

Land Acquisition and Resettlement Plan



Ministry of Transport and Roads
Kyrgyz Republic

July 2018

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ABBREVIATIONS

ADB	Asian Development Bank
AH	Affected Household
APs	Affected Persons
C&P	Consultation and Participation
AVH	Affected vulnerable household
AVP	Affected vulnerable person
CAREC	Central Asia Regional Economic Cooperation
COI	Corridor of Impact
DD	Detailed Engineering Design
CSC	Construction Supervision Consultant
EA	Executing Agency
GRG	Grievance Redress Group
GRM	Grievance Redress Mechanism
IA	Implementing Agency
IPIG	Investment Project Implementation Group
JOC	Japan Overseas Consultants
KGR	Kyrgyz Republic
KGS	Kyrgyz Som (currency unit)
LAR	Land Acquisition and Resettlement
LARC	Land Acquisition and Resettlement Commission
LARP	Land Acquisition and Resettlement Plan
LFP	Local Focal Point
MOTR	Ministry of Transport and Roads
NGO	Non-Governmental Organization
NOL	No Objection Letter
PD	Preliminary Engineering Design
PPTA	Project Preparatory Technical Assistance
RIB	Resettlement Information Brochure
RMD	Road Maintenance Department
RPIR	Resettlement Planning Information Brochure
SAH	Severely affected household
SAP	Severely affected person
SES	Socioeconomic Survey
SPS	Safeguard Policy Statement
US\$	United States Dollar

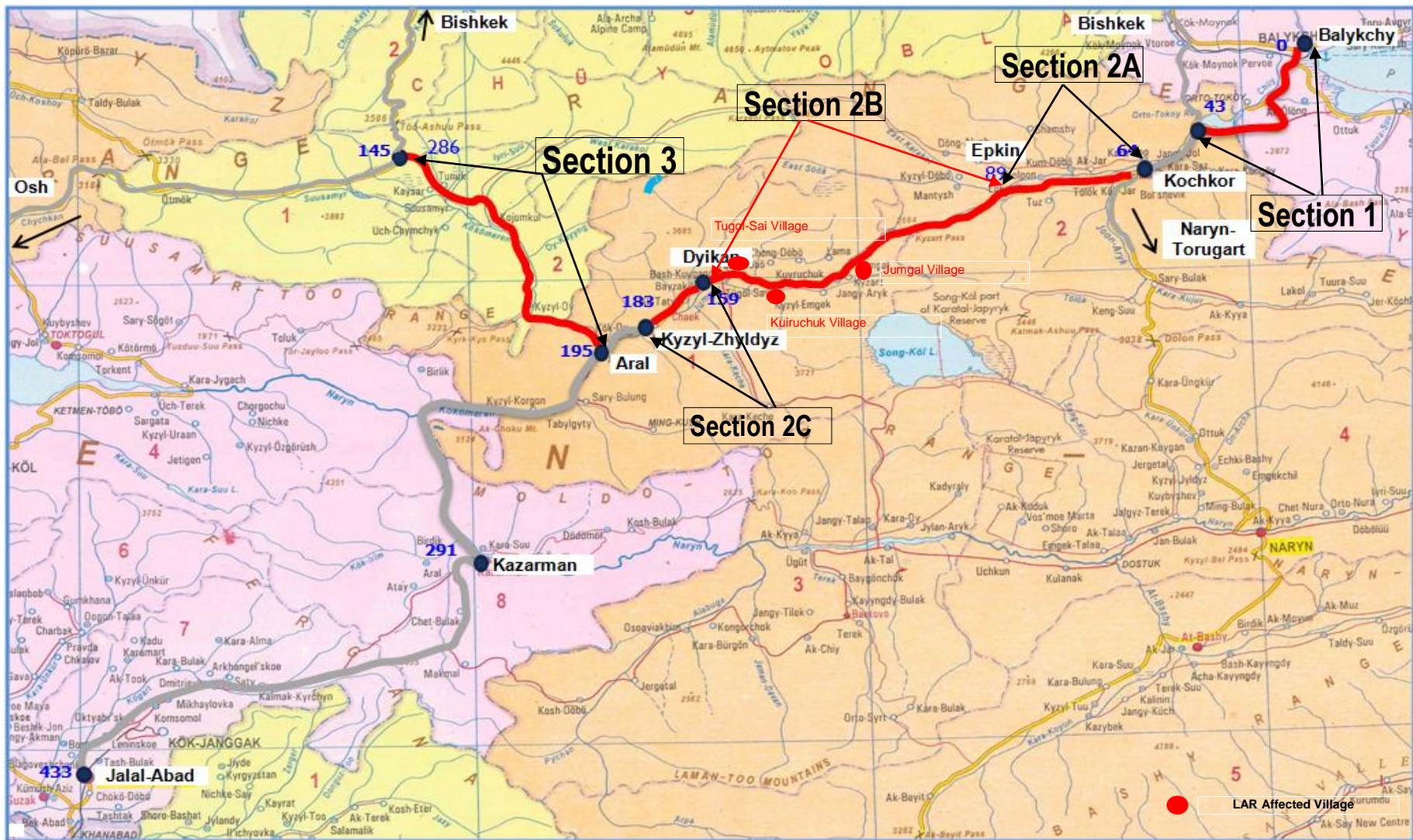


Figure 1: Project Road

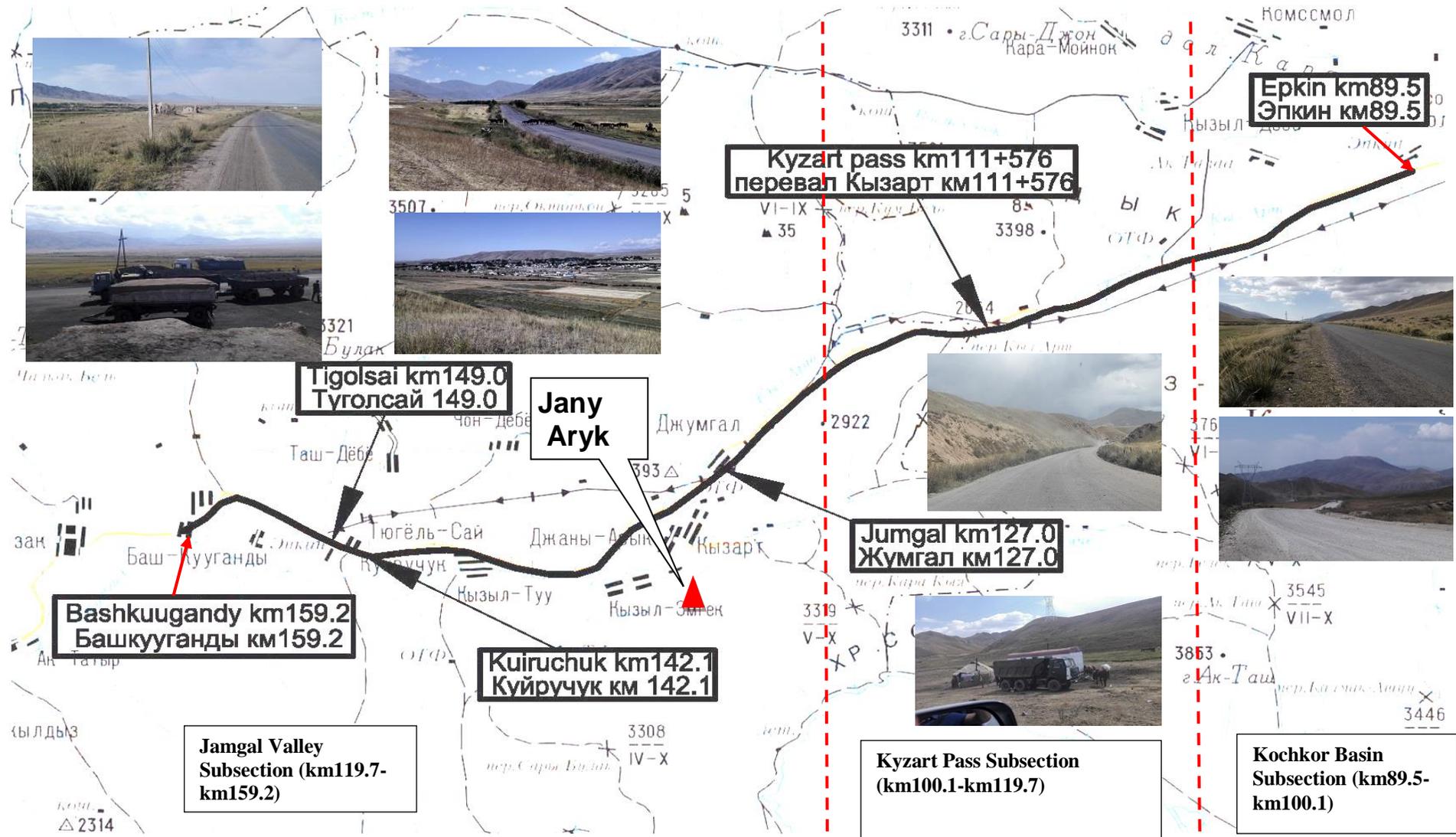


Figure 2: Section 2B and Its Typical Landscapes

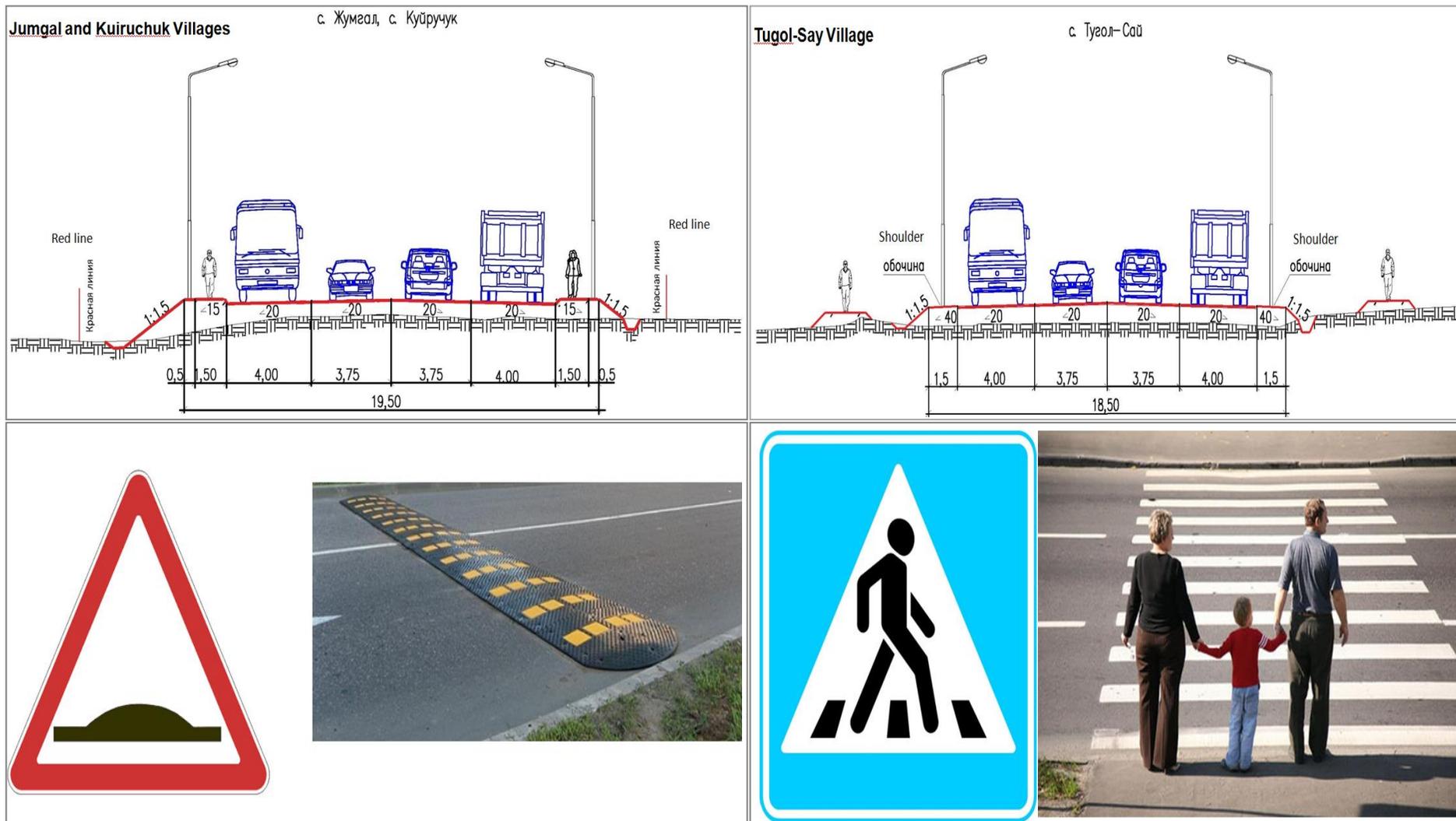


Figure 3: Schematic Designs at Settlement Areas

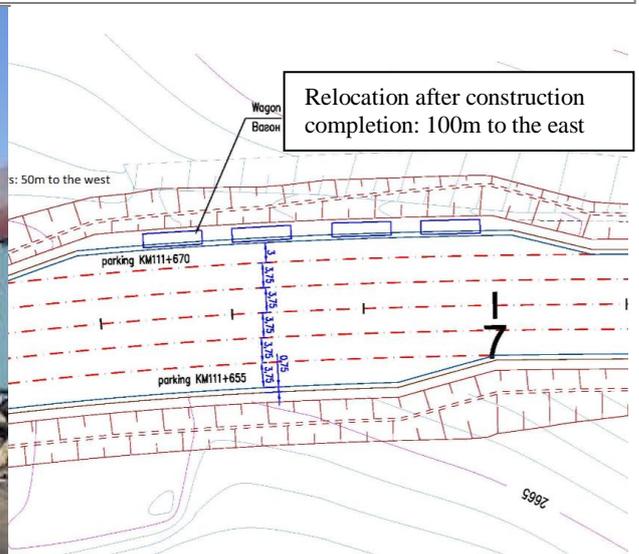
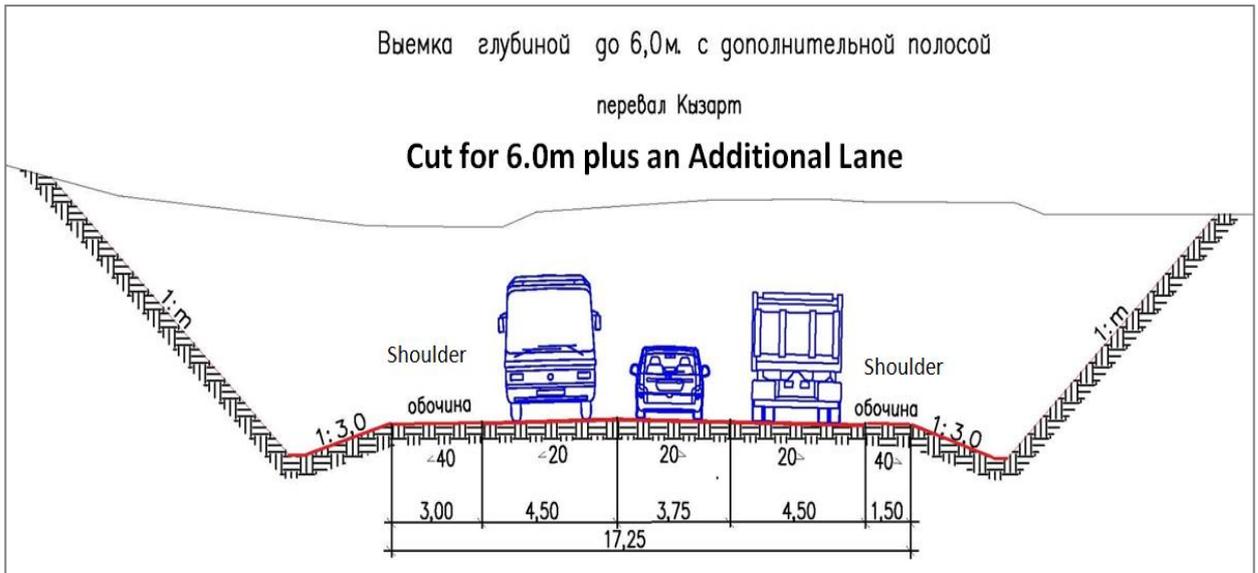


Figure 4: Designs and Existing Structures at Kyzart Pass



Figure 5: Existing Assets within COI in Settlement Areas

EXECUTIVE SUMMARY

A. Introduction

The Government of Kyrgyz Republic, through its Ministry of Transport and Roads (MOTR), is going to implement the Central Asia Regional Economic Cooperation Corridors 1 and 3 Connector Road Project for improving national and regional connectivity. To facilitate project design and financing from international banking institutes, the project road is divided into five sections: (i) Section 1: from Balykchy to post 43 (km 0 - km 43); (ii) Section 2A: from Kochkor to Epkin (km62 - km89); (iii) Section 2B: from Epkin to Bashkuugandy (km89.5 - km159.2); (iv) Section 2C: from Bashkuugandy to Kyzyl-Zhyldyz (km159.2 - km183); and (v) Section 3: from Aral to Too Ashuu (km195 - km286).

The first three sections are prioritized for ADB financing. The project will have some limited land acquisition and resettlement (LAR) impact and it was classified as Category B on involuntary resettlement by ADB. Per ADB's safeguard policy requirement, a land acquisition and resettlement plan (LARP) for section(s) with separate loan agreement shall be prepared.

This LARP is prepared for Section 2B that is within Jungal Rayon of Naryn Oblast. The section, approximately 70 km, traverses four villages where there are LAR impacts. This LARP is based on detailed engineering design (DD), detailed measurement survey (DMS), public consultations, independent valuation of affected land and non-land assets, and socioeconomic surveys (SES). This LARP fits the ADB's Safeguard Policy Statement (SPS 2009) and Kyrgyz Republic laws and regulations and policies related to LAR.

This LARP is prepared in consideration of all the potential adverse impacts identified in the latest IEE (Initial Environmental Examination), such as noise, vibration and archeological sites etc., which was approved and disclosed in 28 June 2018.

B. LAR Impact

Table ES1 and Table ES2 summarize the main LAR impacts and affected households respectively. Rehabilitation of Section 2B will need to acquisition 19,616.6m² of titled agricultural and residential land from 91 owner households in four villages. In addition, 8,496.2m² of municipal land under illegal uses will be taken back by the authority for project use, affecting 54 households. Along with affected land: (i) 1 household will lose residential houses of 70.8m²; (ii) 10 households will lose 199.6m² of non-residential houses and buildings; (iii) 54 households and 3 public entities will need to relocate or reestablish 4,042.9m of various fences; (iv) 45 households will lose 1,053 trees/bushes/seedlings; (v) 61 households will lose standing crops of 16,734.6m²; (vi) 3 owner households will

suffer permanent business stoppage; and (vii) 7 owner households will suffer temporary business interruption.

