal GRM procedure is under consideration by the Minister of the MOTR and that an official Order will be released sometime in 2017.

Establishment of Land Acquisition and Resettlement Commission

69. On 15 December 2015 the LARC for the project was officially formed in accordance with Decree No. 361-b of the Plenipotentiary of the Government of the Kyrgyz Republic in Naryn Oblast without covering both Sections 2A and 2B.

70. The LARC for Section 2B was later established on 3 August 2016 according to an official amendment of Decree No. 361-b.

71. The LARC for Section 2A, in accordance with the Decree No. 62-b of the Plenipotentiary of the Government of the Kyrgyz Republic in Naryn Oblast was established on 15 February 2016.

7 DISCLOSURE

7.1 Procedure

72. The following documents will be made accessible to members of the general public through the ADB and MOTR web-sites at the appropriate time.

- Approved Initial Environmental Examination Reports [Section 1 and Sections 2A and 2B];
- Approved updated IEE Reports [Section 1 and Sections 2A and 2B];
- Approved Initial LARP documents [Section 1 and Sections 2A and 2B];
- Approved updated LARP Reports [Sections 1 and Sections 2A and 2B].

8 GRIEVANCE REDRESS MECHANISM

8.1 Procedure

73. In order to achieve resolution of any concerns expressed by AP's / DP's or any complaints or grievances registered regarding the handling of the Project safeguard processes, an official Grievance Redress Mechanism (GRM) must be established.

74. If and when the need arises, this mechanism will be used to register any complaint that may be made during the implementation and operations phases of the Project.

75. The key functions of the GRM will be to:

- (i) Formally record, categorize and prioritize any grievances;

- (ii) Attempt to settle the grievances in consultation along with other stakeholders, if any;
- (iii) Inform the aggrieved parties of the solutions;
- (iv) Forward any unresolved cases to higher authorities.

76. When the Project implementation stages begin, signs will be erected to provide the public with project information and to summarize the grievances redress mechanism process [including contact details for the appointed local focal person. All corrective actions and complaints responses carried out on site, will be reported back to IPIG and CSC will include the information in a formal complaints register along with the corrective actions taken. The details will be included in regular progress reports.

77. Any AP's can take a grievance to the representatives of local authorities or local focal person. On receipt of a complaint in any form (i.e. in person, by telephone, writing etc.) The contact person appointed for the Project will log the details in the official complaints registration system.

8.2 Process Management

78. The mechanism consists of grievance resolution of two levels, the local and central levels. At each level, grievance redress groups (GRGs) will be established. The role and responsibility of the GRGs is to accept claim and complaints, assess its validity, determine the scope of eventual impacts, and timely resolve the issue, including the claims regarding the compensation and maintain GRM as flexible and efficient to address and resolve the claims as raised during LARP and project implementation.

79. **Table 1** below sets out the sequential process to be followed to resolve any project-related grievances.

Table 1: Grievance Redress Process

Step	Action Level	Process	Timeline
1	Resolution by LFP	At initial stage, the LFP will give hearing to the aggrieved person and try to give an acceptable solution. If an aggrieved person is not satisfied with the solution, then she/he will lodge grievances in written to the local GRG within 3 days.	3 days
2	Resolution at local	After receiving written complaint, the LFP will review and prepare a Case File (see Appendix 9) for GRG	10 days

Step	Action Level	Process	Timeline
	level	hearing and resolution. A formal hearing will be held with the GRG on a date fixed by the LFP in consultation with the aggrieved person. On the date of hearing, the aggrieved person will appear before the GRG and present proofs in support of his/her claim. The LFP will note down the statements of the complainant and document all proofs. The decision from majority of the members will be considered final from the GRG and will be issued by the LFP and signed by other members of the GRG. The case record will be updated and the decision will be communicated to the aggrieved person by the LFP within 10 days. If aggrieved person is not satisfied with the solution, the LFP will lodge grievance in written to the central GRG at MOTR with conclusion and supporting documents prepared at local level.	
3	Resolution at central level	After receiving written complaint, the central GRG Chairperson will review and prepare a Case File for GRG hearing and resolution. A formal hearing will be held on a date fixed by the GRG Chairperson and the aggrieved person. GRG members will contact the complainant and visit his/her village. The safeguard specialist/sociologist of IPIG will note down the statements of the complainant and document all proofs. The decisions from majority of the members will be considered final from the central GRG and will be issued by the Chairperson and signed by other members. The case record will be updated and the decision will be communicated to the aggrieved person by the safeguard specialist/sociologist of IPIG within 7 days of submission.	7 days

Source: Consultant

9 BASELINE SOCIO-ECONOMIC DATA

9.1 Affected Rayons

80. Preliminary baseline data was assembled for reference in assessing the overall socio-economic development status of the project area expected to benefit from the proposed Project. following contains baseline socio-economic data relating to the rayons traversed by the route. For comparison, data from the wider Naryn and Issyk-Kul oblasts is also shown.

Table 2: Baseline Socio-economic Data of by Rayons (2015)

	Kyrgyz Republic	Naryn Oblast	Jumgal Rayon	Kochkor Rayon	Issyk-Kul Oblast	Balykchy City & Ton Rayon
Population (million)	5.90	0.27	0.04	0.06	0.46	0.05
Rural population (%)	66.3	86.2	92.0	100.0	71.7	10.2
Female (%)	50.5	49.5	49.08	49.14	50.32	50.17
Ethnic minority (%)	27.0	0.8	0.3	0	13.8	12.3
Per capita income (KGS/month)	4,074	3,309	n/a	n/a.	4,041	n/a.
Land area (km ²)	199,900	43,793	4,803	5,868	43,100	3,357
Per capita GDP (KGS)	78,700	43,500	n/a	n/a	50,706	n/a
Poverty incidence (%)	32.1	38.0	n/a	n/a	28.9	n/a
Poverty line (KGS/month/capita)	1,618	1,606	-	n/a	1,566	n/a

Source: official statistics, local authority; <https://www.adb.org/publications/basic-statistics-2016>; and <http://data.worldbank.org/country/kyrgyz-republic>. n/a = not available.

9.2 Affected Villages

81. Similarly, **Table 3** following presents baseline data collected for each of the affected villages in the corridor:

Table 3: Baseline Socio-economic Data for Affected Villages (2016)

	Unit	Jumgal	Zhany Aryk	Kuiruchuk	Tugolsai	Kochkor	Kok-Jar	Semiz-Bel	Cholpon
Population	Person	2,465	5,300	3,014	2,115	10,595	2,730	6,013	8,723
Female	%	46.0	47.6	48.0	47.8	49.9	51.3	49.0	49.3
Ethnic minority	%	0	0	0	0	4.9	0	2.0	0.08
Agricultural land	ha/HH	1.2 - 2.0	1.2 - 2.0	1.2 - 2.0	1.2 - 2.0	1.2 - 2.0	1.2 - 2.0	1.2 - 2.0	1.2 - 2.0
Annual HH income in [2016]	KGS/capita	150,000 - 250,000	150,000 - 220,000	130,000 - 250,000	130,000 - 250,000	150,000 - 250,000	150,000 - 220,000	130,000 - 220,000	130,000 - 220,000
School	No.	2	3	1	2	4	1	4	7
Clinic	No	3	1	1	2	1	1	4	7
Bazaar	No	0	0	1	0	1	0	1	0
Vehicular ownership	HH%	55	55	45	45	38	40	35	32.6

Source: Local Agencies

10 INSTITUTIONAL ARRANGEMENTS

10.1 Division of Responsibilities

82. The following are the key agencies who will be responsible for approval of the Project's land acquisition, resettlement and compensation activities:

- (i) The Ministry of Transport and Roads will be the executing agency or EA for the Project. IPIG as the Implementing Agency [IA] will have overall responsibility of the project including safeguards. The IPIG's responsibilities are (a) identification of affected areas; (b) community liaison; (c) budgetary provision; (d) management through the appointed Social Safeguard specialist;
- (ii) IPIG will ensure that compensation is paid as required under the LARP. If needed, a 'top-up resettlement budget' will be made available to the safeguards staff to provide the additional compensation/assistance (if any). IPIG's Social Safeguard specialist will also be responsible for identifying capacity gaps and providing training and capacity building to stakeholders involved in land acquisition.
- (iii) Valuation specialist will be responsible for (a) all initial valuations; (b) identification of owners and leaseholders and (c) negotiations with land owners.