Table ES1: Main LAR Impact

Impact		Unit	Jany Aryk Village	Jungal Village	Kuiruchuk Village	Tugol-sai Village	Kyzart Pass	Total
Loss of titled land	Agri. land	m ²	12,062.6	4,672.0	-	-	-	16,734.6
	Residential land	m ²	-	2,533.1	21.9	327.0	-	2,882.0
	Subtotal	m ²	12,062.6	7,205.1	21.9	327.0	-	19,616.6
Affected house/building	Residential	m ²	-	70.8	-	-	-	70.8
	Non-residential	m ²	-	158.7	23.4	17.5	-	199.6
Physical displacement		HH	-	1	-	-	-	1
Affected businesses	Permanent stoppage	No.	-	2	1	-	-	3
	Temporary interruption	No.	-	3	-	-	4	7
	Subtotal	No.	-	5	1	-	4	10

Source: DMS; HH = household

Overall, LAR will affect 143 households (618 persons) and 3 public entities. There are 21 severely affected households, including (i) 1 household losing residential house or suffering physical displacement; (ii) 3 households suffering permanent business stoppage; (iii) 4 households suffering transitional operation of business during project construction period, and (iv) 15 households losing more than 10% of titled agricultural or residential land. Among the affected households, there are 39 vulnerable households who are either poor or female headed or having disabled members.

Table ES2: Affected Households and Persons

AHs & APs		Kyzart Pass	Jany Aryk Village	Jungal Village	Kuiruchuk Village	Tugol-sai Village	Total
AHs	By land acquisition*	-	48	41	2	2	93
	By affected municipal land**	4	-	35	13	2	54
	Total (without double counting)	4	48	73	14	4	143
APs	By land acquisition*	-	204	175	9	9	397
	By affected municipal land**	26	-	153	54	9	242
	Total (without double counting)	26	204	313	57	18	618
<i>SAHs</i>		4	5	10	1	1	21
<i>SAPs</i>		26	22	41	5	4	98
<i>AVHs</i>		-	10	20	7	2	39
<i>AVPs</i>		-	49	91	33	9	182

Source: DMS and socioeconomic surveys; * impact on non-owner users of agricultural land, non-land assets and associated business included; **: impact on non-land assets and associated businesses only, affected land plots are not legalizable and will not be compensated; AHs = affected households; AVHs = affected vulnerable households; AVPs = affected vulnerable persons; APs = affected persons; SAHs = severely affected households; SAPs = severely affected persons

C. Legal Framework and Entitlements

The LARP is in line with not only the relevant laws and legislations of the Kyrgyz Republic, but also with ADB's policy requirements stated in the SPS (2009). The objectives of LAR planning and implementation are to avoid and/or minimize involuntary land acquisition and resettlement wherever possible; and to enhance, or at least restore, the livelihoods of all affected households in real terms relative to pre-project levels.

The cut-off date for Section 2B was set as 26 May 2014 when the Government of Kyrgyz Republic issued the Decree No. 183-p on suspension of land acquisition related activities in the project road corridor. All affected households identified during DMS are eligible for compensation for affected land and non-land assets, as well as associated business interruption, if any. Actual compensations are valued market values and/or costs by an independent valuator.¹ Moreover, special assistances will be available to severely affected and vulnerable households. An entitlement matrix is prepared and included in the LARP.

D. Information Disclosure, Consultations and Participation

Information disclosure and public consultations with the affected persons were carried out at both PPTA and detailed design stages. The last and formal public consultations were held during September 2016 to January 2017, with 129 people (35% females) from four affected villages and from the Kyzart Pass business operators participated. The public consultations included information disclosure on the project design especially designs in the settlement segments and the Kyzart Pass, LAR planning process, valuation methodology, grievance redress mechanisms, methodology and procedure of the detailed measurement survey, and etc. Prior to the formal consultations, resettlement planning information brochures (RPIB) were distributed to all households who will likely be affected. The concerns of affected persons were timely responded during the consultations and their concerns regarding LAR were reflected in this LARP.

Upon approval by the Kyrgyz Republic Government and prior to the mobilization LARP implementation, a resettlement information brochure (RIB) will be distributed among all affected households.² This LARP, in both Kyrgyz and Russian languages, will also be made available in the affected villages. Prior to LARP implementation, public consultations will also be organized in the affected

¹ Valuation follows the entitlements specified in this LARP.

² LARP implementation is scheduled to mobilize before 15 July 2018 (see Table ES3).

villages. The LARP includes a meaningful public consultation and participation (C&P) plan.

E. Budget and Fund Flow

The LAR budget is KGS 13,448,401 or US\$ 196,083,7 equivalent, including: (i) KGS 10,758,701 (80% of total budget) of basic or direct costs; (ii) KGS 537,936 (4% of total) of administration expenses; and (iii) KGS 2,151,744 (16% of total) of contingency. The direct costs include KGS 1,728,936 for land compensation and KGS 9,029,765 for other expenses.

MOTR, with budget allocation from the Government Kyrgyz Republic, will finance the land acquisition cost of KGS 1,728,936 or US\$ 25,208,6 accounting for 12.9% of total LAR budget; while ADB will finance the remaining of KGS 11,719,465 or US\$ 170,875, accounting for 87.1% of total budget.

F. Implementation Arrangements

MOTR is the Executing Agency (EA) which has the overall responsibility for implementation of the Project, including the implementation of this LARP. The Investment Projects Implementation Group (IPIG) within MOTR is the Implementing Agency (IA) which is responsible for daily administration of the project implementation, as well as the LARP implementation.

The IPIG, with its Social Safeguard and other specialists involved in the LARP implementation and with support from LARC and construction supervision consultant(CSC), will: (i) disclose this LARP to local government offices and affected villages; (ii) disclose the resettlement information brochure to all affected households; (iii) organize and document pre-implementation consultations; (iv) establish a LAR database and update it on monthly basis; (v) carry out internal monitoring and reporting; (vi) ensure that working GRM is in place and participate in resolving grievances through in GRM; and (vii) facilitate land surface clearance after LARP being implemented.

Table ES3 presents the LARP implementation milestones, and this LARP shall be implemented before August 2019.

G. Monitoring Arrangement

The implementation of the LARP is subjected to internal monitoring. Internal monitoring will focus on LARP implementation progress and will be conducted by IPIG with assistances from LARC and CSC. The LARP has specified mentoring and reporting requirements.

Table ES3: LARP Implementation Milestone

	Tasks	Responsibility	Deadline	Note
1	LARP Implementation			
1.1	Submission of LARP implementation action plan to ADB	IPIG	1 Feb. 2019	
1.2	Mobilization of LARP implementation	IPIG, LARC	1 Feb. 2019	2 weeks after distribution of RIBs
1.3	Consultation meetings in affected villages	IPIG, LAR	15 Feb. 2019	Same as above
1.4	Processing LAR agreements between MOTR & AHs	LARC, IPIG, Lawyer	15 Apr 2019	2-3 months after mobilization of LARP implementation
1.5	Payment of compensations to AHs	MOTR	30 Apr 2019	2 weeks after signing final agreements
1.6	Relocation of temporarily affected businesses	IPIG, LARC, LFP, contractor	30 June 2019	2 months after payments of final compensations
1.7	Land clearance	IPIG, LARC, contractor	31 Aug. 2019	4 months after payment of final compensations
2	Monitoring and Reporting			
2.1	Establishing and updating LAR database	IPIG, CSC	June 2019- Dec. 2021	Database establishment based on DMS and valuation results
2.2	Submission of monthly, quarterly, semi-annual and annual progress reports	IPIG	Jan. 2019- Dec. 2021	On a regular basis
2.3	Submission of LARP implementation report	IPIG	15 Oct. 2019	Combined with the 3 rd quarterly progress report
2.4	Approval of LARP implementation report and issuance of a NOL to start civil works	ADB	22 Oct. 2019	1 week after receiving LARP implementation report
2.5	Preparation of LAR completion report	IPIG	31 Dec. 2021	To be attached to the project completion report
3	Commencement of Civil Works in LAR Impacted Segments			
3.1	Notice to contractor to start civil works	MOTR	29 Oct 2019	1 week after ADB's approval
3.2	Handing over cleared segments to contractor	MOTR	15 Nov 2019	
3.3	Commencement of civil works	Contractor	15 Nov. 2019 onwards	

ADB= Asian Development Bank; CSC = construction supervision consultant; IPIG = Investment Project Implementation Group; GRG = Grievance Redress Group; JOC = Japan Overseas Consultants; LAR = land acquisition and resettlement; LARC = land acquisition and resettlement commission; LFP = local focal point; MOTR = MOTR; NOL = no objection letter; RIB = land acquisition and resettlement information brochure.

1. INTRODUCTION

1.1 Project Overview

1. The proposed CAREC Corridors 1 and 3 Connector Road (the project) will improve national and regional connectivity by rehabilitating an estimated 253 kilometers (km) of road sections connecting the CAREC Corridors 1 (Bishkek–Naryn–Torugart) and 3 (Bishkek–Osh–Batken) in the center of the Kyrgyz Republic. The proposed project is consistent with the government's priority of providing alternate access in national and regional connectivity, and aligned with the ADB's Country Partnership Strategy (2013–2017), Midterm Review of Strategy 2020 and Country Operations Business Plan (2015–2017). The CAREC Corridors 1 and 3 connector road will help link the southern regions of Osh, Batken and Jalal-Abad with the northern regions of Naryn, Issyk-Kul, Chui and Talas. The rehabilitation road will: (i) reduce the cost of passenger and cargo transportation between southern and northern regions, (ii) provide a more direct transit route between Kazakhstan and Tajikistan, and (iii) help stimulate trade.

2. The Ministry of Transport and Roads (MOTR) is the Executing Agency (EA) while the daily administration of the project will fall to the Investment Project Implementation Group (IPIG) of MOTR.

3. To facilitate project preparation, feasibility study, design and financing, the project road is divided into the following 5 sections (see also Figure 1):

- (i) Section 1 (for ADB financing): Balykchy to post 43 (km0 - km43), approximately 43km;
- (ii) Section 2A (for ADB financing): Kochkor town to Epkin village,³ (km62 - km89.5km) approximately 27km;
- (iii) Section 2B (for ADB financing): Epkin village to Bashkuugandy village,⁴ (km89.5 - km159.2) approximately 70 km;
- (iv) Section 2C: Bashkuugandy to Kyzyl-Zhyldyz (km159.2 - km183), approximately 24km; and
- (v) Section 3: Aral to Too Ashuu (km195 - km286) approximately 70km.

4. ADB had implemented a PPTA that included feasibility study and preliminary engineering design for the whole project during 2015-2016. The PPTA also included drafting preliminary LARPs for Sections 2B, 2C and 3 respectively.⁵

5. The government of Kyrgyz Republic through its MOTR has engaged the firm Japan Overseas Consultants Co. Ltd (JOC) to provide comprehensive consultancy services for the detailed engineering design (DD) for the three sections prioritized for ADB financing (i.e., Sections 1, 2A and 2B). Detailed engineering

³ It is Ak-Uchuk village now.

⁴ It was Dyikan village before.

⁵ The PPTA drafted three preliminary LARPs are available at: <https://www.adb.org/sites/default/files/project-document/189173/48401-007-rp-01.pdf>

design also includes the preparation of implementation ready land acquisition and resettlement plans (LARPs) for the three sections.

6. The construction of ADB sections are scheduled to start in 2018 and to complete in 3 years.

1.2 Involuntary Resettlement Categorization

7. The project's land acquisition and resettlement (LAR) was considered insignificant as it is basically to rehabilitate existing road sections, therefore ADB had classified the project as Category B on involuntary resettlement. Under Category B, the preparation of a LARP for section(s) with separate loan agreement is required.

1.3 Section 2B

8. This LARP is prepared for Section 2B of the project (68.7km in length, from Epkin at km89.5 to Bashkuugandy at km159.2, see Figure 1 and Figure 2). Topographically, Section 2B has three distinct subsections of typical landscapes (photos shown in Figure 2):

- (i) Kochkor Basin subsection (10.6km in length, from Epkin at km89.5 to km100.1). It is at the edge of Kochkor Basin with flat agricultural land to the right (north) and grazing hills to the left (south). This subsection itself aligns on state owned pastureland, and the agricultural land is at least 30m from the current road. Rehabilitation of this subsection will not have any land acquisition and resettlement (LAR) impact.
- (ii) Kyzart Pass subsection (19.6km, from km100.1 to km119.7). The area is mountainous for summer/autumn nomad grazing. Rehabilitation of this subsection will basically have no LAR impact except at the Kyzart Pass (km111.6) where 4 mobile trailer café/shops and a portable mosque on the left hand side will be affected. In addition, a public toilet and a landmark type of monument on the right hand side will also be affected. The schematic designs for Kyzart Pass and the affected trailer café/shops are shown in Figure 4.
- (iii) Jumgal Valley subsection (39.5km in length, from km119.7 to km159.2 at Bashkuugandy). This subsection is at the flat bottom of the narrow Jumgal Valley and it traverses 4 settlements/villages. Agricultural land plots are along this subsection at both sides (see the typical landscape in Figure 2). Rehabilitation of this subsection will cause LAR impacts on 139 households at four villages (Jumal, Jany Aryk, Kuiruchuk, and Tugol-sai, from east to west, see Figure 2). However, LAR impact itself on individual households is rather limited except one household losing residential house and three households losing adobe kiosks under business operation. The road

designs for the settlement areas are shown in Figure 3; while some of the assets to be affected are presented in Figure 5.

1.4 This LARP

9. The objective of this LARP is to ensure that people who inevitably lose their land and/or non-land assets will remain the same or even better living standard as that of the without project situation.

10. This LARP fits ADB's Safeguard Policy Statement (SPS 2009) and Kyrgyz Republic laws and regulations and policies related to LAR. Details of the legal framework for LAR are presented in Chapter 5. In case there are any differences between requirements set by the legislation of the Kyrgyz Republic and ADB Policy, the latter should take precedence.⁶

11. The preparation of this LARP is based on:

- (i) Detailed measurement survey (DMS) of affected land and non-land assets, including ownership/title status. The survey follows the principles and entitlements set in the legal framework. Process and results of the DMS are summarized in Chapter 2.
- (ii) Valuation survey and valuation of DMS identified land and non-land assets for budgeting. The valuation itself also follows the principles and entitlements set in the legal framework. Process and valuation results are presented in Chapter 8.
- (iii) Public consultation and participation (C&P). Meaningful C&P is a basic policy requirement of ADB for involuntary resettlement planning⁷. In the process of preparing this LARP, informal and formal C&P were carried out at all affected villages, as well at the Kyzart Pass. C&P results are summarized in Chapter 4.
- (iv) Socioeconomic survey (SES) of affected people during PPTA and DMS.⁸ The SES results are summarized in Chapter 3.

12. The objective will be achieved and secured through:

- (i) proper compensation and resettlement arrangements that are summarized in the entitlement matrix in Chapter 5;
- (ii) implementation of follow-up C&P plan as outlined in Chapter 4;
- (iii) established and functioning of an effective institutional setup as specified in Chapter 7;
- (iv) establishment and functioning of a grievance redress mechanism (GRM) also specified in Chapter 7;

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

⁷ It is not necessarily required by the Kyrgyz legislation,

⁸ The LARP prepared during PPTA was too preliminary to update, but the limited socioeconomic data of affected people are cited in this LARP.

- (v) provision of sufficient budget and contingency as indicated in Chapter 8; and
- (vi) effective monitoring and reporting of LARP implementation as planned in Chapter 9.

13. This LARP also includes budget provisions to assist affected households to re-register their land and non-land titles during LARP implementation, if applicable.

2. LAR IMPACT

2.1 Measures Minimizing LAR Impact

2.1.1 Project Preparation Stage

14. The project is to rehabilitate existing road sections and constructions will be mostly within the existing right of way (ROW). As a consequence, LAR impact is basically limited.

15. Considering the long time period between project preparation and commencement of construction, MOTR at the earlier stage of project preparation initiated the process for obtaining an official document, the government decree (Decree No. 183-p dated 26 May 2014, see Appendix 1) for the sake of preserving the right of way (ROW) from new encroachers and squatters. Consequently, 26 May 2016 was set as the cut-off date for the project. This government decree imposed temporary limitations on municipal land, and within specific areas, suspended land sales through auctions or allocation under lease agreements. In particular allocation of land being under ownership of the municipality, state or any other party will be suspended during the entire road preparation and construction period. The decree was effective from the date of its issuance (26 May 2014). In short, the degree suspended all land acquisition and issuance of permits for construction, reconstruction, conversion and re-development of structures, and also light type of structures, including advertisement constructions in the corridor of 32 meters on both sides.

16. The decree was notified to local authorities in May 2014 and was further notified among local residents during the public consultations in the process of preparing this LARP from August 2016 to July 2017.

17. As a result of implementing this decree, no encroachers and squatters in the case of Section 2B has come into the area since May 2014, except at the Kyzart Pass (km111.6) where a portable mosque of 28m² (5.2m*5.4m) was established on the left side in June 2016. The mosque was donated and established by a group of 10 heavy truck owners/drivers who are mostly engaged in coal transportation business on the project road.⁹

2.1.2 Detailed Design Stage

18. At detailed design stage, based on due diligence surveys/site visits of safeguards specialists and public consultations during August 2016 and March 2017, highway engineers of the DD team had made design modifications for

⁹ The contact person is Mr. Zhenish (telephone No.: 0709 500500) from Balykchy City from more than 100km away to the east. Balykchy City, located at the northwest of the Issyk-Kul Lake, is at the beginning point of the project road (i.e., beginning of Section 1).

avoiding LAR impacts at 8 locations, including 1 case listed and 7 cases not listed in the draft LARP prepared during PPTA (see Table 1 for details). As indicated in Table 1, the design modifications include shifting centerline of the project road, designing water pipeline under pedestrian walk, building retaining wall, and etc.

Table 1: LAR Impact Minimization Measures at DD Stage

	Location	Village	LAR impact	Measure Taken (by 10 March 2017)
1	km127+380, left	Jumgal	Fence, outbuildings and its land	Shifting central line for 1~2m and careful operation of construction machinery
2	km127+420, left		Ditto	
3	km127+625, right		Fence and land of a mosque	
4	km143+055, right	Kuiru- chuk	Café/shop of 20.2m ² on municipal land	Careful operation of construction machinery within COI
5	km143+070, left		Edge of a market and its land, business	Building a retaining wall (combined with a bus stop)
6	km149+750, right	Tugol- sai	Land, fence and trees of a mosque	Establishment of water pipeline under pedestrian walk so as to avoid LAR
7	km149+790, right		Land, wagon house	
8	km149+900, right		Adobe fence*	

Source: DD engineers; * this case was listed in the PPTA draft LARP. COI = corridor of construction impact

2.2 Detailed Measurement Survey

19. Following the completion of detailed design, including the design modifications that aimed at minimizing resettlement impacts, detailed measurement survey (DMS) was carried out by the Gosregister of Jumgal Rayon¹⁰ from September 2016 to March 2017.¹¹ Highway engineers and resettlement specialists from the DD team involved in the DMS process for precisely staking the corridor of impact (COI) and technical assistances.

20. The DMS involves five fundamental steps:

- (i) identification of land use units and user households;
- (ii) inventory of actual land and non-land losses;
- (iii) verification of land and non-land ownership or title status through collection of legal documents, tax payment records, construction permissions, etc;
- (iv) sorting out legalizable land plots used by affected households, if any,¹² and

¹⁰ Per Kyrgyz's policy requirement, DMS shall be carried out by an authorized government agency, and it is the Jumgal Rayon Gosregister in the case of this LARP preparation.

¹¹ Owing to lack of experience and capacity of the Jumgal Rayon Gosregister, the DMS process lasted for a bit too long (September 2016-Marh 2017), although the national social safeguards specialist and valuator provided a lot of assistances from time to time.

¹² There is not any land plot legalizable among the 152 DMS units.

- (v) documentation of affected land and non-land assets unit by unit.

21. The DMS identified and targeted 152 land use units with each unit involving a user household or a user entity. There are 8 cases that two units belong to the same user. In terms of ownership status in the affected settlements, there are 3 cases that a unit has both privately owned land and illegally used municipal land. As for affected agricultural land, there are 6 cases that land plots are not used by the owners (leased out). Therefore, total number of AHs and affected entities, without double counting, are different from the number of DMS units. A complete DMS file for each unit, consists of the following documents/proofs:

- (i) photocopy of users' identification;
- (ii) official document of residential (or house plot) and/or agricultural land titles or authority's written document for allocation/provision of land;
- (iii) government permit for construction (in case of affected houses);
- (iv) tax payment record (in case of affected businesses);
- (v) records of affected assets, including assets on illegally used municipal land;
- (vi) location drawings of affected land and buildings; and
- (vii) photos of affected land and non-land assets.

22. The DMS was followed by a valuation survey carried out by an independent valuator. The valuation survey and its follow-up valuation determine LAR compensations per Kyrgyz and ADB's policy requirements.

2.3 LAR Impact

23. The LAR impacts in this subsection are summarized DMS results, while original DMS results, in both Kyrgyz and Russian Languages, are kept by IPIG/MOTR.

2.3.1 Impacted Segments

24. Table 2 summaries the 4 segments with LAR impacts. These segments last for about 11.2km, accounting for 13% of the whole Section 2B of 86.7km:

- (i) Kyzart Pass. LAR will impact the business operation of 4 trailer café/shops on municipal land illegally occupied from km111+545 to km111+575, with 30m in length.
- (ii) Jany Aryk ~ Jungal villages. It is a segment of flat valley bottom (Figure 2 shows the typical landscape) with agricultural land at both sides of the project road. The project road also traverses the settlement area of Jungal village. LAR will cause 121 households and 2 entities to lose titled land and illegally used municipal land as well as to lose attached non-land assets and associated businesses. Overall, this

segment lasts for 7,095m, starting from km122+000 and ending at km129+095.

- (iii) Kuiruchuk village. LAR will impact 1,182m of the settlement area of the village (km142+318~km143+500) and will cause 14 households and 1 entity to lose titled land and illegally used municipal land, as well as to lose attached non-land assets and one associated business.
- (iv) Tugol Sai village. LAR will impact 155m of the settlement area of the village (km149+845~km150+000) and will affect 4 households..

Table 2: Segments with LAR Impacts

Segment	From	To	Length (m)	Main LAR impacts
Kyzart Pass	Km111+545	Km111 + 575	30	4 HHs operating trailer café/shops
Jany Arky village~Jumgal village	Km122+000	Km131+810	9,810	71 AHs losing agricultural land/use; 50 HHs and 2 entities losing titled residential land and illegally used municipal land, together with associated non-land assets and business operation
Kuiruchuk village	Km142+318	Km143+500	1,182	14 AHs and 1 entity losing titled residential land and illegally used municipal land, together with associated non-land assets and business
Tugol Sai village	Km149+845	Km150+000	155	4 AHs losing titled residential land and illegally used municipal land, together with associated non-land assets.
Total			11,177	143 AHs & 3 entities ¹³

Source: DMS; AH = affected household

2.3.2 Land Acquisition

25. Acquisition of titled land, including both residential and agricultural land will occur in the villages of Jumgal, Jany Aryk, Kuiruchuk, and Tugol-sai. Overall, 16,734.6m² and 2,882.0m² of agricultural and residential land plots will be acquisitioned respectively (Table 3 gives details). Land acquisition will affect 91 owner households.

26. Land acquisition will not incur significant impact on majority of the affected households:

- (i) Loss of agricultural land of an individual owner household ranges from the least of 6.0m² to the most of 924.0m², accounting for 0.1-16.5% of total agricultural land holding of an individual household that ranges from 1,200 to 11,000m². Only 5 AHs, out of 69, will lose more than 10% of their agricultural land (12.6-19.8%).

¹³ Kyzart pass: 4 DMS units, 4 HHs; Jany Aryk village: 46 units, 46 HHs; agricultural land of Jumgal village: 26 units, 23 HHs; non-agricultural land of Jumgal: 54 units, 50 HHs and 2 entities; Kuiruchuk village: 16 units, 14 HHs and 1 entity; and Tugol-sai village: 4 units, 4 HHs.

- (ii) Loss of residential land of an individual household ranges from the 5.95m² 300.0m². Residential land acquisition will only cause one household losing residential houses.

27. Three public entities (Jumgal Village, Jumgal School and Kuiruchuk Village) will lose 354.8m² of documented land, but no land compensation will be made to these public entities. The land acquisition data in the table below excluded the 354.8m² from these entities.

Table 3: Land Acquisition by Village

Impact		Jany Aryk	Jumgal	Kuiruchuk	Tugol-sai	Total
Acquisition (m ²)	Agricultural land	12,062.6	4,672.0	-	-	16,734.6
	Residential land	-	2,533.1	21.9	327.0	2,882.0
	Total	12,062.6	7,205.1	21.9	327.0	19,616.6
Owner HHs	Agricultural land	46	23	-	-	69
	Residential land	-	18	2	2	22
	Total	46	41	2	2	91

Source: DMS

2.3.3 Affected Municipal Land

28. Affected municipal land including the right-of-way of the current project road, non-formalizable but under private uses, at Kyzart Pass and the three settlement areas totals to 8,496.2m² with 54 households involved or affected (see Table 4 for details). The affected households had encroached municipal land for forming part of their residential lands and/or for operating businesses before the cut-off date of 26 May 2014 when the Government of Kyrgyz Republic issued Decree, No. 183-p (Appendix 1) for preserving the right of way (ROW) from new encroachers and squatters.

29. Government will take back the encroached municipal land for project use without any compensation for affected land, but compensations will be paid to established buildings/structures, trees and standing crops, and affected businesses, if any.

30. A special case, a portable mosque occupying 28m² of municipal land at Kyzart Pass (km111.6), was not counted in the table below because it was established in June 2016, after the cut-off date of 26 May 2014.

Table 4: Affected Municipal Land under Private Use

Impact	Kyzart Pass	Jumgal vil.	Kuiruchuk vil.	Tugol-sai vil.	Total
Affected area (m ²)	86.4	6,648.1	1,460.8	301.0	8,496.2
User HHs	4	35	13	2	54

Source: DMS

3.3.4 Affected Houses and Structures

31. Table 5 presents the affected buildings and main structures attached to affected residential and municipal land.

Table 5: Affected Houses and Main Structures

No.	Assets		Kyzart Pass	Jungal Village	Kuiruchuk Village	Tugol-sai Village	Total
1	Residential House	Floor area (m ²)	-	70.8	-	-	70.8
		Owner HH		1			1
2	Other Buildings	Floor area (m ²)	-	158.7	23.4	17.5	199.6
		Owner HHs	-	8	1	1	10
3	Movable Buildings	Floor area (m ²)	86.4	63.0	-	-	149.4
		Trailers	86.4	-	-	-	86.4
		Kiosks	-	63.0	-	-	63.0
		Owner HHs	4	3			7
4	Fences	Total (m)	-	2,801.8	1,072.0	169.1	4,042.9
		Adobe	-	48.0	355.7	-	403.7
		Metal	-	546.7	40.2		586.9
		Wood	-	127.6	402.2	45.0	574.8
		Others	-	2,079.5	273.9	124.1	2,477.5
		Owner HHs	-	38	13	3	54
		Owner entity	-	2	1	-	3

Source: DMS; HHs = households

32. As indicated Table 5:

- (i) One household will lose 70.8m² of residential house;
- (ii) Ten households will lose 199.6m² of non-residential buildings, including 3 households losing 59.5m² of adobe warehouse and outbuildings, and 7 households losing 140.1m² of adobe kiosks;¹⁴
- (iii) Seven households will need to relocate their trailer café/shops and movable kiosks from the project road or from municipal land; and
- (iv) Fifty four households and 3 public entities will need to move or re-establish 3,428.0m and 614.9m of various fences respectively.

2.3.5 Affected Trees and Crops

33. Table 6 presents the affected trees and standing crops:

- (i) Two households will lose 14 fruit trees of apricots, plums and apples;

¹⁴ There includes four adobe kiosk abandoned before 2014.

- (ii) Forty four households will lose 858 various non-productive trees of elm and poplar of various sizes;
- (iii) Three households will lose 68 fruiting bushes of raspberry and currant;
- (iv) Thirteen user households will lose 3,436.1m² annual crops of barley and wheat; and
- (v) Forty eight user households will lose 13,289.5m² of perennial crop of sainfoin.

Table 6: Affected Trees and Standing Crops

No.	Trees and Crops	Jany Aryk	Jungal	Kuiruchuk	Tugol-sai	Total	
1	Fruit trees	Qty (No.)	-	14	--	-	14
		Owner HHs	-	2	-	-	2
2	Fruiting bushes	Qty (No.)	-	128	-	-	128
		Owner HHs	-	3	-	-	3
3	Non-productive trees	Qty (No)	-	613	239	6	858
		Owner HHs	-	31	12	1	44
4	Seedlings and decorative tree	Qty (No)	-	53	-	-	53
		Owner HHs	-	4	-	-	4
5	Annual crops	Area (m ²)	268.5	3,167.6	-	-	3,436.1
		User HHs	2	11	-	-	13
6	Perennial crops	Area (m ²)	11,794.1	1,495.4	-	-	13,289.5
		User HHs	40	8	-	-	48

Source: DMS

2.3.6 Affected Businesses

34. There are 10 businesses associated with affected land and buildings, the project will have temporary and permanent impacts on 7 and 3 businesses respectively, Table 7 gives details.

Table 7: Businesses Affected

Type	Kyzart Pass	Jungal Village	Kuiruchuk Village	Total
1. Temporary Stoppage (No.)	4	3	0	7
1.1 Movable trailer café/shop	4	-	-	4
1.2 Movable metal kiosk	-	3	-	3
2. Permanent stoppage of adobe shops (No.)	0	2	1	3
Total (No.)	4	5	1	10

Source: DMS, valuation survey and socioeconomic survey.

2.4 Affected Households and Persons

2.4.1 Affected Households and Persons

35. In addition to 3 entities, land acquisition and resettlement will affect 618 persons from 143 households (without double counting, see Table 8 for details), including 20 severely affected households (98 persons). Among the 143 affected households, there are 39 vulnerable households.

Table 8: Affected Households and Persons

AHs & APs		Kyzart Pass	Jany Aryk Village	Jungal Village	Kuiruchuk Village	Tugol-sai Village	Total
AHs	By land acquisition*	-	48	41	2	2	93
	By affected municipal land**	4	-	35	13	2	54
	Total (without double counting)	4	48	73	14	4	143
APs	By land acquisition*	-	204	175	9	9	397
	By affected municipal land**	26	-	153	54	9	242
	Total (without double counting)	26	204	313	57	18	618
<i>SAHs</i>		4	5	10	1	1	21
<i>SAPs</i>		26	22	41	5	4	98
<i>AVHs</i>		-	10	20	7	2	39
<i>AVPs</i>		-	49	91	33	9	182

Source: DMS and socioeconomic surveys; * impacts on non-owner users of agricultural land, non-land assets and associated business included; **: impact on non-land assets and associated businesses only, affected land plots are not legalizable and will not be compensated; AHs = affected households; AVHs = affected vulnerable households; AVPs = affected vulnerable persons; APs = affected persons; SAHs = severely affected households; SAPs = severely affected persons

2.4.2 Severely Affected Households

36. Households severely affected by LAR are eligible for rehabilitation assistance in ADB financed projects. Per ADB's standard, severely affected households include those: (i) suffering physical displacement (i.e., losing residential house); and (ii) losing 10% of production assets or income source.

37. In this LARP, 21 households (97 persons) will be severely affected, including:

- (i) One household from Jungal Village suffering physical displacement or losing residential house;
- (ii) Four households from the Kyzart Pass (trailer café/shops operator) suffering transitional relocation of business operation during project construction period¹⁵; and
- (iii) Three households, two from Jungal Village and one from Kuiruchuk Village, suffering permanent business stoppage.
- (iv) Five households from Jany Aryk Village losing 12.6-19.8% of their agricultural land.
- (v) Eight households, seven from Jungal Village and one from Tugol-sai Village, losing 10.2-24.3% of their residential land.

2.4.3 Vulnerable Households

38. Vulnerable households affected by LAR are eligible for additional assistance in ADB financed projects. Among the 143 affected households, there are 39 households identified as vulnerable by their village councils, including:

¹⁵ Transitional operation at RMD#24 (km107.9) by moving from the current location at the Kyzart Pass (km111.6) during project construction and then shifting back to the Kyzart Pass (km111.8) after project construction.

- (i) sixteen households (with 74 persons) living below poverty line;
- (ii) seventeen households (73 persons) with disabled members;
- (iii) three households (11 persons) headed by women; and
- (iv) three households (20 persons) having disabled members and living below poverty line.

2.5 Temporary Land Occupation

39. The rehabilitation of Section 2B will temporarily use 24 borrow pits and spoil grounds at various locations (given in Appendix 2). These pits/grounds are exclusively unused municipal land; while access roads to and from those sites are either existing roads or new ones on unused municipal land.

2.6 Affected Public Facilities

40. The affected public facilities, obtained from field surveys and listed in project design, are given in Table 9. Affected public facilities are included in the contract package for civil works and will be restored by contractor. The costs for restoring public facilities will be covered by the budget item of Dayworks that has provisions for labor, materials and equipment.

Table 9: Affected Public Facilities

	Item	Unit	Quantity	Note
1	10kv power line	m	194	Various locations
2	0.4kv power line	m	455	Various locations
3	Irrigation canal	m	1,968	Jumal, Kuiruchuk and Tugol-sai villages
4	Drinking water pipeline	m	2,778	1,980m in Jumgal village 918m in Tugol-sai village
5	Well	No.	12	7 wells in Jumgal village 5 wells in Tugol-sai village
6	Toilet	No.	1	Kyzart pass (km111.6)
7	Monument	No	1	Kyzart pass (km111.6)
8	Bus stop	No.	6	One in either side in each of the Jumgal, Kuiruchuk and Tugol-sai villages

Source: Detailed engineering design

3. SOCIOECONOMIC STATUS

3.1 Kyrgyz Republic

41. Kyrgyz Republic, one of the 10 CAREC counties, consists of seven oblasts and one city (Bishkek City). Kyrgyz Republic is still an underdeveloped county with wide spread of poverty:

- (i) the human development index ranks 120 out of 188 economies in 2014;¹⁶
- (ii) the per capita gross national income is US\$1,250 in 2014, one of the least 10 among the 45 developing member economies of ADB; and
- (iii) 32.1% of population lives below the national poverty line in 2015.¹⁷

42. Kyrgyz Republic has over 80 ethnic groups. Of the total population of 5.9 million in 2015, Kyrgyz, Uzbeks, Russians and other 80 ethnic groups account for 72.6%, 14.4%, 6.4% and 6.6% respectively.

43. Poor transport condition is one of the key factors that caused widespread poverty. Rehabilitating strategic road corridors is therefore on the government's priority list, given their importance in providing access to international markets and basic public services. There are six CAREC transport corridors that are building a truly global future for the region. Three of the six corridors traverse the Kyrgyz Republic, and the proposed project is to promote linkage between Corridors 1 and 3.

3.2 Naryn Oblast and Impacted Rayons

44. Section 2B is within Naryn Oblast which has land area of 43,800km² or 22% of the country total. Naryn Oblast has a total population of 0.27 million by 2015, of which 99.2% are Kyrgyz. The oblast's economy is dominated by animal husbandry. It is the poorest region in the country, with 38.0% of its population live below the poverty line by 2015; in comparison, the overall poverty incidence of the country is 32.8% by 2015. Similarly, the average per capita monthly income of KGS 3,309 in Naryn is below the national average of KGS 4,074 (see Table 10).

45. Section 2B traverses the Jumgal and Kochkor rayons in Naryn Oblast. Table 10 presents the general socioeconomic data of Naryn Oblast, the Jumgal and Kochkor rayons. For comparison, data of the Kyrgyz Republic is also presented.

46. The administrative towns of Jumgal and Kochkor are Chaek and Kochkor respectively. Major healthcare and social facilities, including banks, ATMs, hospital, maternity house, and number of pharmacies, are available in the towns.

¹⁶ Source: <http://hdr.undp.org/en/countries/profiles/KGZ>.

¹⁷ Source: <http://data.worldbank.org/country/kyrgyz-republic>. The national poverty line is defined as minimum living wage of KGS 5,183 KGS per capita per month.

47. Although Section 2B traverses two rayons, it has no LAR impact for the Kochkor subsection (east of Kyzart Pass from Epkin to Kyzart Pass at km 89.5~111.6) except affecting 4 trailer café/shops at the Kyzart Pass. While in the Jungal subsection (west of Kyzart Pass from Kyzart Pass to Bashkuugandy at km 111.6~159.2) has extensive but not intensive LAR impacts in four villages.