10.2 Ministry of Transport and Roads (MOTR)

83. IPIG will be responsible for overseeing and managing Project execution including compliance with all general requirements including safeguards. IPIG will recruit a Social Safeguard specialist for the project.
84. IPIG's Social Safeguard specialist will ensure that the procedures and processes established in the LARP are followed for the project. However, preparation and updating of the LARP for individual Sections is the responsibility of the safeguards specialists to be appointed under the construction supervision consultant [CSC] for the respective Sections of the Project.
85. Within IPIG, a project support team will be set up having a full-time social safeguards specialist to oversee all activities related to these safeguards.

10.3 Detailed Engineering Design Consultant [DED Consultant]

86. The DED was required to include both international and counterpart national social specialists on the design team to identify and address the safeguard impacts within each Section of road. Also, to help MOTR and IPIG to establish the procedure needed to effectively manage the safeguarding process in accordance with ADB standards.

10.4 Construction Supervision Consultant [CSC]

87. The CSC team will not be appointed for some time [i.e. mid-2017] but will also be required to

include international and/or counterpart national specialists to implement the safeguard tasks for each Section of the Project as defined in the EMP and LARP documentation.

88. This group will include: (i) a social safeguard/resettlement specialist (international) (ISS); and (ii) a safeguards specialist (national) (NSS). The CSC will be led and officially represented by a Team Leader / Resident Engineer to be deployed full-time at the field office level.

89. The safeguards responsibilities of the CSC's team will include:

- Ensuring that safeguards are implemented as set out in the LARP and other safeguard documents in order to meet the statutory requirements.
- Undertaking safeguards assessments during the feasibility study, ensuring that the approved LARP's are followed and any subsequent amendments needed, are prepared.
- Supervising the safeguards implementation process, including implementation of relevant LARP activities.

90. The activities required to be taken by the CSC during the Works Contact periods expected to run from late 2017 until at least late in 2020 [**Section 2B**] and early 2018 to early in 2020 [**Section 1 and Section 2A**] – both end dates given have 12-month DNP periods to follow

91. Tasks in the social safeguards area will include those shown in the monitoring checklist presented as **Table 4** below:

Table 4: Safeguard Monitoring Status Checklist

No.	SUB-PROJECT	Section 1 [LOT1] Balykchy-Kochkor [km 0+000 to 43+000]	Section 2A [LOT 2] Kochkor-Epkin [km 62+400 to 89+500]	Section 2B Epkin-Dyikan [km 89+500 to 159+200]
1	Environmental Category	B	B	B
2	LARP/Resettlement Categories	B	B	B
3	Indigenous Peoples and Gender Categories	C / SGE	C/ SGE	C/ SGE
4	IEE Submission Date			
5	LARP / DMS Submission Date			
6	IEE Update Submission Date			
7	LARP / DMS Update Submission Date			
8	Final Approval - GoK	To be inserted by IPIG	To be inserted by IPIG	To be inserted by IPIG

9	No Objection - ADB	To be inserted by IPIG	To be inserted by IPIG	To be inserted by IPIG
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Source: Consultant

11 PROJECT IMPLEMENTATION

11.1 Outline Schedule

92. A tentative implementation schedule for the Project's land acquisition and resettlement activities has been established by the DED Consultant – this is reproduced in **Table 5** below.