Table 10: Basic Socioeconomic Data (2015)

	Kyrgyz Republic	Naryn Oblast	Jungal Rayon	Kochkor Rayon
Population (million)	5.90	0.27	0.04	0.06
Rural population (%)	66.3	86.2	92.0	100.0
Female (%)	50.5	49.5	49.08	49.14
Ethnic minority (%)	27.0	0.8	0.3	0
Per capita income (KGS/month)	4,074	3,309	n.a	n.a.
Land area (km ²)	199,900	43,793	4,803	5,868
Per capita GDP (KGS)	78,700	43,500	n.a	n.a.
Poverty incidence (%)	32.1	38.0	n.a	n.a.
Poverty line (KGS/month/capita)	1,618	1,606	-	-

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.

3.3 Affected Villages

48. Table 11 presents some general data of the affected villages, and the data were collected by social safeguards specialists from limited sources in the process of preparing this LARP. Each village consists of several settlements (natural villages or hamlets) and it is quite sizable in terms of population (ranging from 2,115 to 5,300 people).

Table 11: General Socioeconomic Data of Affected Villages (2017)

	Unit	Jungal	Zhany Aryk	Kuiruchuk	Tugol-sai
Population	Person	2,465	5,300	3,014	2,115
Female	%	46.0	47.6	48.0	47.8
Ethnic minority	%	0	0	0	0
Agricultural land	ha/HH	1.2 – 2.0	1.2 – 2.0	1.2 – 2.0	1.2 – 2.0
Annual HH income in 2015 - 2016	KGS/capita	150,000 – 250,000	150,000 – 220,000	130,000 – 250,000	130,000 – 250,000
School	No.	2	3	1	2
Clinic	No	3	1	1	2
Bazaar	No	0	0	1	0
Vehicular ownership	HH%	55	55	45	45

Source: local self-governments

49. Cattle herding is the major source of livelihood of the villagers, and agricultural lands are mostly used for producing animal fodders.¹⁸ Over 75% of

¹⁸ Among the affected agricultural land of 16,725.6m², 13,289.5m² or 80% are used for growing perennial forage of sainfoin.

local households keep cattle, ranging from 5 to 70. Even those households with temporary or permanent non-farm jobs keep animals.

50. The agricultural land holding is 1.2-2.0ha per household in the four project affected villages. Agricultural land was granted to individual households in 1990 during the land reform. Agricultural land certificates issued during the land reform titled all family members, including spouses and their children (co-owners). Agricultural land area granted was based on household size; therefore it differed from household to household. For new households, established after 1990, if they want to be engaged in cropping, they have to rent land from their villages if there are land reserves or from those who have agricultural lands.

51. Auto-irrigation is available to most of the agricultural lands next to the project road. Potable water taps are available and were installed along the existing road or within the villages.

52. There is at least a school that offers education up to grade 9-11 grades in each village; and there are also 1-3 clinics in each village that provide basic healthcare service to villagers. In Kuiruchuk village, there is a bazaar that operates every Thursday, and it is the major marketing place for people from the affected villages.

53. People from neighboring villages go to the bazaar, as well as going to other places like the rayon center, mostly by own vehicles. The vehicular ownership rate, 45-55% in the affected villages, is quite high, but mostly overused secondhand cars.

3.4 Affected Households

54. This subsection is based on PPTA socioeconomic survey (SES) results of 49 sample households, but re-structured.

3.4.1 Demography

55. The 49 sample households have 213 people, of which 51.2% and 48.8% are males and females respectively. The average household size is 4.35 persons and it ranges from 1 to 6.

3.4.2 Employment

56. Table 12 presents the employment status of labors. Although only 14.0% of the labors are listed as farmers, actually others in the list like housewives, pensioners, civil servants are also engaged in animal husbandry and cropping, as agriculture is their major means of living. As a matter of fact, most people (both men and women) are pre-occupied with cattle raising; while men herd their cattle during grazing season on rotation basis.

Table 12: Employment Status of Adults

Occupation*	Male		Female		Total	
	No.	%	No.	%	No.	%
Farmer	16	26.2	1	1.7	17	14.0
Housewife	0	0	13	21.7	13	10.7
Pensioner	8	13.1	28	46.7	36	29.8
Civil Servant	9	14.8	13	21.7	22	18.2
Between jobs	15	24.6	0	0	15	12.4
Private taxi service	1	1.6	0	0	1	0.8
Economic activity/ business	0	0	4	6.7	4	3.3
Hired labor	11	18.0	1	1.7	12	9.9
Working in other region of the republic	1	1.6	0	0	1	0.8
Total	61	100	60	100	121	100

Source: PPTA SES; *: students of over 18 are excluded.

3.4.3 Housing Conditions

57. Residential houses were mostly built of clay bricks of one-floor with 3 to 4 rooms, and attic in the roof. Supplementary structures attached to the stone walls are used as storage facilities, summer kitchens, cattle barns, and bathrooms.

3.4.4 Living and Production Assets

58. Table 13 presents the ownership of main production and living assets households. As indicated, majority households have color TVs and mobile phones. Ownership of cars is at a relatively high level of 40.8% owing to availability of cheap secondhand cars from Japan, Korea and Europe. However, local people rarely have such modern facilities like computers and internet.

Table 13: Possession of Main Assets

Assets	No. of Households	%
Color TV	43	87.8
Mobile phone	42	85.7
Washing machine	30	61.2
Car	20	40.8
Tractor /combine	5	10.2
Water heater	3	6.1
Personal computer/Laptop	2	4.1
Internet	0	0
Water closet (WC) inside the house	0	0

Source: PPTA SES.

3.4.5 Education and Literacy

59. The level of literacy of adults is 100%. As shown in Table 14, all adults are at least graduates of secondary schools, yet 23.8% of males and 32.3% of females are university graduates.

Table 14: Education Level of Adults

Level	Male		Female		Total	
	No.	%	No.	%	No.	%
Primary	0	0	0	0	0	0
Secondary	43	68.3	37	59.7	80	64.0
Technical	5	7.9	5	8.1	10	8.0
Higher (university)	15	23.8	20	32.3	35	28.0
Total	63	100	62	100	125	100

Source: PPTA SES

3.5 Women in Local Context

60. The majority of Affected Households are headed by men. As mentioned, the land certificates of 1990s titled to all family members, including both men and women (co-owners). Women are mainly involved in household activities such as horticulture at home garden, animal husbandry, and general household works. Several females help their family members to run a small shops or kiosks selling daily consumer goods. Among the sample HHs, there are three female teachers who work at their village schools. Women participate in household decision-making processes and organizing family matters. During socioeconomic survey and public consultations, female respondents were active. For formal public consultations organized in the affected villages in September 2016, 35% of the participants are women.

4. CONSULTATION & PARTICIPATION

61. According to ADB SPS (2009), APs must be meaningfully consulted and provided with opportunities to participate in the planning and implementation of LAR. Under the same principles, APs have to be informed in an appropriate and timely manner of the LAR planning process and outcomes, as well as the schedules and procedures for the preparation and implementation of the LAR activities, including entitlements, payment procedure and relocation.

62. The Constitution of Kyrgyz Republic guarantees the right of the people to access information on activities of state and municipal authorities in the manner prescribed by the Constitution.¹⁹ In addition, it confers citizens the right to receive information on the disbursement of funds from the state budget, as prescribed. The Law of the Kyrgyz Republic on access to information held by state bodies and local self-government bodies requires maximum openness of information, publicity and transparency of the activities of the state and local authorities.

63. Following the above requirements, information disclosure, consultation and participation (C&P) activities were timely carried out in the process of preparing this LARP. Yet a C&P plan is prepared and will be implemented during LARP and project implementations, further information disclosure is included in the C&P plan.

4.1 Information Disclosure

64. The following information were formally disclosed among affected households in the process of preparing this LARP:

- (i) Resettlement Planning Information Brochure (RPIB): a copy of RPIB in Kyrgyz Language was distributed to every household likely to be affected by LAR from September 2016 to January 2017. The information mainly briefs the affected people about the LARP preparation procedures and policy requirements. Appendix 3 presents the RPIB.
- (ii) Government Decree No. 138-p (Suspension of Land Acquisition Related Activities in the Project Corridor, 26 May 2014): 30 copies of this decree in both Kyrgyz and Russian languages were disclosed in the affected villages of Jany Aryk, Jungal, Kuiruchuk and Tugil-Sai villages, as well as among the trailer café/shop operators at the Kyzart Pass. Appendix 1 presents the decree.
- (iii) Project designs, especially designs at settlement areas and at the Kyzart Pass. These were disclosed to affected people during formal public consultations through PowerPoint presentations by highway engineer of the DD team (some designs are shown in Figure 3 and Figure 4).

¹⁹ Article 33, Chapter II of the Constitution of Kyrgyz Republic.

65. Upon approval of the final LARP by the Government of Kyrgyz Republic, as also be indicated in Table 16, the following information will further be disclosed among AHs and among the general public:

- (i) Resettlement information brochure (RIB): a copy in Kyrgyz Language to each affected household; and Appendix 5 presents the RIB.
- (ii) This LARP (in Kyrgyz and Russian languages): it will be disclosed at the MOTR Website.
- (iii) This LARP (in English, Russian and Kyrgyz languages): it will be uploaded and disclosed on ADB Website.
- (iv) This LARP (in Kyrgyz and Russian languages): hard copies will be distributed among affected villages, Naryn Oblast, Jungal and Kochkor Rayon government agencies.

4.2 C&P Activities Carried Out

66. In the process of preparing this LARP, 5 public consultation meetings and large number of informal consultations were carried out at the affected villages and the Kyzart Pass. Table 15 summarizes the consultation activities; while Appendix 4 presents minutes of the consultation meetings.

67. The concerns of affected people regarding LAR were well addressed during the consultations (see Appendix 4 for details), while design modifications were taken and necessary actions are included in this LARP and will be taken during project construction:

- (i) Minimizing resettlement impacts at settlement areas. As indicated in Table 1, design modifications were taken to minimize land acquisition and resettlement.
- (ii) Acquisition of agricultural land.²⁰ It is included in this LARP.
- (iii) Functioning of irrigation canals during and after project construction. Contractor, as a usual practice in Kyrgyz's road development projects, will be advised to keep good communication with affected people and their villages to keep good functioning of irrigation and drainage canals. This will be a focal issue for monitoring during and after project implementation.
- (iv) Continuation of trailer café/shops operation at Kyzart Pass.²¹ Operation will be allowed at Kyzart Pass after project construction, and this is assured by the RMD#24 and the Kochkor Rayon Administration (see Appendix 7).

4.3 C&P Plan

²⁰ During consultation in Jungal village, it was uncertain whether agricultural land acquisition is needed or not given that the PPTA LARP indicated no impact on agricultural land, yet project was undergoing.

²¹ Per Kyrgyz Law on Roads, such trailer café/shops shall be prohibited.

68. Consultation and participation, as well as information disclosure will continue during LARP and project implementation, and Table 16 presents the C&P plan. **Table 15: Summary of Consultation Activities Undertaken**

Date	Location	Activities	Agencies/ villagers involved	No. of Participants	Major concerns of APs relevant to LAR
16/09/2016	Jumgal village	Formal public consultation meetings	ADB, MOTR, village council, DD consultants	47	<ul style="list-style-type: none"> ● Minimizing LAR impact at settlement ● Agricultural land acquisition outside the village ● Functioning of irrigation and drainage canals during and after project construction
16/09/2016	Kuiruchuk village			25	<ul style="list-style-type: none"> ● Minimizing LAR impact at settlement
17/09/2016	Tojgul-Sai village			17	<ul style="list-style-type: none"> ● Minimizing LAR impact at settlement
13/01/2017	Kyzart Pass	Site visit, formal public consultation	IPIG, RMD, Kochkor Rayon Administration, Two village councils, DD consultants	13	<ul style="list-style-type: none"> ● Continuation of trailer café/shop operation at Kyzart Pass after project
31/01/2017	Jany Aryk village	Formal public consultation meetings	IPIG, RMD, village council, Jumgal Rayon Administration, DD CSC	37	<ul style="list-style-type: none"> ● Compensation to non-titled agricultural land plots, but paying land use taxes properly²² ● Cultivation in 2017 ● Functioning of irrigation canals during and after project construction
04/2016-04/2017	Kyzart Pass & villages	Informal consultation	DD consultants	200	Same as above
Total				229	

Source: detailed design consultant.

Table 16: Information Disclosure, C&P Plan

No.	Activity	Purpose	Timeline	Participants	Note
1	Information disclosure				
1.1	Uploading final LARP on MOTR websites	Information disclosure	After approval of final LARP by the Government of KGR		Kyrgyz and Russian
1.2	Distribution of RIBs among AHs	Ditto	After approval of final LARP by Government of KGR		Kyrgyz and Russian
1.3	Disclosure of final LARP to affected villages, Oblast and Rayon agencies	Ditto			Kyrgyz and Russian
2	Consultation and participation				
2.1	Pre-LARP implementation public consultations	Consultation, mobilization of LARP implementation	Shortly after RIB distribution	AHs and villagers, LARC, IPIG, local GRG, CSC	Once in each village
2.2	Formal or informal consultations	Notice of project construction and relevant social and environmental impacts	During LARP and project implementation	AHs and villagers, contractors, GRGs, CSC	Per actual needs
2.3	Monitoring	APs' participation, monitoring,	During LARP & project implementation	APs, CSC, LARC, GRGs, etc.	

CSC = construction supervision consultant; KGR = Kyrgyz Republic

²² Not affected.

5. LEGAL FRAMEWORK AND ENTITLEMENT

69. The legal framework for land acquisition and resettlement (LAR) of the project is based on ADB Safeguard Policy Statement (2009) and the legislation of Kyrgyz Republic. In case there are any differences between requirements set by the legislation of Kyrgyz Republic and ADB Policy, the latter should take precedence.²³

5.1 Country Legislation

70. 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:

- (i) Constitution of the Kyrgyz Republic (28 December 2016)
- (ii) Civil Code (08 May 1996, No. 16; last amended on 08 June 2017)
- (iii) Land Code (02 June 1999, No. 45; last amended 01 June 2017)
- (iv) Law on Automobile Roads (No. 72 dated 02 June 1998, last amended on 03 August 2015)
- (v) Law on State Registration of Rights and Associated Transactions (22 December 1988, N 153, last amended on 10 February 2017)
- (vi) Law on Grievances (dated 04 May 2007, last amended on 27 July 2016)
- (vii) Valuation Standards for Valuers (Government Resolution No.217, 03 April 2006, last amended on 15 November 2016)
- (viii) Decree No. 361-b on Formation of the LARC for the Project, issued by the Plenipotentiary of the Government of Kyrgyz Republic in Naryn Oblast (15 December 2015, last amended on 03 August 2016).
- (ix) Decree No. 183-p of the Government of the Kyrgyz Republic on Suspension of Land Acquisition Related Activities in the Project Road Corridor (26 May 2014).

5.1.1 Constitution

71. 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

²³ If an international agreement ratified by the Parliament of KGR establishes rules other than those envisaged by civil legislation, the rules of the international agreement shall be applied (Article 6, Civil Code 2017).

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).

72. 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 based 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).

5.1.2 Civil Code

73. 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.

74. *Article 14: Loss Reimbursement.* Clause 1 of Article 14 defines the losses that subject to reimbursement (compensation):

- (i) 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.
- (ii) The losses are defined as follows:
 - a) 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
 - b) Un-received income, which a person would have received under normal conditions of civil turnover, if his right had not been violated (income loss),
 - c) 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.

75. *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.

5.1.3 Land Code

76. 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.

77. *Article 68: 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.

78. 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).

79. 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.

80. 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.

5.1.4 Law on Automobile Roads

81. 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.

82. 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).

5.1.5 Provisions on Registration of Rights

83. 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).

84. 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).

85. 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.

5.1.6 Law on Grievances

86. 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).

5.1.7 Provisions on Asset Valuation

87. 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.

5.1.8 Government Decrees on LAR of the Project

88. The government of Kyrgyz Republic issued two decrees regarding LAR for Section 2B, as well as the project:

- Decree No. 361-b on Formation of the LARC for the Project, issued by the Plenipotentiary of the Government of Kyrgyz Republic in Naryn Oblast (15 December 2015, last amended on 03 August 2016). The amendment specified the LARC members for Section 2B.
- Decree No. 183-p of the Government of the Kyrgyz Republic (26 May 2014) on suspension of land acquisition related activities in the project road corridor. Appendix 1 presents this decree.

89. For implementation of the LARPs for the various sections of the project, MOTR had issued two orders on 12 July 2017 for approving GRM (Order No.235) and establishing GRGs (Order No. 234).

5.2 Safeguard Policy Statement of ADB

90. For any ADB operation requiring involuntary resettlement, resettlement planning is an integral part of project design, to be dealt with from the earliest stages of the project cycle. The SPS (2009)²⁴ of ADB sets guidance and requirements for resettlement planning, as well as the follow-up implementation.

91. The objectives of ADB's safeguard policy on involuntary resettlement are: to avoid involuntary resettlement wherever possible; to minimize involuntary resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups.

92. The three important elements of ADB's involuntary resettlement policy are: (i) compensation to replace lost assets, livelihood, and income; (ii) assistance for relocation, including provision of relocation sites with appropriate facilities and services; and (iii) assistance for rehabilitation to achieve at least the same level of well-being with the project as without it.

93. The policy principles for involuntary resettlement are:

- (i) Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.
- (ii) Carry out meaningful consultations with displaced persons, host communities, and concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the displaced persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.
- (iii) Improve, or at least restore, the livelihoods of all displaced persons through (a) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine

²⁴ SPS (English) available at: <https://www.adb.org/documents/safeguard-policy-statement>; and SPS (Russian): <https://www.adb.org/ru/documents/safeguard-policy-statement>

- livelihoods, (b) prompt replacement of assets with access to assets of equal or higher value, (c) prompt compensation at full replacement cost for assets that cannot be restored, and (d) additional revenues and services through benefit sharing schemes where possible.
- (iv) Provide physically and economically displaced persons with needed assistance, including the following: (a) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (b) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (c) civic infrastructure and community services, as required.
 - (v) Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.
 - (vi) Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.
 - (vii) Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
 - (viii) Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
 - (ix) Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to displaced persons and other stakeholders. Disclose the final resettlement plan and its updates to displaced persons and other stakeholders.
 - (x) Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.

- (xi) Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
- (xii) Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

94. The ADB SPS (2009) distinguishes three categories of affected persons (APs) or displaced persons, with variable compensation needs:

- (i) APs with formal rights: APs with formal legal rights to land lost in its entirety or in part;
- (ii) APs with semi-formal rights: APs without formal legal rights to land lost in its entirety or in part but who have claims to such lands that are recognized or are recognizable under national law; and
- (iii) APs with non-formal rights: APs who have neither formal legal rights nor recognized/recognizable claims to land lost in its entirety or in part.

95. For categories (i) and (ii) above, borrowers are expected to provide compensation at full replacement cost for lost land, structures, land improvements and relocation assistance. For APs in category (iii) (informal settlers), the borrower/client is expected to compensate all assets other than land (i.e. buildings, trees, cops, businesses) at full replacement cost. The risk of opportunistic encroachment on land designated for acquisition by the project is managed through a cut-off date.