93. The plan includes activities to (i) finalize the updated PPTA stage LARP's; (ii) implement the LARP's and (iii) monitor activities and achievements during the early parts of project implementation. The CSC when appointed will take over the responsibilities during the construction period. A more detailed schedule with specific target dates, will be provided to the CSC for each Section at the end of the design services work, for updating during the construction and post-construction phases.

Table 5: Implementation Timeline

STEP	ACTIVITIES	RESPONSIBILITY	TARGET TIMEFRAME
Update LARP / DMS for Section 2B			
1	Confirm land requirements based on detailed design of the road. Determine areas of land which will fall outside the existing road reserve.	DED Consultant	Ongoing - complete by Q2, 2017
2	Provide plans identifying areas to be acquired in DMS	"	Ongoing - complete by Q2, 2017
3	Provide plans identifying areas to be acquired to IPIG	"	Ongoing - complete by Q2, 2017
Update LARP / DMS for Section 1 and Section 2A			
1	Confirm land requirements based on detailed design of the road. Determine areas of land which will fall outside the existing road reserve.	DED Consultant	Ongoing - complete by Q4, 2017
2	Provide plans identifying areas to be acquired in DMS	"	Ongoing - complete by Q4, 2017
3	Provide plans identifying areas to be acquired to IPIG	"	Ongoing - complete by Q4, 2017
LARP Implementation - All 3 Stretches			
1	Execution of Sale and Purchase Agreement endorsed	DED Consultant	Q4, 2018
2	Payment of compensation and allowances	"	Q4, 2018
3	IPIG completes land transfers & registration	"	Q4, 2018
4	IPIG submits the Land Acquisition Completion Report to ADB	"	Q4, 2018
5	Award of civil works contract for Section 2B , clearance of land and briefing of contractor on safeguards	"	Q3, 2018
6	Award of civil works contract[s] for Sections 1 and 2A , clearance of land and briefing of Contractor on safeguards	"	Q1, 2019
7	Final survey plan on completion of work; payment of adjusted compensation if required	"	Q1, 2019
Monitoring - All 3 Stretches			
1	Start of AP socio-economic monitoring	CSC / IPIG	Q1, 2019
2	Submission of progress report to ADB on LARP implementation	"	Each Quarter in 2019 and 2020
3	Conduct post-projects surveys, submit final monitoring report	IPIG	2021

Source: Consultant

12 LOAN AGREEMENT COVENANTS

12.1 Safeguard Items

94. Loan Agreements typically contain a number of covenants that relate to the social safeguard aspects of the Project's implementation. These typical requirements are outlined in **Table 6** below and the LARP / DMS documents will have to be prepared in compliance with the final version of them.

Table 6: Typical Loan Agreement Covenants

Covenants	Compliance Status
<p>Land Acquisition and Involuntary Resettlement The Borrower shall ensure that all land and all rights-of-way required for each Subproject are made available to the Works contractor in accordance with the schedule agreed under the related Works contract and all land acquisition and resettlement activities are implemented in compliance with</p> <p>(a) all applicable laws and regulations of the Borrower relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; (c) the LARF; (d) all measures and requirements set forth in the respective LARP and any corrective or preventative actions set forth in the Safeguards Monitoring Report.</p>	<p>To date Land Acquisition and Involuntary Resettlement has not been implemented, but shall comply once Land Acquisition and Involuntary Resettlement arrangements are started.</p> <p>The draft LARPs are prepared by the technical assistance consultant, recruited by ADB.</p> <p>The LARPs will be updated by the CSC based DD.</p>
<p>Without limiting the application of the Involuntary Resettlement Safeguards, the LARF or the LARPs, the Borrower shall ensure that no physical or economic displacement takes place in connection with the Sections until:</p> <p>Compensation and other entitlements have been provided to affected people in accordance with the LARP's and</p> <p>A comprehensive income and livelihood restoration program has been established in accordance with LARP's</p>	<p>To be complied with.</p>

Source: Draft Loan Agreement

13 FUTURE MONITORING ARRANGEMENTS

13.1 Grievance Records

95. The official record of grievances lodged to date for each by individual Section of the route, is contained in **Table 7** below. For this reporting period no grievances are recorded as shown under Report No. 1. Entries will need to be made for each of the future reporting periods in the lines below in the same table.

Table 7: Grievances Registered to Date

Report No.	Stage of Project Implementation	Period	Section 1	Section 2A	Section 2B
1	Detailed Design & Contract Procurement	Feb. 2016 - Jul. 2016	0	0	0
2		Aug. 2016 - Jan. 2017			
3		Feb. 2017 - Jul. 2017			
4		Aug. 2017 - Jan. 2018			
5		Feb. 2018 - Jul. 2018			
6		Aug. 2018 - Jan. 2019			

7	Construction	Feb. 2019 - Jul. 2019			
8		Aug. 2019 - Jan. 2020			
9		Feb. 2020 - Jul. 2020			
10		Aug. 2020 - Jan. 2021			
11		Feb. 2021 - Jul. 2021			
12		Aug. 2021 - Jan. 2022			

Source: Consultant

13.2 Overall Responsibility

96. IPIG as the IA is responsible for overseeing and managing the Project's execution including compliance with all specified environmental and social safeguard requirements. It remains a challenge for IPIG staff to ensure that procedures and processes established in the LARP are followed and complied with in all respects, but an experienced member of the Consultants' staff will be made available in support, at all times.

97. In the meantime, the following steps have been taken by IPIG to address these challenges.

- After due consultation, the ESMP and LARP submissions will need to be approved by the ADB and also by the Kyrgyz authorities. These must address all issues related to safeguards including those related to acquiring land units needed for delivery of the sites of works for the construction phases.
- The services of a full-time Construction Supervision Consultant (CSC) will be acquired using a typical competitive bidding process. The services will include both international and national social safeguard specialists.
- A Project Support Team (PST) will be set up within IPIG to oversee all Sections funded by the ADB. A full-time Social Safeguards Specialist will be made available to help address issues related to social safeguards and he/she will help review all Section safeguard reports submitted by Consultant before these reports are passed on to ADB for formal approval.
- The PST will require the services of Gender and Social Development Specialists when the three Section Works Contracts are being implemented. Cross-cutting issues including poverty, gender, vulnerable groups, ethnic minority, HIV/AIDS awareness and related issues, will be also be addressed by them.

- Some capacity building of the PST staff to address ADB social safeguard policies and procedures within IPIG has already been undertaken by other Consultants. This will be supplemented during the implementation stages, as may be required.
- A fully-fledged Grievance Redress Mechanism (GRM) will be established under IPIG jurisdiction complete with a 24-hour complaint system for receiving and recording affected peoples' grievances.
- A standard mechanism will be evolved to interact with affected people through public consultation. Representatives from the DED Consultant and IPIG have jointly conducted several sessions to date at the primary and secondary stakeholders' levels. This will be an ongoing process and additional public consultations will be held during future stages of the Project implementation.

98. Land acquisition and involuntary resettlement matters have not yet commenced pending design reviews and development. But in due course, the process will comply with the relevant loan covenants for Section 2B initially and for Sections 1 and 2A when financing has been agreed.

13.3 Current Situation

99. At this time, detailed design development for Section 2B is ongoing based on field data collection updates needed. This 1st of the Social Safeguards Monitoring Report, shows the present early status of the social impact assessment work. Future updates will be produced and submitted to IPIG and by them, to ADB on a semi-annual basis. Submission dates are expected to be on a mid-year and end-of-year frequency.

13.4 Report Submissions

100. As indicated above, The Consultant will prepare and submit to IPIG, the Social Safeguard Monitoring Reports at six-monthly interval in beginning in late 2016. Key monitoring/reporting areas will include:

- finalization of LARP for Section 1 and Section 2A;
- approval status of LARPs;
- LARP implementation preparation progresses, including the establishment of LAR databases;
- Declaration on the status of the implementation of the social impact counter-measures specified in the SSM.