96. Compensation for lost land may be in the form of replacement land (preferable if feasible) or in cash. When “land for land” compensation is not feasible cash compensation can be valued based on market rates or, in absence of land markets, through other methods (i.e. land productivity or reproduction costs). Independently from the valuation method used, compensation is to be provided at “full replacement cost” including: (i) transaction costs; (ii) interest accrued; (iii) transitional and restoration costs; and (iv) other applicable payments, if any. Compensation for all other assets is to be provided in cash at replacement cost without deductions for amortization, salvaged materials and transaction costs.

5.3 Gaps and Reconciliations

97. Table 17 presents the gaps between the policy requirements of the SPS (2009) and of the Kyrgyz laws and regulations, as well as practices of ADB financed projects and the reconciliation measures of this LARP. Table 17 highlights that:

- (i) there exist some gaps but reconciliation measures were taken in practice for ADB financed projects since 2011, including projects in the road transport sector; and
- (ii) this LARP includes various reconciliation measures to bridge the gaps.

5.4 Eligibility, Entitlements and Assistances

98. The implementation of LAR activities is linked to the implementation of the investment component of the project to ensure that displacement or restriction of access does not occur before necessary LAR measures specified in this LARP are in place.

99. As stipulated in SPS (2009) and described in this LARP, all LAR impacts identified during DMS should be addressed accordingly, meaning that all affected persons identified during DMS will be provided with relevant compensations and/or assistances prior to displacement. In particular, taking of land and attached assets may take place only after compensation has been paid and, where applicable, resettlement sites and assistances have been provided to the displaced persons.

5.4.1 Eligibility

100. Compensation eligibility is determined by a cut-off date, which was set as 26 May 2014 when the Government of Kyrgyz Republic issued the Decree No. 183-p on suspension of land acquisition related activities in the project road corridor (see Appendix 1).

101. Affected households (AHs) eligible for LAR compensations and assistances under this LARP are those identified during DMS, including:

- (i) AHs losing titled agricultural and residential land, together with attached non-land assets and associated business, if any. Non-land assets include buildings, structures, trees, bushes, standing crops, and etc.
- (ii) AHs losing non-land assets including associated business on municipal land and current right of way (ROW) of the project road.²⁵

²⁵ None of the illegally used municipal land is formalizable in this LARP.

Table 17: Gaps and Reconciliation Measures

Area/Impact/Issue	ADB SPS (2009)	Kyrgyz Legislation and Practice with ADB Financed Projects	Comments on Gaps	Reconciliation Measures
LAR planning and documentation	When an ADB financed project causes LAR impacts, a LARP is to be prepared. The LARP shall be based on DMS, SES, consultations and valuations, etc.	Appropriate documentation on impact and valuation is to be prepared but such a documentation does not have the format of a LARP	Gap exists.	This LARP is prepared and it is based on DMS, SES, C&P, and independent valuation
Title status and compensations	APs with formal titles: compensation for lost land and non-land assets at full replacement costs or market values	Land loss: compensation at replacement costs or replacement land or market values	No difference	
		Structures: compensation but depreciation counted	Minor difference	Compensations at full replacement costs in this LARP
		Crops & tress: mandated but selectively applied	Minor difference	Compensations at valuated prices in this LARP
	APs with formalizable title: compensation for lost land and non-land assets at full replacement costs or market values, yet EA shall help them in legalizing their assets.	APs with formalizable titles: legalization is not distinguished and considered.	Gap exists	Legalization of formalizable titles by the Gosregister of Jungal Rayon during this LARP implementation, if any. ²⁶
	APs with no legal title: to be compensated for lost non-land assets	Non-legal APs have no right to be compensated for land and non-land assets.	Gap exists	Lost assets, other than land will be compensated at valuated replacement costs or market values in this LARP.

²⁶ None is formalizable among the DMS identified land use units.

Area/Impact/Issue	ADB SPS (2009)	Kyrgyz Legislation and Practice with ADB Financed Projects	Comments on Gaps	Reconciliation Measures
Loss of business	Reimbursement of actual losses plus business reestablishment costs. For application based on tax declared income for period of business interruption. In absence of tax declaration based on maximum non-taxable salary.	Cash compensation at market value for all damages/opportunity costs incurred. Burden of proving opportunity costs rest on the AP based on recognized/documented evidence but no clear methodology.	Minor difference	Valuation of losses carried out by independent valuator; Compensation for business interruption and rehabilitation assistances are included in the LARP.
Information disclosure	Resettlement-related documents to be timely disclosed in the APs' language.	No disclosure requirement exists.	Gap exists	RPIBs of Kyrgyz language were distributed among AHs. RIBs will be distributed once the final LARP is approved by the Government of KGR The final LARP, in Kyrgyz and Russian languages, will be disclosed in affected villages and various government agencies The final LARP, in English, Russian and Kyrgyz languages will be disclosed on ADB and MOTR's websites
Consultation	Meaningful public consultations are to be held with the APs. APs should be informed about their entitlements and options, as well as resettlement alternatives	Matters of local importance to be publicly discussed with local authorities. But no requirement to consult directly the APs	Gap exists	Formal public consultations carried out in the affected villages in the process of preparing this LARP. Large number of informal consultations carried out.

Area/Impact/Issue	ADB SPS (2009)	Kyrgyz Legislation and Practice with ADB Financed Projects	Comments on Gaps	Reconciliation Measures
Grievance	A GRM is to be established for each project. Information on GRM is to be communicated to the APs	Each state agency/ministry should define a process for registering and reviewing the concerns and claims from citizens	Minor difference	A well structured GRM established and it is included in the LARP. GRGs were established in July 2107.
Monitoring	Implementation of LARP is subject to monitoring, and monitoring reports shall be disclosed.	Not required	Gap exists	Monitoring is planned in the LARP
Asset acquisition conditions	Property can be acquired only after full compensation is paid to the APs	Property can be acquired only after full compensation is paid to APs	No difference	Notice to contractors to proceed construction works in LAR impacted segments cannot be given until ADB has approved the LARP implementation report
Assistances to vulnerable and severely affected APs	These APs are to be identified and special assistances shall be provided to restore/ improve their pre-project level of livelihoods	No special consideration is given to these APs.	Gap exists	Assistances are included in the LARP

ADB = Asian Development Bank; DMS = detailed measurement survey; APs = affected persons; C&P = consultation and participation; GRM = grievance redress mechanism; KGR = Kyrgyz Republic; LAR = land acquisition and resettlement; LARP = land acquisition and resettlement plan; MOTR = Ministry of Transport and Roads; RIB= resettlement information brochure; RPIB= resettlement planning information brochure; SES = socioeconomic survey; SPS = safeguard policy statement

102. Severely affected households (SAHs)²⁷ are also eligible for rehabilitation assistances in this LARP. The SAHs in this LARP include those:

- (i) suffering physical displacement (i.e., losing residential houses);
- (ii) suffering transitional relocation of business operation from the Kyzart Pass, where they are current operating (km111.6), to a public place of the Road Maintenance Department (RMD#24 at km108.1) during the project construction period;
- (iii) suffering permanent business stoppage; and
- (iv) losing more than 10% of titled agricultural or residential land.

103. Affected vulnerable households (AVHs) are eligible for special assistances in this LARP as well. Vulnerable households are those who might suffer disproportionately or face the risk of being marginalized from the impacts of LAR. Vulnerable households include those: (i) female-headed households with dependents; (ii) having disabled household members; (iii) living below poverty line; (iv) having only elder members or receiving government ~~social~~ benefits; (v) having 5 or more than 5 children of below 16 years old; and (vi) ethnic minorities.

104. APs not identified during DMS but recognized by the LARC in the process of implementing this LARP or during project construction are also eligible for LAR compensations and assistances.

5.4.2 Compensation Entitlements

105. Entitlement provisions for affected households losing land, non-land assets and associated business interruption, relevant to the LAR impacts of Section 2B, are as follows:

- (i) *Loss of titled agricultural and residential land*: cash compensations to owners at local market values, including costs for re-registration of the remaining land plots together with attached buildings (where applicable). The re-registration costs covers: a) registration of owner's rights, b) technical passport; c) title deed; and d) title deed for acquisition.
- (ii) *Loss of residential house, non-movable buildings and structures (capital or fixed assets)*: cash compensations to owners at full replacement costs without any deductions for depreciation, salvaged materials, or transaction costs irrespective of the registration status.
- (iii) *Loss of productive trees and bushes*: a) compensation to owners for productive trees/bushes based on the net annual harvest from the trees/bushes for the number of years taken for replacement trees/bushes to reach comparable production; b) additionally grant the owners a seedling for each of lost tree/bush at equivalent cost in cash.

²⁷ Per ADB's standard, severely affected households include those: (i) suffering physical displacement (i.e., losing residential house); and (ii) losing 10% of production assets or income source.

- (iv) *Loss of non-productive tress*: cash compensations to owners based on wood volume and local market prices free of deduction for the value of the wood left to the owners.
- (v) *Loss of seedlings and decorative trees*: cash compensation to owners at local market prices.
- (vi) *Loss of crops*: cash compensations to crop owners (i.e., land users) equivalent to one year's local average harvest regardless of the land use titles.
- (vii) *Temporary business interruption*: compensations to owners at one month of verified or assessed income for business disruption and rehabilitation of temporarily affected assets.
- (viii) *Permanent business stoppage*: compensation to owners for 6 months' of verified/assessed net income.
- (ix) *Relocation of removable structures*: no compensation to owners, but the contractor will help owners to relocate affected structures at the presence of local focal point to ensure no damage to affected assets.

106. All compensations will be based on independent valuation results, while the valuation itself followed the LAR principles and the above mentioned entitlements. A summary valuation report is attached in Appendix 10; while detailed and officially endorsed valuation report is available (Russian versions only) at MOTR (IPIG on behalf MOTR).

107. Affected public facilities (Table 9) will be restored by contractor under the contract for civil works. The costs for restoring public facilities will be covered by the budget item of Dayworks that has provisions for labor, materials and equipment.

5.4.3 Assistances

108. Special assistances set this LARP include:

- (i) Special assistance for AVHs: they will be provided with a one-time vulnerability allowance equivalent to six times of the minimum monthly salary in the Kyrgyz Republic.
- (ii) Assistance to SAHs: a) a rehabilitation allowance equivalent to an additional harvest in case of losing more than 10% of agricultural land; and b) one time rehabilitation allowance, for other types of severe impacts, also equivalent to 6 times of the minimum monthly salary in the Kyrgyz Republic.

5.5 Entitlement Matrix

109. Table 18 presents the entitlement matrix which has Section 2B specific LAR impacts and entitlements, and it is based the MOTR approved generic matrix. The generic entitlement matrix, attached as Appendix 6, covers all potential LAR impacts for road development projects.

Table 18: Entitlement Matrix

Type of Loss	Application	Affected Households	Compensation Entitlements (Note: all compensations are based on independent valuations)
1. Agricultural Land Loss	16,734.6m ² of titled agricultural land	69 owner HHs	Compensation at market value including cost for re-registration of the remaining land plot (where applicable).
2. Non-agricultural Land Loss	2,882.0m ² of titled residential land	22 owner HHs	Compensation at market value including cost for re-registration of the remaining land plot and attached buildings (where applicable).
	8,496.2m ² of illegally used municipal land and right-of-way of project road	54 user HHs	Compensation will be paid only for the loss of structures, trees and bushes, without compensation for land.
	354.8m ² of documented village land	2 villages & 1 school	No compensation for land, the contractor will restore associated fences on affected land plots
3. Residential Buildings	70.8m ² of titled residential houses	1 owner HH	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	158.7m ² of non-residential buildings	10 owner HHs	Compensation in the amount of full replacement cost without accruing depreciation, transaction costs and the cost of salvaged materials.
	3,428.0m of various types of fences	54 owner HHs	Compensation in the amount of full replacement cost without accruing depreciation and the cost of salvaged materials.
	149.4m ² of movable trailers and kiosks	7 owner HHs	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	614.9m of metal & brick fences, and others ²⁸	Villages, school, public	Restoration by contractor with costs covered by the budget item of Dayworks under contract for civil works.

²⁸ Details are given in Table 9.

Type of Loss	Application	Affected Households	Compensation Entitlements (Note: all compensations are based on independent valuations)
		sectors	
6. Loss of Green Plantations and Crops (trees and crops)	14 fruit trees and 128 fruiting berry bushes	3 owner HHs	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.
	858 elms and poplars	44 owner HHs	Compensation loss of unproductive trees based on value of the wood volume
	52 seedlings and 1 decorative pine	4 owner HHs	Compensation based on market value.
	3,3436.1m ² of annual crops and 13,289.5m ² of perennial crops	61 user HHs	Compensation based on the harvest value for one year.
7. Impacts to the Business	Permanent stoppage of business	3 owner HHs	Compensation for verified/assessed net income for 6 months
	Temporary stoppage of business operating on movable trailers and kiosks	7 owner HHs	Compensation for verified/assessed net income for one month
8. Allowances/material assistance for Severe Impacts	Loss of more than 10% of agricultural land	5 owner HHs	One additional crop compensation covering 1 year's yield
	Loss of more than 10% of residential land	8 owner HHs	A rehabilitation allowance/material assistance equivalent to six times of the minimum monthly salary in KGR
	Suffering physical displacement/losing residential houses	1 owner HH	
	Suffering income loss from permanent business stoppage	3 owner HHs	
	Suffering transitional operation of business during project construction	4 owner HHs	
940. Vulnerable People Allowances/material assistance	AHs below poverty line/headed by women/elderly people or receiving the government social benefits/persons with disabilities.	39 AHs	An allowance/material assistance equivalent to six times of the minimum monthly salary in the KGR
104. Unforeseen LAR Impacts, if any	LARC makes decisions on an individual basis	All AHs	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.

6. RESETTLEMENT ARRANGEMENTS

110. Overall, LAR impact on individual household is rather limited and severe impacts only occur on 21 households, out of a total of 143 AHs. This chapter outlines the resettlement and rehabilitation arrangements with focus on SAHs.

6.1 Physically Displaced Household

111. A household of 7 members in Jumgal Village will be physically displaced due to loss of residential houses of 70.8m² resulted from acquisition of 30.6m² of residential land out of a total of 605.0m². Figure 6 below shows the land acquisition impact and affected houses.

112. In addition to compensation to lost land, this household will be compensated at replacement costs for lost houses. This household will build its replacement houses within same homestead (C in Figure 6).

113. The construction of replacement houses will take for about 6 months. During the transitional period, the household will live in the non-affected house. As a SAH, the project will also provide a rehabilitation allowance/material assistance to this household for 6 months at the rate of KGS 1,140 per month, which is equivalent the minimum monthly salary in the Kyrgyz Republic.

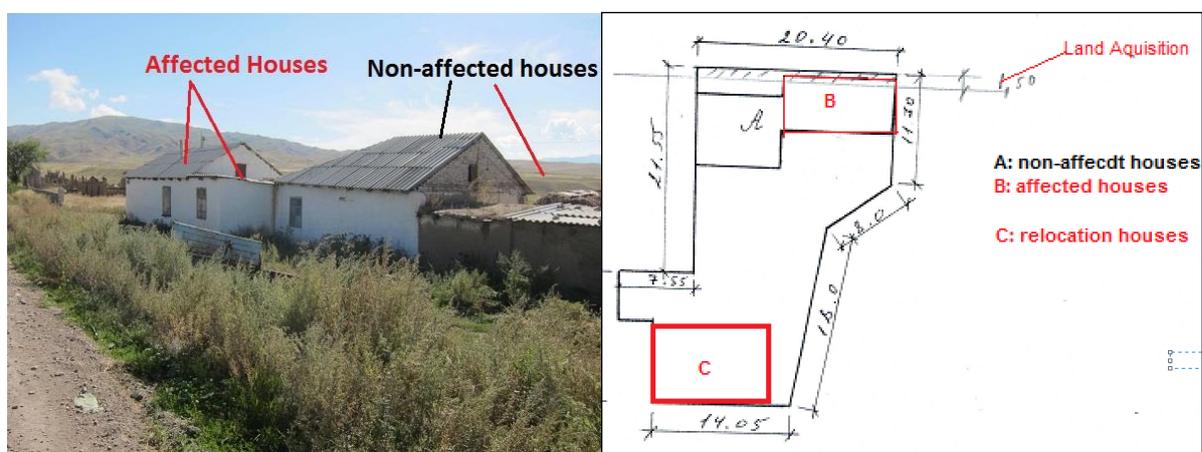


Figure 6: Resettlement of Physically Displaced HH

6.2 Trailer Café/Shops at Kyzart Pass

114. There are four trailer café/shops operating at the Kyzart Pass (km111.6) since 1996 (see Figure 7). Operation of the trailer café/shops is the main source of the 4 owner households with 26 members. Therefore, proper resettlement arrangements to continue their business operations are of vital importance to maintain the current living standards.

115. Business continuation at the Kyzart Pass needs the permissions of both the road sector and the rayon administration. Based on requests of the owners²⁹ and intensive consultations among key stakeholders,³⁰ the owners had obtained permissions for business continuation from RMD #24 and the Kochkor Rayon Administration. The permission/assurance letters are presented in Appendix 7.

116. Consequently, as shown in the schematic design below, a space reserve is included for re-establishment of these trailer café/shops after project completion. The reserve site is just about 100m from current location.



Figure 7: Relocation Arrangements of Trailer Café/shops

117. Business operation at the Kyzart Pass during construction period is not feasible because construction at the site will include 6-meter deep cutting and widening for additional lanes and parking area. Therefore, transitional business operation elsewhere is needed. RMD#24 will provide a site for their transitional operation. The transitional relocation site, shown in Figure 7, is about 3.5km to the east from the current location.

118. Apart from compensation for income loss, the contractor will help the owners to relocate the trailers to RMD#24 before project construction and then relocate back to Kyzart Pass after project construction.

²⁹ As indicated in the consultation minutes in Appendix 4, owners had made their written request to the Kochkor Rayon Administration.

³⁰ There are the owners, Kochkor Rayon Administration, RMD #24, DD engineers and resettlement specialists.

119. In addition, they are assessed as SAHs, and each owner will be granted with a rehabilitation allowance/material assistance of KGS 1,140 per month for 6 months, which is the minimum monthly salary in the Kyrgyz Republic.

6.3 Other Severely Affected Households

120. Apart from physically displaced household and the trailer operators mentioned above, there are another 16 households that will be severely affected, including: (i) 3 households suffering permanent business stoppage; (ii) 5 households losing 12.6-19.8% of agricultural land; and (iii) 8 households losing 10.2-24.3% of their residential land.