The SSSM Report coverage and submission details are contained in **Table 8** below:

Table 8: SSSM Report Submission Schedule

Report No.	Stage of Project Implementation	Period Reported	Report Date	Submission to IPIG / ADB	No Objection Granted
1	Detailed Design & Contract Procurement Stages	Feb. 2016 - Jul. 2016	August 2016		
2		Aug. 2016 - Jan. 2017	February 2017		
3		Feb. 2017 - Jul. 2017	August 2017		
4		Aug. 2017 - Jan. 2018	February 2018		
5		Feb. 2018 - Jul. 2018	August 2018		
6		Aug. 2018 - Jan. 2019			
7	Construction Stages	Feb. 2019 - Jul. 2019	TBD by CSC		
8		Aug. 2019 - Jan. 2020	TBD by CSC		
9		Feb. 2020 - Jul. 2020	TBD by CSC		
10		Aug. 2020 - Jan. 2021	TBD by CSC		
11		Feb. 2021 - Jul. 2021	TBD by CSC		
12		Aug. 2021 - Jan. 2022	TBD by CSC		

Source: Consultant

Annex A: DMF Extract, Draft Loan Agreement Covenants & PPMS Categories

I. Performance Monitoring, Evaluation, Reporting and Communication

38. The following section describes the project's specific monitoring, evaluation, reporting, and communications arrangements.

A. Project Design and Monitoring Framework

Impact the Project is Aligned with

Enhanced regional and national connectivity (National Sustainable Development Strategy for 2013–2017)^a

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
<p>Outcome</p> <p>More efficient and safer movement of goods and people</p>	<p>a. Travel time between Naryn and Osh reduced by 50% (11 hours) by 2022 (2015 baseline: 22 hours) when the entire north–south corridor project is implemented</p> <p>b. Daily vehicle traffic from Epkin to Bashkugandy (annual average) increased to 5,572 by 2022 (2015 baseline: 1,621)</p>	<p>a. MOTR report</p> <p>b. MOTR report</p>	<p>Adjacent sections experience delays in project implementation</p>
<p>Outputs</p> <p>1. 70 km (Km 89–Km 159) of the highway connecting Epkin to Bashkugandy upgraded to category II standard and made operational</p> <p>2. Institutional capacity strengthened</p>	<p>1. 70 km of road rehabilitated and the pavement international roughness index reduced to 3.00 m/km by 2021 (2015 baseline: 8.33 m/km)</p> <p>2a. A RAMS designed and implemented by 2020 (2015 baseline: 0)</p> <p>2b. The PIU's administrative manual and procedures in place by 2020 (2015 baseline: 0)</p>	<p>1. MOTR and ADB project completion report</p> <p>2a. ADB review missions and consultants' reports</p> <p>2b. ADB review missions and consultants' reports</p>	<p>Cost overruns caused by unexpected price increases during construction</p> <p>Lack of technical expertise to continue the RAMS</p> <p>Lack of understanding of the new administrative process on the part of the PIU and MOTR</p>

Key Activities with Milestones

1. Road from Epkin village to Bashkugandy village totaling 70 km (Km 89–Km 159) rehabilitated
 - 1.1 Recruit detailed design consultants by February 2016.
 - 1.2 Recruit supervision consultants by August 2018.
 - 1.3 Award civil works contract by September 2018.
 - 1.4 Complete civil works by July 2021.
2. Institutional capacity strengthened
 - 2.1 Recruit RAMS consultant by August 2018, and the MOTR will design and apply the RAMS in planning the key road network by June 2020.
 - 2.2 Put in place the IPIG's administrative manual and procedures by December 2018.

InputsADB: \$95.11 million equivalent^b

Government: \$19.24 million

Assumptions for Partner Financing: Not applicable

ADB = Asian Development Bank, CAREC = Central Asia Regional Economic Cooperation, km = kilometer, Km = distance marker, MOTR = Ministry of Transport and Roads, PIU = project implementation unit, RAMS = road asset management system.

Note: The design and monitoring framework covers only the scope to be financed and administered by ADB.

^a National Council for Sustainable Development of the Kyrgyz Republic. 2013. *National Sustainable Development Strategy for the Kyrgyz Republic, 2013–2017*. Bishkek.

^b Includes the ADB-approved \$3 million Asian Development Fund (ADF) grant as a PDA for the CAREC Corridors 1 and 3 Connector Road Project on 2 June 2015 to finance detailed design.

Source: ADB.

B. Monitoring

39. **Project performance monitoring** MOTR will establish a project performance monitoring system similar to the systems that are already in place for on-going ADB financed projects. The current base data will be updated prior to commencement of civil works. Thereafter, IPIG staff together with the Engineer and contractor will collect data at least once every 12 months and include them in its annual reports. ADB will use the project performance reporting system⁶ in monitoring the overall performance of the Project.

40. **Compliance monitoring:** Covenants on policy, legal, financial, economic, environmental, labor standards and others will be monitored regularly through various reports (monthly progress reports, quarterly progress reports, and annual reports), and discussions during review missions.

41. **Safeguards monitoring:** The monitoring and reporting of the activities identified in the environment and resettlement action plans is discussed in Section VII.

42. **Gender and social dimensions monitoring:**⁷ Gender and social data will be included by IPIG into the

⁶ ADB's project performance reporting system is available at:

<http://www.adb.org/Documents/Slideshows/PPMS/default.asp?p=evaltool>.

⁷ ADB's *Handbook on Social Analysis: A Working Document*, is available at: <http://www.adb.org/Documents/Handbooks/social-analysis/default.asp>, *Staff Guide to Consultation and Participation*: <http://www.adb.org/participation/toolkit-staff-guide.asp>, and, *CSO Sourcebook: A Staff Guide to Cooperation with Civil Society Organizations*: <http://www.adb.org/Documents/Books/CSO-Staff-Guide/default.asp>

performance monitoring system. Public consultations will be conducted regularly to foster public awareness of the project and its social implications. Implementation of the social summary matrix will be included in the project annual monitoring report.

C. Evaluation

43. Within 6 months of physical completion of the Project, MOTR will submit a project completion report to ADB.⁸ In addition to the periodic monitoring, ADB and MOTR will evaluate the Project's impact. Thereafter, ADB will conduct its own evaluation based on MOTR's report and other assessments and prepare a report for discussion with the Government. ADB's Independent Evaluation will also examine the Project within 3 years of completion.

44.

D. Reporting

45. MOTR, through IPIG, will submit to ADB (i) monthly reports; (ii) quarterly progress reports in a format consistent with ADB's project performance reporting system, within 2 weeks of the end of each quarter covered; and (iii) a project completion report within 3–6 months of physical completion of the Project. A project annual report will report on inputs and outputs and start generating information for the outcome and impact indicators of the design and monitoring framework. Implementation of the social summary matrix will be included in the annual monitoring report.

46.

E. Stakeholder Communication Strategy

47. MOTR/IPIG will maintain and regularly update its website with information on the Project, and regularly consult with the public and civil society organizations in respect of each of the foregoing matters.

Project Document	Means of Communication	Responsible Party	Frequency	Audience(s)
Project Information Document (PID)	ADB's website	ADB	Initial PID no later than 30 calendar days of approval of the concept paper; quarterly afterwards	General Public
Initial Environmental Examination Report	ADB's and MOTR/IPIG's website, public consultations and brochures/leaflets for affected people	ADB, MOTR	Initial environmental examination to be posted on the websites before project loan approval; documents always available online at ADB and MOTR/IPIG websites; EMP updated regularly	General public and project affected people
LARP	ADB's and MOTR/IPIG's website, public consultations and brochures/leaflets for affected people	ADB, MOTR	LARP to be posted on the websites before project loan approval; documents always available online at ADB and MOTR/IPIG websites; and every time LARP is revised.	General public and project affected people
Report and Recommendation to the President	ADB's website	ADB	No later than 14 days of Board approval of the project	General Public
Loan Agreement	ADB's and MOTR/IPIG's website	ADB	No later than 14 days of Board approval of the project	General Public
Project Administration Manual (PAM)	ADB's and MOTR/IPIG's website	ADB	No later than 14 days of Board approval of the project, always available online after update	General Public, project contractors and consultants
Project Performance	MOTR/IPIG's website	IPIG	Routinely disclosed, no	General Public and project affected people