121. For the three households suffering permanent business stoppage, the project will compensate them for assessed net income losses for 6 months, a period sufficient to establish alternative income generating sources. The owners have agreed to seek their own alternative measures for income rehabilitation. In addition, a rehabilitation allowance equivalent to 6 months' minimum monthly salary of KGS 1,140 will be provided to each owner household.

122. The five households losing 12.6-19.8% of their agricultural land will be additionally granted with rehabilitation allowance equivalent to one year's harvest for lost land. As for the 8 households losing 10.2-24.3% of their residential land, each household will receive a material assistance equivalent to 6 months' minimum monthly salary.

6.4 Movable Kiosks

123. Rehabilitation of Section 2B will affect 3 movable kiosks operating on illegally occupied municipal land in Jungal village. To safeguard the continuation of businesses, MOTR officially requested the Jungal Ayil Okmotu (i.e., village authority) to arrange village land plots for the operators to relocate their kiosks on 18 May 2017. To support project construction, the Jungal Ayil Okmotu allocated such plots for the operators and officially assured MOTR on 01 June 2017. The assurance letter, presented in Appendix 8, had informed MOTR the areas and locations of the allocated land plots. Table 19 further summarizes the current status and relocation sites for the operators.

Table 19: Relocation of Movable Kiosks in Jungal

No.	Current status			Relocation	
	Location	Illegally used land (m ²)	Street	Village land allocated (m ²)	Street
1	Km127+225	15.0	Orozaliev	12.0	Asanov
2	Km127+560	21.0	Bagaliev	22.0	
3	Km127+640	27.0	Asanov	22.5	

Source: DMS and Appendix 8.

124. Contractor, in the presence of local focal point, will help the owners to relocate their kiosks based on agreements of MOTR and the owners during LARP implementation.

6.5 Restoration of Public Facilities

125. The project will rehabilitate/restore affected public facilities (Table 9) through contractor. Costs for rehabilitation/restoration of public facilities will be covered under the contractor's budget item of Dayworks for civil works. The Dayworks budget item has provisions for labor, materials and equipment. Prior to restoration/rehabilitation, contractor will consult APs and their villages for proper positioning such facilities like water pipelines, irrigation canals and wells.

6.6 Re-registration of Affected Land and Non-land Assets

126. To safeguard property rights of APs as well as to facilitate legal registration land and non-land assets, the project will cover the costs for affected households to re-register their remaining titled land plots and non-land assets. The Jungal Rayon Gosregister, which carried out the DMS, is the official agency to register and issue title documents.

6.7 Others

127. There is a privately donated public or religious facility at the Kyzart Pass, the portable mosque. It was installed in June 2016, after the cut-off date of 26 May 2014. The donors, consisting of 10 heavy truck owners/drivers, were informed by the consultants and Jungal Rayon Gosregister that the mosque is not eligible for compensation and relocation assistance as it was established after the cut-off date. The owner had agreed to move the mosque to another location at their own cost once they are informed to do so.³¹

6.8 Notice to Start Civil Works

128. Upon ADB's approval of LARP implementation report,³² MOTR will issue notice to contractor to start civil works in the LAR impacted segments. The notice will state that:

- (i) Payment has been fully disbursed to AHs and rehabilitation/assistance measures are in place;
- (ii) Already-compensated/assisted AHs have cleared the area (surface clearance) in a timely manner; and
- (iii) The area is free from any encumbrances (surface clearance done).

³¹ The contact person is Mr. Zhenish (telephone No.: 0709 500500).

³² Upon completion of LAR, IPIG will timely submit LARP implementation report to ADB for review and approval. ADB will then approve it if all the necessary actions in the LARP are properly implemented.

7. IMPLEMENTATION ARRANGEMENTS

129. The planning, preparation and implementation of the LARP involves distinct processes and different parties, including ADB, MOTR, Ministry of Finance, LARC, etc... This chapter details the institutional setup, including core agencies and organizations involved as well as their roles and responsibilities during LARP implementation.

7.1 Institutional Setup

130. The entire institutional arrangement for the LARP implementation is presented in the following chart, while roles and tasks of the various parties in the institutional setup are specified in the following subsections.

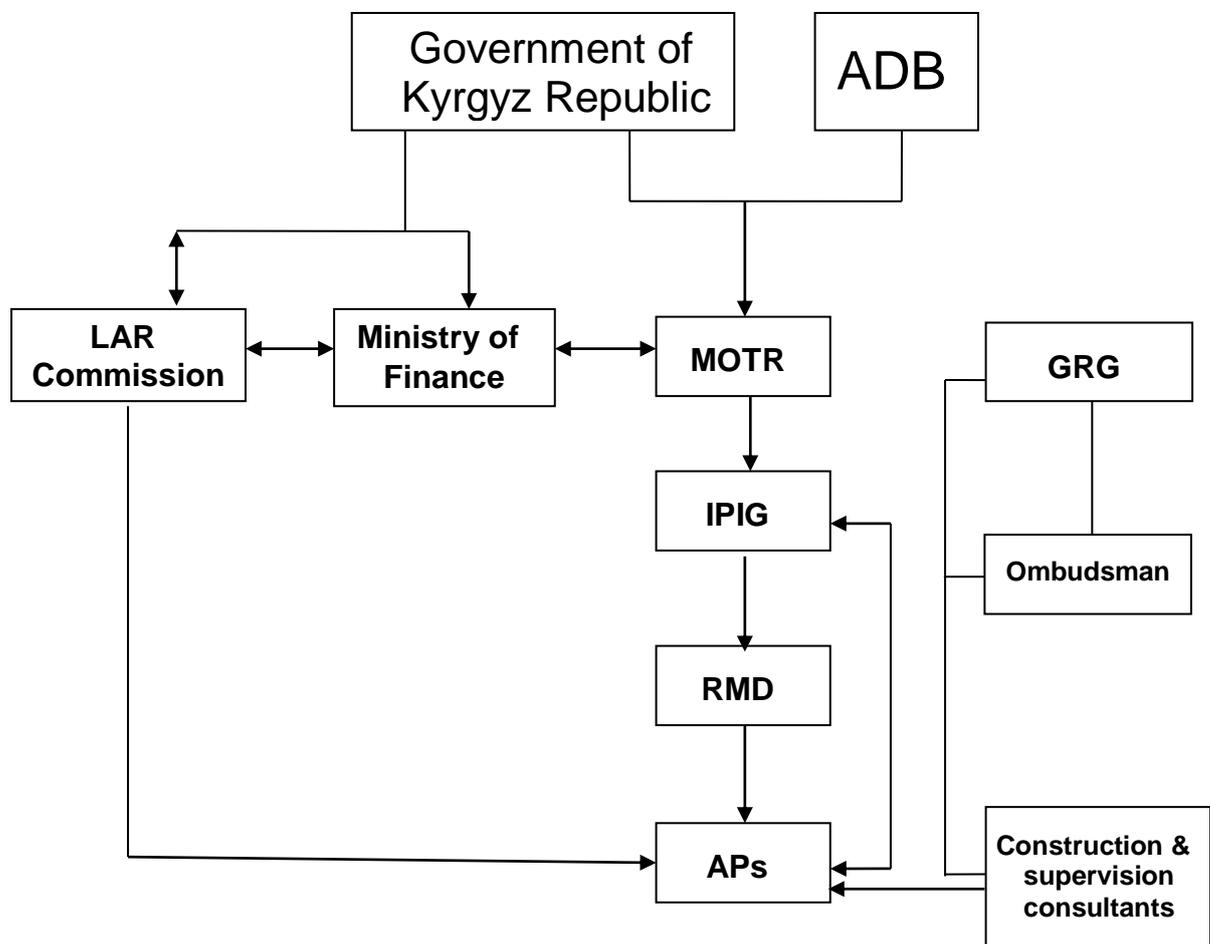


Figure 8: Organizational Framework

7.1.1 ADB

131. ADB will be the funding agency of the project, including LAR activities except land acquisition costs. In addition to funding; ADB will periodically review project and LARP implementation status as well as provide clearance for contract awards and the signing/initiation of civil works on the project.

132. Main responsibilities of ADB at loan implementation stage are:
- (i) Selection and mobilization of a design consultant with approved national and international resettlement specialists and inclusion of costs and requirements for resettlement related activities in the tender/contract documents;
 - (ii) Approval of the Action Plan of LARP processes;
 - (iii) LARP submission, approval and endorsement;
 - (iv) Disclosure of LARP;
 - (v) ADB reviews and approves Compliance report; ADB issues No objection to construction.

7.1.2 MOTR/IPIG

133. The Ministry of Transport and Road (MOTR) is the Executing Agency (EA). As the EA, MOTR has the overall responsibility for project implementation, as well as the LARP implementation. By the Order of the MOTC,³³ dated on 01.02.2010 No.10-k/1, with the concurrence of the Ministry of Finance of the Kyrgyz Republic, the Investment Projects Implementation Group (IPIG)³⁴ was established within MOTC (it is MOTR now). The IPIG will act as the project implementing agency (IA).

134. Main responsibilities of MOTR/IPIG at loan processing stage are:
- (i) Inclusion of social safeguard requirements into the bidding documents for the procurement of the Consultant;
 - (ii) Inclusion of text of the safeguard related provisions in the loan agreements;
 - (iii) Preparation and implementation of the work plan for enforcing the cut-off date, announced during the PPTA stage.
135. Main responsibilities of MOTR/IPIG at loan implementation stage are:
- (i) Selection and mobilization of a design consultant with approved national and international resettlement specialists and inclusion of costs and requirements for resettlement related activities in the tender/contract documents;
 - (ii) Approval of the Action Plan of LARP processes;
 - (iii) Agreeing on key implementing mechanisms for the final LARP;
 - (iv) Engaging LARC;
 - (v) Selection of the Consultant for DMS, Census, SES and Valuation; Training LARC on ADB SPS (2009) and LAR;
 - (vi) Community Consultations;

³³ MOTR was named as MOTC before 2016.

³⁴ IPIG was further divided into IPIG (ADB) and IPIG (WB) since 26 May 2017 per MOTR Order No. 182. However, this LARP still uses IPIG for IPIG (ADB).

- (vii) Re-activate GRM. Establish GRCs and appoint Focal Persons;
- (viii) Approval of the Valuation Report by the relevant authority;
- (ix) Assisting in legalization processes;
- (x) Disclosure of compensation amounts to APs;
- (xi) LARP submission, approval and endorsement;
- (xii) Disclosure of LARP;
- (xiii) Implementation of LARP;
- (xiv) Monitoring and reporting on LARP implementation;
- (xv) Preparation of LARP Compliance Report for ADB revision and approval;
- (xvi) Handing over LAR impacted subsection for construction.

7.1.3 Consultants

136. As part of the Technical Assistance provided by ADB to prepare the feasibility study, ADB had engaged international consulting company of Kocks Consult GmbH. This company has prepared a preliminary estimate for the Resettlement and Land Acquisition, which was included in the grant component of the Financing Agreement.

137. MOTR then engaged the consulting company "Japan Overseas Consultants Co.LTD" ("JOC") to carry out detailed design. JOC has prepared the final LARP based on a comprehensive DMS and valuation survey, taking into account of changes in the road designs.

138. Tasks and responsibilities of Kocks Consult GmbH during PPTA include:
- (i) Engagement of Valuator – developing of a project-related valuation methodology
 - (ii) Development/Approval of Action Plan of LARP processes to be included in the Inception Report;
 - (iii) Agreeing on key implementation mechanism;
 - (iv) Collection of relevant documents:
 - a. ~~State social~~ allowances for unemployed, single mothers, disabled, aged, war veterans, and other groups of vulnerable APs;
 - b. Statistical data on the income of specific groups of APs, such as entrepreneurs, for cases where income cannot be established through paid taxes.
 - c. List of documents provided in the TOR for DMS.
 - (v) Field work (DMS, SES, Valuation);
 - (vi) Community Consultations;
 - (vii) Preparation of the draft LARP.

139. Tasks and responsibilities of JOC at detailed design stage include:
- (i) Selection and mobilization of a design consultant with approved national and international resettlement specialists and inclusion of costs and requirements for resettlement related activities in the tender/contract documents;
 - (ii) Development of Action Plan for LARP preparation;
 - (iii) Agreeing on key implementing mechanisms for the final LARP;
 - (iv) Selection of the Consultant for DMS and Valuation;
 - (v) Training LARC on ADB SPS (2009) and LAR;
 - (vi) Community Consultations;
 - (vii) Appoint Focal Persons for GRG;
 - (viii) Preparation of Implementation Ready LARP and its submission for approval to MOTR/ADB.

140. At project implementation, a construction supervision consultant (CSC) will be engaged to assist IPIG/MOTR to implement the LARP and to carry out monitoring and reporting.

7.1.4 Ministry of Finance

141. The Ministry of Finance has the overall financial responsibility for the Project. Compensations to AHs will be paid through the Ministry.

7.1.5 LAR Commission

142. On 15 December 2015 the LARC for the project was officially formed in accordance to Decree No. 361b of the Plenipotentiary of the Government of Kyrgyz Republic in Naryn Oblast, but without covering Section 2B. The decree was amended on 03 August 2016 for covering Section 2B. The LARC, relevant to Section 2B, consists of the following members:

- (i) Chairman: Duyshonaliev Almazbek, Chief Specialist of the Regional Development Department of the Plenipotentiary in Naryn Oblast.
- (ii) Secretary: Jeenaliev Bakyt, First Deputy of Jumgal Rayon Administration
- (iii) Member: Satybaldiev Ruslan, Regional Coordinator of IPIG of MOTR (by agreement)
- (iv) Member: Aliev Mirmuhanbek, Expert in Land Management and Architectural Solutions, IPIG of MOTR (by agreement)
- (v) Member: Kartanbaeva Nurzada, Safeguards Specialist, IPIG of MOTR (by agreement)
- (vi) Member: Abdylidabekov Tynychbek, Head of RMD#3 at Jumgal Rayon

- (vii) Member: Rahatbek uulu Erkin, Head of Urban Development and Architecture Department, Naryn Oblast
- (viii) Member: Smadiyarov Isken, Head of Urban Development and Architecture Department, Jungal Rayon
- (ix) Member: Kalmambetov Arslan, Head of Jungal Rayon's Power Grid
- (x) Member, Nurmambetov Joldosh, Head of Regional Department for Ecological and Technical Safety Inspection
- (xi) Member: Kudaibergenov Rusbek, Head of Jungal State Registry of the Rights for Estates
- (xii) Member: Junusov Zamir, Head of Tugol-sai ayil-okmotu
- (xiii) Member: Asanov Talant, Head of Kuiruchuk ayil okmotu
- (xiv) Member: Bolotaliev Uzak, Head of Jungal ayil okmotu

143. Main responsibility of the LARC is to assist MOTR to implement the LAR. Others roles of the LARC include:

- (i) Participation in public consultations
- (ii) Assisting IPIG to carry out internal monitoring
- (iii) Participation in GRM, facilitating resolution
- (iv) Facilitating land surface clearance of ROW after LAR being implemented

7.1.6 GRGs

144. Any complaints during LARP implementation and construction period will be registered and addressed by the GRGs. Functioning of GRGs are detailed in the following subsection.

7.2 Grievance Redress Mechanism

7.2.1 Objectives

145. The Grievance Redress Mechanism (GRM) is a process and forum through which APs need a trusted way to voice and resolve concerns about LAR and the project also finds an effective way to address affected people's concerns. For this project, a GRM was established and it was notified in written form to APs during public consultations from September 2016 to January 2017. The GRM was approved by Minister MOTR through the issuance of MOTR Order No.235 dated 12 July 2017.

146. APs and local people have the right to file complaints and/or queries on any aspect of the project, including LAR, environmental and other safeguard issues. Under the GRM, people may appeal any decision, practice or activity related to the project. All possible avenues will be made available to the affected persons and others to voice their grievances. IPIG will ensure that grievances and complaints on any aspect of the project are addressed in a timely and effective manner.

147. Objectives of the GRM are:

- To reach mutually agreed solutions satisfactory to both the project and the APs, and to resolve any grievances locally, in consultation with the aggrieved party;
- To facilitate the smooth implementation of the LARP, particularly to cut down on lengthy litigation processes and prevent delays in project implementation; and
- To facilitate the development process at the local level, while maintaining transparency as well as to establish accountability to the affected people.

148. The mechanism consists of grievance resolution of two levels, the local and central levels. At each level, grievance redress groups (GRGs) were 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.

149. The GRM covers issues related to social, environmental and other safeguard issues under the ADB safeguard covenants and Kyrgyz laws.

7.2.2 Grievance Redress Groups

150. The Grievance Redress Groups (GRGs) were established at both local and central levels on 12 July 2017, upon the issuance of Order No. 234 by MOTR. The GRGs will function for the duration of both LARP and project implementation. The local GRGs include one in each affected Ayil-Okmotu (village) and the central GRG is set at MOTR in Bishkek.

151. The local GRG in each Ayil-Okmotu consists of up to 12 members, together with one or more observers. Duties of main members are presented in Appendix 9.

Table 20: Local GRG Composition

No.	Member	Position held
1	Assistant to resident engineer of CSC	Chairman
2	Head of Ayil Okmotu (also as LFP by agreement)	Member
3	Head of RMD#24	Member
4	Resettlement Specialist of CSC	Member
5	Environmental Specialist of CSC	Member
6	Representative AH	Member
7	Representative AH	Member
8	Representative AH	Member
9	Representative from NGOs (by agreement)	Member
10	Representative of Ombudsman of Naryn Oblast (by agreement)	Member
11	Representative from Public Supervision Board for MOTR (by agreement)	Member

12	Safeguard Specialist, IPIG of MOTR	Member
	Locals	Observers

152. The central level GRG consists of 8 members (Table 21), together with one or more observers. Again, duties of each member are presented in Appendix 9.

Table 21: Central GRG Composition

No.	Member	Position held
1	Director, IPIG of MOTR	Chairman
2	Environmental Specialist, IPIG of MOTR	Member
3	Head of RMD#9	Member
4	Safeguards Specialist/Sociologist, IPIG of MOTR	Member
5	Representative of Ombudsman of Naryn Oblast (by agreement)	Member
6	Representative from Public Supervision Board for MOTR (by agreement);	Member
7	Representative from NGOs (by agreement)	Member
8	Local Focal Point	Member
	Representatives of AHs (Male & Female)	Observers

153. The names of GRG members and their contact information will be included in the RIB that will be distributed among AHs shortly after the approval of final LARP by the Government of Kyrgyz Republic (RIB is presented in Appendix 5).

154. At each level of appeal, the GRG will be assisted as needed by the professional capacity to solve specific case. They include:

- (i) Representatives of State Rayon Administration
- (ii) Representatives of the Rayon Branch of the State Agency for Architecture and Construction
- (iii) State Registration Services of the Rayon
- (iv) Ministry of Agriculture
- (v) State Agency for Environment and Forestry
- (vi) Ministry of State Property
- (vii) Ministry of Emergency
- (viii) Technical expertise from professional engineers, and consultants with relevant experience in social safeguards and resettlement.

7.2.3 Grievance Resolution Process

155. The complaints and grievances from the AHs will be addressed through the procedure illustrated in Figure 9 and detailed in Table 22.

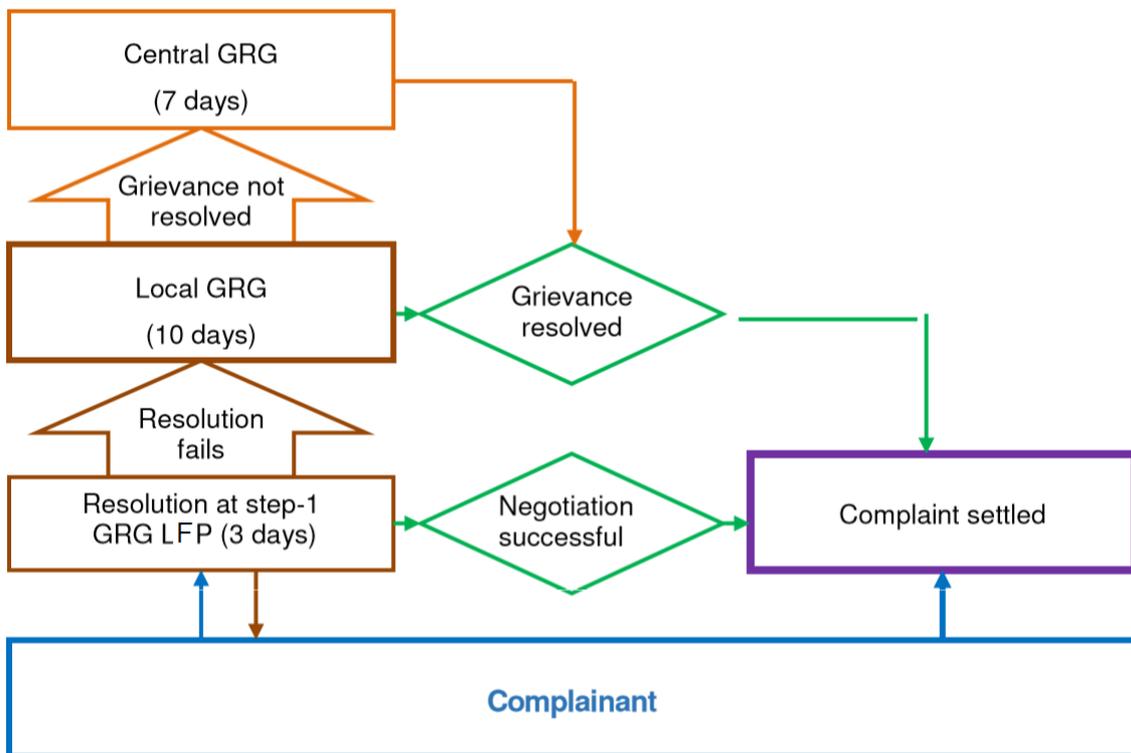


Figure 9: Grievance Redress Procedure

Table 22: Grievance Redress Procedure

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 level	After receiving written complaint, the LFP will review and prepare a Case File (see Appendix 9) for GRG 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.	10 days
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

7.2.4 Additional Mechanisms

156. Any physical and legal person, any appellant can communicate his/her concern to the court at any stage of grievance redress. The GRGs will not restrict or influence people from applying to court for legal remedies. If the complaint is found invalid, the GRG will formulate a response and send a written letter to the complainant, explaining the reasons of rejection.

157. In addition, ADB has its Accountability Mechanism Policy (2012)³⁵ that is to be accountable to people for ADB-assisted projects as a last resort mechanism.

³⁵ <https://www.adb.org/site/accountability-mechanism/main>.

The accountability mechanism provides a forum where people adversely affected by ADB-assisted projects can voice and seek solutions to their problems and report alleged noncompliance of ADB's operational policies and procedures.

158. The complainant, if not satisfied with GRG's decision or even the court's decision, can appeal the case to the Office of the Special Office Facilitator of ADB³⁶. The GRGs will not in any way impede APs' access to the ADB Accountability Mechanism.

7.2.5 Complaint Documentation

159. The IPIG of the MOTR will document all grievances (basic form is given in Appendix 9) in both written and electronic forms.

7.4 LARP Implementation Milestones

160. The LARP implementation milestones are illustrated in Table 23 below. As indicated in the table, land acquisition and resettlement are scheduled to complete by April 2018.

Table 23: LARP Implementation Milestones

	Tasks	Responsibility	Deadline	Note
1	Preparations			
1.1	Approval of updated LARP by MOTR	IPIG	2 July 2018	
1.2	Approval of GRM and establishment of GRGs	IPIG	25 July 2017	Done on 12 July 2015
1.3	Approval of updated LARP by ADB	IPIG	16 July 2108	
1.4	Review and approval of LARP by Ministry of Finance, Ministry of Justice, and others	MOTR	16 Aug. 2018	1 month after ADB's approval
1.5	Approval and endorsement of LARP by Government of Kyrgyz Republic	MOTR	15 Dec. 2018	4 months after approval of relevant ministries.
1.6	Distribution of LARPs among affected villages, Jungal and Kochkor Rayons, and Naryn Oblast	IPIG	15 Jan 2019	
1.7	Distribution of RIBs among AHs	IPIG	15 Jan 2019	GRG members and their contact information included in the RIBs
2	LARP Implementation			
2.1	Submission of LARP implementation action plan to ADB	IPIG	1 Feb 2019	
2.2	Mobilization of LARP implementation	IPIG, LARC	1 Feb 2019	2 weeks after distribution of RIBs
2.3	Consultation meetings in affected villages	IPIG, LAR	15 Feb 2019	Same as above
2.4	Processing LAR agreements between MOTR & AHs	LARC, IPIG, Lawyer	15 Apr. 2019	2-3 months after mobilization of LARP implementation
2.5	Payment of compensations to AHs	MOTR	30 Apr. 2019	2 weeks after signing final agreements
2.6	Relocation of temporarily affected businesses	IPIG, LARC, LFP, contractor	30 June. 2019	2 months after payments of final compensations
2.7	Land clearance	IPIG, LARC, contractor	31 Aug 2019	4 months after payment of final compensations
3	Monitoring and Reporting			

³⁶ www.adb.org/site/accountability-mechanism/contacts

	Tasks	Responsibility	Deadline	Note
3.1	Establishing and updating LAR database	IPIG, CSC	June 2019- Dec. 2021	Database establishment based on DMS and valuation results
3.2	Submission of monthly, quarterly, semi-annual and annual progress reports	IPIG	Jan 2019- Dec. 2021	
3.3	Submission of LARP implementation report	IPIG	15 Oct. 2019	Combined with the 3 rd quarterly progress report
3.4	Approval of LARP implementation report and issuance of a NOL to start civil works	ADB	22 Oct.2019	1 week after receiving LARP implementation report
3.5	Preparation of LAR completion report	IPIG	31 Dec. 2021	To be attached to the project completion report
4	Commencement of Civil Works in LAR Impacted Segments			
4.1	Notice to contractor to start civil works	MOTR	29 Oct. 2019	1 week after ADB's approval
4.2	Handing over cleared segments to contractor	MOTR	15 Nov. 2019	
4.3	Commencement of civil works	Contractor	15 Nov. 2019 onwards	

ADB= Asian Development Bank; CSC = construction supervision consultant; IPIG = Investment Project Implementation Group; GRG = Grievance Redress Group; JOC = Japan Overseas Consultants; LAR = land acquisition and resettlement; LARC = land acquisition and resettlement commission; LFP = local focal point; MOTR = MOTR; NOL = no objection letter; RIB = land acquisition and resettlement information brochure.

8. BUDGET

161. LAR budget includes:

- (i) Direct costs that are all direct compensations and assistances, including: a) the compensations, following the entitlements listed in Table 18, were determined by a certified independent valuator; and b) the assistances were also based on the provisions in Table 18.
- (ii) Administration expense including internal monitoring cost. It is set as 5% of the direct cost.
- (iii) Contingency for unforeseen issues. It is set as 20% of direct costs.

8.1 Valuation of Direct Costs

162. Valuation of direct costs was carried out by an independent valuator upon the availability of DMS results. The final valuation report was approved by the state expertise on December 30, 2017. A Summary Valuation Report is presented in Appendix 10; while the full valuation report in Russian Language, with valuation results for each DMS unit attached, is available at IPIG. Actual valuation was filed DMS unit by unit.

163. Methodologically, the valuation was regulated by the following documents:

- (i) Property Valuation Standards, compulsory for all parties carrying out appraisal activity in the Kyrgyz Republic, ratified by the Kyrgyz Republic Government Decree No. 217 dated 03 April 2006, and last amended on 15 November 2016).
- (ii) Temporary Rules for the activities of the Valuers and Valuation organizations in the Kyrgyz Republic, approved by the order #537 dated August 21, 2003 by the Government of the Kyrgyz Republic.
- (iii) International Valuation Standards (IVS), (2011)
- (iv) SPS (2009) of ADB.

164. Specific valuation methods for different valuation objects (land, buildings, structures, trees and crops, business loss, and etc.) are also briefed in the Summary Valuation Report.

8.1.1 Land

165. Owners losing titled agricultural and residential land are to be compensated at market values. Market value is an estimated amount for which a property should be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.

166. The market value of agricultural land was estimated using a revenue approach based on the analysis of the most efficient use of land. This method

involves considering options for the possible alternative use of land for growing various crops, the income of which provides the maximum cost of land. In this case, the methodology of capitalization of net operating income is used, provided that the land plot is used by the owner. Finally, the estimated rate for the purchase of agricultural land in two villages (km122.0 to km131.9) is 170,000 KGS/ha.

167. For the valuation of commercial land, the "residual method for land" is applied. The method is used to assess improved land plots, that they are used most effectively, and is based on the expectations and added profitability not related to land improvements. According to the residual method, the value of land is defined as the difference between the current value of capitalized net operating income from the improved land plot and the value of land improvements. For residential areas, at the suggestion of the Department of State Expertise, the calculation of the cost of a plot of residential land is made by a profitable approach, it is used as a vegetable garden for vegetables - potatoes, garlic and others. The most effective use of land is determined under the condition of growing garlic. Finally, the cost of the commercial and residential land is determined by minimum calculation meaning and is KGS 5,010,000/ha for residential land plots to be acquisitioned in the three settlements.

168. Costs for re-registration of remaining land are also included in the evaluation, such costs cover: (i) registration of owner's rights, (ii) technical passport; (iii) certificate of land ownership; and (iv) certificate of land ownership for acquisition.

8.1.2 Buildings and Non-Movable Structures

169. Buildings and non-movable structures status will be compensated at full replacement cost without any deductions for depreciation, salvaged materials, or transaction cost irrespective of the registration status. The replacement cost is based on the integrated indicators method.

170. The valuation also includes additional costs for re-registration of documents of title, permits and design documentation in case of demolition or relocation of the piece of property. The costs are based on the authorities' services pricelists.

171. The demolition costs of the structures were not included in the valuation as it will be done by the contractor with costs covered by civil works.

8.1.3 Trees and Crops

172. Calculation of losses for lost trees/bushes was carried out using different approaches:

- the costs of seedlings and ornamental trees were determined on the basis of the nurseries' market sale prices;

- The age and physical condition of the fruit bearing trees to be cut down is determined by a survey of owners;
- losses from loss of fruit-bearing trees are determined from the condition of the restoration of the tree and the volume of the harvest based on the annual (gross) harvest from the tree for 4 years;
- the costs of non-fruit trees are determined based on their lumber volume as firewood. The lumber volume is determined according to the reference books (Chotonov A. B. Directory of the KR Forest Inventory, 2006).

8.1.4 Income Loss due to Business Stoppage

173. The total income of AHs do not exceed the value-added tax (VAT) threshold of KGS 8.0 million, and thus corresponds to small business category. At this level, the Kyrgyz tax legislation provides for the simplified patent-based taxation for physical persons. AHs on Section 2B conduct legitimate patent-based commercial activity.

174. Patent-based taxation does not incur obligations for business operators to document their income in any way. Payment of a monthly non-recurring tax (patent) allows conducting the relevant activity, and means that an operator may generate income for up to KGS 8.0 million.

175. The, profitability calculations are based on average/annual average income figures although the valuator only received verbal information from AHs on their monthly revenues and net profit during the survey. Valuation survey indicated that the main factors affecting their monthly or daily income include the type of business, location, and operators' management skills and seasons. The verified daily net profit of the operator's averages from KGS 1,000 per day to KGS 1,500.

8.1.5 Allowances to SAHS and AVHs

176. Calculation of allowances to the HHs with vulnerability and severe impacts are included for valuation. SAHs were assessed by the valuator and confirmed by the Gosregister, and AVHs were identified by the affected village authorities.

177. The rehabilitation allowance/material assistance for each SAH due to loss of more than 10% of agricultural land is one years' harvest; while it is KGS 6,840 for all others, KGS 6,480 is equivalent to 6 times of the monthly minimum salary of KGS 1,140 in the Kyrgyz Republic. The payments to each AVH is also 6,840 KGS.

8.2 Budget and Financing

178. The final LAR budget is KGS 13,448,401 or US\$ 196,083,7 equivalent, including: (i) KGS 10,758,701 (80% of total budget) of basic or direct costs; (ii) KGS 537,936 (4% of total) of administration expenses; and (iii) KGS 2,151,744

(16% of total) of contingency. The direct costs include KGS 1,728,936 for land compensation and KGS 9,029,765 for other expenses. More details are given in Table 24.

179. MOTR, with budget allocation from the Government Kyrgyz Republic, will finance the land acquisition cost of KGS 1,728,936 or US\$ 25,208,6 accounting for 12.9% of total LAR budget; while ADB will finance the remaining of KGS 11,719,465 or US\$ 170,875, accounting for 87.1% of total budget.

Table 24: LARP Budget

Item	Impact		Cost	
	Unit	Qty	KGS	US\$
I. Direct Costs				
1. Compensation for agricultural land	m ²	16,734.6	284,493	4,148
2. Compensation for residential land	m ²	2,881.97	1,444,443	21,061
3. Compensation for residential building	m ²	70.76	1,156,289	16,859
4. Compensation for non-movable building	m ²	270.3	2,797,104	40,783
5. Compensation for affected fences	m	4,042.8	1,892,965	27,600
6. Compensation for trees	1028		522,990	7,625
7. Compensation for other assets			72,050	1,051
8. Compensation for standing crops	74	16,734.6	54,602	796
9. Cost for re-registration of land plots	HH	103	828,265	12,077
10. Compensation for Affected business	10	228.6	1,320,000	19,246
11. Allowance for severely affected HHs	HH	21	118,740	1,731
12. Allowance for affected vulnerable HHs	HH	39	266,760	3,890
Sub-total			10,758,701	156,867
II. Administration expense (4% of direct costs)			537,936	7,843,1
III. Contingency (16% of direct costs)			2,151,744	31,373,6
Grand Total			13,448,400	196,083,7

Source: valuation report, approved by the state expertise on December 30, 2017.

9. MONITORING

180. The implementation of the LARP will be subjected to internal monitoring. Internal monitoring will focus on LARP implementation progress and will be conducted by IPIG with assistance from the LARC and the project construction supervision consultant.

181. The objectives of the monitoring are to:

- (i) monitor LARP implementation progress and check whether or not the time lines are being met;
- (ii) assess if compensation, rehabilitation measures and social development support are sufficient;
- (iii) identify problems or potential problems;
- (iv) identify immediate/rapid response methods to mitigate problems or potential problems;
- (v) ensure that the GRM is functioning and grievances, if any, are being addressed timely and effectively; and
- (vi) ensure that the standard of living of AHs is restored or improved.

182. IPIG's social safeguard specialist will be in charge of internal monitoring. The scope of internal monitoring includes, but not limited to:

- (i) information disclosure and consultation with affected persons;
- (ii) progress of signing LAR agreements between MOTR and AHs
- (iii) progress of payment of compensations and allowances
- (iv) progress of land surface clearance
- (v) progress of relocating of the displaced household;
- (vi) progress of relocating affected trailer cafes at Kyzart Pass;
- (vii) grievance cases and their resolution status; and
- (viii) issues/problems, clarifications and/or counteractions and suggestions.

183. Data for the above tasks will be collected by IPIG with assistances from the supervision consultant and the LARC. Along with LARP implementation, IPIG will establish a LAR database based on the DMS and valuation results. The data collected during monitoring will then be used for updating the database on monthly basis. Hard copies of the database will also be documented monthly.

184. The internal monitoring report will be submitted to MOTR and ADB through the monthly and quarterly project implementation progress reports. In addition, semi-annual and annual monitoring reports, as standalone appendix to the corresponding overall project implementation reports, will also be prepared. In such reports, the LAR activities of the past 3 months will be tabulated to reflect progress through analyzing the LAR database and comparing actual and planned implementation timelines (Table 23), etc.

185. Upon completion of land acquisition and resettlement, IPIG will prepare a LARP implementation report for ADB’s review and approval. MOTR will only send notice to contractor to start civil works in LAR impacted segments till ADB approves the LARP implementation report. Upon project completion, IPIG will also prepare a final LAR completion report that will be attached to the project completion report.

186. The reporting schedule is given in the table below.

Table 25: Reporting Schedule for Monitoring

Report	Duration	Date	Note
Monthly report	Jan 2019	Middle of each month	One chapter of the general monthly report
Quarterly report	- Dec. 2021	Middle of each month of each quarter.	One chapter of the general quarterly report
Semi-annual & annual report		15 Jan 2019 15 July 2019 15 Jan 2020 31 Dec 2020	
LAR implementation report		15 October 2019	
LAR completion report		31 Dec 2021	

Appendixes

Appendix 1: Government Decree No. 183-p

The Government of the Kyrgyz Republic

DECREE

May 26, 2014 REF No.:183-p

For effective use of the financial resources, allocated for the construction North-South Alternative Route:

1. Official representatives of the Government (Governors) in Jalal-Abad, Naryn and Issyk-Kul oblasts have to ensure the land acquisition in accordance with the design documents for construction of the North-South Alternative Route.
2. Suspend all land acquisition and issuance of permits for construction, reconstruction, conversion and re-development of structures, and also light type of structures, including advertisement constructions in the corridor of 32 meters on both sides from designed center line of the North-South Alternative route until its full completion of construction.
3. Recommend to all local authorities of Ton rayon of Issy-Kul Oblast, Jumgal and Kochkor rayons of Naryn Oblast, Toguz-Toroo and Suzak rayons of Jalal-Abad Oblast to extend their full support to the Offices of Governors in Naryn, Issyk-Kul and Jalal-Abad oblasts in land acquisition for construction of North-South Alternative Route and enforce the execution of the Item 2 of this Decree.
4. Control of the execution of this Decree is entrusted to Ministry of the Transport and Communications of the Kyrgyz Republic.