⁸

Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

Project Document	Means of Communication	Responsible Party	Frequency	Audience(s)
Management System			specific requirements	in particular
Major Change in Scope	ADB's website	ADB	Within 2 weeks of approval of change	General Public
Completion Reports	ADB's and IPIG's website	ADB	Within 2 weeks of circulation to the Board for information	General Public
Evaluation Report	ADB's website	ADB	No later than 14 days from the date of circulation to Management and the Board	General Public

Annex B: LARP Impact and Entitlement Matrix

Type of Loss	Application	Compensation Entitlements (Note: all compensations are based on independent valuations)
1. Agricultural Land Loss	AH losing permanently or temporary agricultural land regardless of impact severity	Compensation at market value including cost for re-registration of the remaining land plot (where applicable).
2. Non-agricultural Land Loss	AH losing their commercial/residential land:	Compensation at market value including cost for re-registration of the remaining land plot and attached buildings (where applicable).
		Compensation will be paid only for the loss of structures, trees and bushes, without compensation for land.
		No compensation for land, the contractor will restore associated fences on affected land plots
3. Residential Buildings	All AHs regardless of their legal status	Compensation at full replacement cost free of depreciation and salvaged materials + transaction costs, including expenses for re-registration of the remaining land and buildings. (Note: transportation allowance is not applicable in this case)
4. Non- Residential Buildings/Assets	All AHs regardless of their legal status	Compensation in the amount of full replacement cost without accruing depreciation, transaction costs and the cost of salvaged materials.
		Compensation in the amount of full replacement cost without accruing depreciation and the cost of salvaged materials.
		No direct compensation to owners for affected trailers and kiosks. Contractor will help owner to relocate their trailers and kiosks at project cost.
5. Public Assets Loss		Restoration by contractor with costs covered by the budget item of Dayworks under contract for civil works.
6. Loss of Green Plantations and Crops (trees and crops)	All AHs irrespective of legal status of land use	Compensation for the loss of fruiting trees and bushes on the basis of the value of the annual harvest from the trees/bushes over a number of years necessary to replace the trees/bushes to achieve an equivalent productivity + cost of the seedlings.
		Compensation loss of unproductive trees based on value of the wood volume
		Compensation based on market value.
		Compensation based on the harvest value for one year.
7. Impacts to the	All AHS (including workers	Compensation for verified/assessed

Type of Loss	Application	Compensation Entitlements (Note: all compensations are based on independent valuations)
Business	of affected businesses)	net income for 6 months Compensation for verified/assessed net income for one month
8. Allowances/material assistance for Severe Impacts	Loss of more than 10% of agricultural land	One additional crop compensation covering 1 year's yield
	Loss of more than 10% of residential land	A rehabilitation allowance/material assistance equivalent to six times of the minimum monthly salary in KGR
	Suffering physical displacement/losing residential houses	
	Suffering income loss from permanent business stoppage	
	Suffering transitional operation of business during project construction	
9. Vulnerable People Allowances/material assistance	AHs below poverty line/headed by women/elderly people or receiving the government benefits/persons with disabilities.	An allowance/material assistance equivalent to six times of the minimum monthly salary in the KGR
10. Unforeseen LAR Impacts, if any	LARC makes decisions on an individual basis	Rehabilitation will be based on the above provisions and in compliance with ADB SPS (2009) and applicable laws of KGR

ADB = Asian Development Bank; AH = affected household; HH = household; KGR = Kyrgyz Republic; LAR = land acquisition and resettlement; LARC = Land acquisition and resettlement commission.