Prime Minister Dj. K. Otorbaev

РЕСПУБЛИКАСЫНЫН
Ө МӨ Т У

КЫРГЫЗСКОЙ
РЕСПУБЛИКИ

БУЙРУК РАСПОРЯЖЕНИЕ

от 26 мая 2014 года № 183-р

В целях эффективного освоения финансовых средств, выделенных для реализации проекта строительства альтернативной дороги Север-Юг:

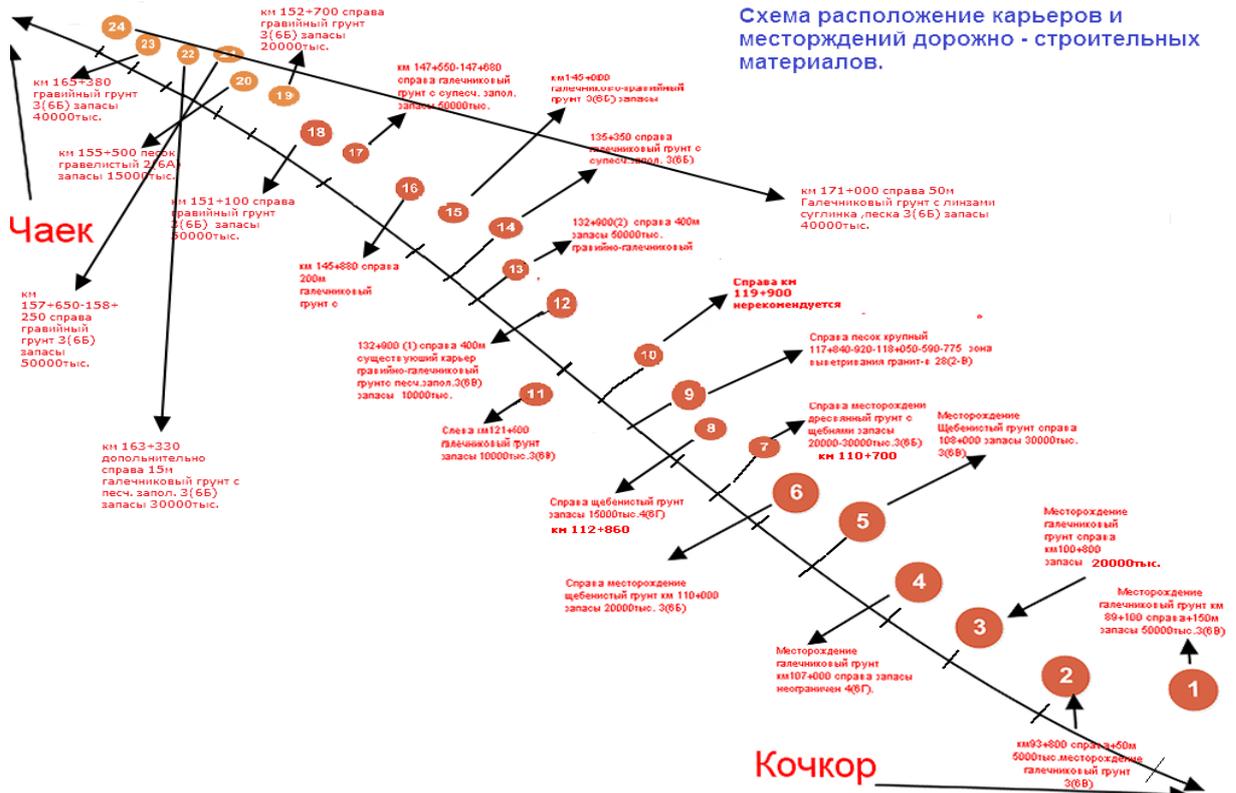
1. Полномочным представителям Правительства Кыргызской Республики в Джалал-Абадской, Нарынской и Иссык-Кульской областях обеспечить в соответствии с проектно-сметной документацией отвод земель под строительство альтернативной автомобильной дороги Север-Юг.
2. Приостановить отвод земельных участков и выдачу разрешительной документации на строительство, реконструкцию, перепрофилирование и перепланировку капитальных объектов, а также объектов облегченного типа, в том числе и рекламных конструкций, в полосе шириной 32 метра с каждой стороны от оси проектируемой альтернативной автомобильной дороги Север-Юг до полного завершения строительства данного объекта.
3. Рекомендовать органам местного самоуправления Тонского района Иссык-Кульской области, Джумгалского и Кочкорского районов Нарынской области, Тогуз-Тороуского и Сузакского районов Джалал-Абадской области оказывать содействие аппаратам полномочных представителей Правительства Кыргызской Республики в Джалал-Абадской, Нарынской и Иссык-Кульской областях при отводе земель для строительства альтернативной автомобильной дороги Север-Юг и принять к исполнению пункт 2 настоящего распоряжения.
4. Контроль за исполнением настоящего распоряжения возложить на Министерство транспорта и коммуникаций Кыргызской Республики.

Премьер-министр Дж.К. Оторбаев



Кыргыз Республикасынын
транспорт жана коммуникация министрлиги
" 27 " 05 2014 ж.ж.
Клиринг № 2162

Appendix 2: List of Borrow Pits



Appendix 3: Resettlement Planning Information Brochure

Resettlement Planning Information Brochure

CAREC Corridors 1 and 3 Connector Road

Prepared by MOTR

September 2016

A. The Project

The CAREC Corridors 1 and 3 Connector Road (the project) will improve national and regional connectivity by rehabilitating an estimated 253 kilometers (km) of road sections connecting the CAREC Corridors 1 (Bishkek–Naryn–Torugart) and 3 (Bishkek–Osh–Batken). The project is consistent with the government's priority of providing alternate access in national and regional connectivity. The project will help 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: (i) reduce the cost of passenger and cargo transportation between southern and northern regions, (ii) provide a more direct transit route between Kazakhstan and Tajikistan, and (iii) help stimulate trade.

The Ministry of Transport and Roads (MOTD) is the “Executing Agency” while the daily administration of the project will fall to the Investment Project Implementation Group (IPIG).

To facilitate preparation, feasibility study, design and financing, the project road is divided into 5 sections:

- (i) Section 1: Balykchy to post 43 (km 0 - km 43), approximately 43km;
- (ii) Section 2A: Kochkor to Epkin (km 62 - km 89.2), approximately 27km;
- (iii) Section 2B: Epkin to Bashkuugandy (km89.5 - km159.2) approximately 70km;
- (iv) Section 2C: Bashkuugandy to Kyzyl-Zhyldyz (km 159.2 - km183) approximately 24km; and
- (v) Section 3: Aral to Too Ashuu (km 195 - km 286) approximately 70km.

Specifically, the first three sections are prioritized for implementation with ADB financing. To facilitate construction of the three sections since 2017, MOTD (EA) had engaged the firm Japan Overseas Consultants Co. Ltd (JOC) to provide comprehensive consultancy services for the detailed design (DD) for the three sections proposed for ADB financing.

The final designs were ready as of 31 August 2016.

B. Resettlement Planning

Rehabilitation of the three sections for ADB financing, especially Sections 2A and 2B, will inevitably have some limited land acquisition and resettlement impacts. As per ADB's policy requirement, land acquisition and resettlement plans (LARPs) must be prepared and approved before civil works of project construction. The LARPs must fit both ADB's Safeguard Policy (SPS 2009) and Kyrgyz Republic law and regulations and policies related to LAR.

A key task for the consultancy services for detailed design is the preparation of implementation-ready LARPs based PPTA findings and final engineering designs (PD). The LARP preparation procedures include: (i) detailed measurement survey (DMS) and collection of relevant documents regarding affected households' tenure or ownership status; (ii) independent valuation survey and valuation based on DMS results, (iii) **public consultations**; (iv) preparation of draft LARPs for ADB and MOTC's review; (v) finalization of LARPs; (vi) approval of final LARPs by MOTR and ADB; and (vii) disclosure of final LARPs among government agencies and affected villages and people.

C. Legal Framework

The LAR impacts caused by the project will be compensated based on the laws, regulations, and policies of KGR and the requirements of ADB's Safeguard Policy Statement (SPS 2009).

D. Compensation Eligibility

APs eligible to compensation or at least rehabilitation provisions under the project are:

- (i) Those losing land, whether covered by legal title/traditional land rights, legalizable, or without legal status;
- (ii) Tenants and sharecroppers whether registered or not;

- (iii) Owners of buildings, crops, plants, or other assets attached to the land; and
- (iv) APs losing business, income, and salaries.

The above conditions will be well followed by the authorized agency and valuator who will carry out DMS and valuation survey. In short, those who will be identified as APs during the DMS are eligible for compensation and/or rehabilitation assistances.

Compensation eligibility is limited by the cut-off date set by the Local Authority following the end of the undergoing DMS and valuation survey. Persons that settle in or otherwise make use of affected areas after the cut-off date notification will not be eligible for compensation.

E. Grievance Redress Mechanism

A grievance redress mechanism (GRM) will be established for the project so as to enable APs to voice and resolve their concerns in a trusted and effective way.

Key to the GRM is the establishment of local and central level grievance redress groups (GRG). The role and responsibility of the GRGs are to accept claims and complaints, assess their validity, determine the scope of eventual impacts, and timely resolve the claims and complaints during LARP planning and implementation

APs' requests, complaints, claims and issues are at first considered by the GRG at the local level. Based on this mechanism, an aggrieved person may access the GRM through the Local Points of Contact (LPC). If decision on requests, complaints, claims and issues of citizens is not made by the GRG at the local level or the GRG is not able to make a decision for reasons beyond its control, then the complaints, requests and questions from APs shall be given to the GRG at the central level.

If decision on requests, complaints, claims and issues of APs requires to be made by the donor - the Asian Development Bank, then it will be forwarded to ADB.

CONTACT INFORMATION OF LOCAL FOCAL POINT AND CONSULTANT

No.	Name	Position	Contacts
1	Bolotaliev Uzak	Head of Jumgal ayil okmotu	0705310580
2	Nurkulov Ulan	Land specialist of Jumgal ayil okmotu	0708726200
3	Asanov Talantbek	Head of Kuiruchuk ayil okmotu	0709402351
4	Torgoldoev Arslan	Land specialist of Kuiruchuk ayil okmotu	0773050049
5	Junushov Zamir	Head of Tygol-Sai ayil okmotu	0702392909
6	Imanaliev Abellaris	Land specialist of Tygol-Sai ayil okmotu	0777152269 0708537163
7	Omorbekov Azamat	National Resettlement Specialist, JOC	0770115515

F. Contact Information

For additional information on the project and its LAR planning, please contact:

(i) Mr. Ruslan Satybaldiev IPIG Regional Coordinator, MOTR 42, Isanova St., Bishkek 720017 Tel: (0553) 50-40-41 E-mail: rsatybaldiev@piumotc.kg	(ii) Ms. Nurzada Kartanbaeva IPIG Safeguard Specialist MOTR 42, Isanova St., Bishkek 720017 Tel: (312) 31-43-56 E-mail: nurzada@gmail.com
(iii) Mr. Aliev Mirmukanbek IPIG Land specialist, MOTR 42, Isanova St., Bishkek 720017	(iv) Mr. Abdygulov Asylbek IPIG Environmental Specialist 42, Isanova St., Bishkek 720017 Tel: (312) 31-43-56

Appendix 4: Public Consultation Minutes

A. Jungal Village

Date: 16 September 2016, Time: 10.00

Location: Conference Room at Jungal Village Council

PARTICIPANTS: representative of local administration, Ministry of Transport and Roads of KGR, ADB, Detailed Design Consultant (JOC) and 36 Representatives of affected households. Total participants are 47.

AGENDA: Providing the information and Public Consultation conducting on engineering-technical part of the project, LARP preparation process, grievance redress mechanism (GRM) and feedback collection.

Mirmuhanbek Aliev, Planning and Architecture decisions, specialist of IPIG MOTR KR, expressed the gratitude for the participants of the Public Consultations and briefed about the project, introduced the attendances and noted that the MOTR KR is the implementing agency of this project.

Uzak Bolotaliev, Head of Jungal Ayil Okmotu, greeted the participants and applied for the local residents to take active part in Public Consultations.

Almaz Nurdinov, Detailed Design Engineer (JOC), presented the information about the engineering-technical specifications of the project, length of the project, pavement structure and cross-sections in Jungal Settlement Area. Also he had provided the information about the speed limit system, pedestrian crossings and lightning in residential areas. The presentation also included some entities that preliminary are to be affected by the project.

Jalil Tursunov, local resident of Jungal village, how many lands and what exactly will be affected by the project?

Almaz Nurdinov, Detailed Design Engineer (JOC), at this moment our specialist are working at the site to determine the affected corridor by the project, which will be taken into consideration, and after Gosregistr in close cooperation with other specialists will conduct additional survey and will determine the legal status of land acquisition.

Jalil Tursunov, local resident of Jungal village, what will happen to our water pipe line system?

Almaz Nurdinov, Detailed Design Engineer (JOC), water pipe line system was included to the project design and will be taken into consideration during the road construction. Wherever it is required they will be replaced to other place.

Kubat Nasykeev, local resident of Jungal village, are the under passes being considered near the school? early morning and afternoon children are passing the road near the school and this raises concerns that the new road construction will not be safe for the children.

Almaz Nurdinov, Detailed Design Engineer (JOC), construction of under passes is not considered near the school within this project, due to high cost and climate characteristics and swamp land. But the design included speed humps. Additionally from Road Police side in entrance to the village will be installed the speed limits.

A Naskeev, local resident of Jungal village, have you considered in entrance and at the end of the village the passes for animals?

Almaz Nurdinov, Detailed Design Engineer (JOC), no, we have not considered, due to swamp areas and the construction of passes for the animals will required big financial allocation. How can it function and will the passes operate accordingly, these questions raises some questions. We have specific standards and according to this standard regulation the construction of passes is not applicable. Besides, there will be installed the warning signs about the animals crossing the road.

Jalil Tursunov, local resident of Jungal village, as you stated the width in residential areas will be about 19 meters, is it possible to reduce it? Why we need this kind of wide road in village?

Almaz Nurdinov, Detailed Design Engineer (JOC), as you might know this road is the state road and will be alternative road connecting North and South regions and the 2 technical category roads.

Jalil Tursunov, local resident of Jungal village, is there any standards on which distance has to be located the house?

Almaz Nurdinov, Detailed Design Engineer (JOC), from the center line to 13 meters there is a red line and from red line to 2 meters it is allowed to construct the road.

Jalil Tursunov, local resident of Jungal village, my land plot and the structures are closer than you stated?

Almaz Nurdinov, Detailed Design Engineer (JOC) that is why Gosregistr with close cooperation with other specialists will conduct the survey and will check the legality of the owners.

A Naskeev, local resident of Jungal village, during the agricultural season in our village the fields are used by heavy

equipment – tractors with crawlers. Is it possible to consider any engineering approaches for reducing the damage of new asphalt pavement?

Almaz Nurdinov, Detailed Design Engineer (JOC), this kind of moments are not considered with the project and ideally for transportation of this kind of equipment it is required to use specific vehicles (trawls). For ensuring this kind of requirements the Road police is responsible. Besides, the construction of this kind of approaches will cost big money and due to use of not less than 4-5 tractors per year there is no need to construct these kinds of approaches.

M Sabyrov, local resident of Jumgal village, heavyweight trucks, which deliver coal and other commodities may damage the new road?

Almaz Nurdinov, Detailed Design Engineer (JOC), as I have already presented this road is estimated for 11.5 ton loading per single axle and there will be constructed the weight controls, which will control the issues of overloading.

N. Asanov., local resident of Jumgal village, what will happen to the houses that are located near the road?

Almaz Nurdinov, Detailed Design Engineer (JOC), before the construction we will conduct the detailed survey of each house, which are located near the road with detailed description of construction and defects, which will be recorded accordingly, and in case of appearing new cracks or other damages it will be compensated or rehabilitated.

T Usubalieva, local resident of Jumgal village, at the end of the village there is a place, where the water is ponding, which can further damage the road. Is it possible to consider draining pipes in this section?

Almaz Nurdinov, Detailed Design Engineer (JOC), some similar section we have already included to our design. Let's see this section after the meeting together with you and we will take it into account.

T Usubalieva., local resident of Jumgal village, in this section of the road on LHS there is enough space and is it possible to construct new road on empty area, this will move the construction from our houses.

Almaz Nurdinov, Detailed Design Engineer (JOC), during the designing the road we considered several options of new alignment in this village and our specialists paid attention to other site characteristics and it was determined that the section is swamp and moreover there are land plots of residents of your village. Considering this it was agreed that the road will pass by existing road.

Tursunov Ulan, local resident of Jumgal village, according to the design of the project the new bus stop will be located on my land plot, which I use for seeding the agricultural goods. I do not work and this land is my main income. I would like to know more detailed information how much land will be withdrawn and is it possible to construct the bus stop on existing place?

Almaz Nurdinov, Detailed Design Engineer (JOC), during the survey this land was determined as empty, and there were only fence. We will conduct additional measurement of the land plot and will determine how much place will be allocated for bus stop construction. In case if the land will be big and you will be against it then we will consider the possibility of bus stop construction in another place.

Stalbek Solpuev, local resident of Jumgal village, in case of new road construction the elevation of the fill will be raised and how you will consider the entrances for residential houses?

Almaz Nurdinov, Detailed Design Engineer (JOC), elevation of the fill will be raised for 50cm and existing entrances will be considered during the construction.

Kubat Nasykeev, local resident of Jumgal village, are the public toilets considered near bus stops?

Almaz Nurdinov, Detailed Design Engineer (JOC), construction of the toilet is considered only on the top of Kyzart pass.

Azamat Omorbekov, Resettlement specialist of detailed design (JOC), expressed gratitude to the participants of Public Consultations, local administration and other parties for the interest. He also stated that within the ADB's Safeguard measures from 2009 the Ministry of Transport and Road of the KR is preparing the Resettlement Plan. There will be detailed information about the compensation payment, principals and mechanism of the compensations. For the information, informative brochures in Kyrgyz and Russian languages were prepared and distributed three days before Public Consultations, and also the invitation was distributed among the interested participants.

Additionally for the participants of the Public Consultations was provided the detailed information about the process of conducting the Detailed Measurement Survey (DMS), about the Claim Consideration Mechanism and the Claim Consideration Group.

Azamat Omorbekov, Resettlement specialist of detailed design (JOC), applied for the participants whether is understandable the process of Resettlement Plan preparation, principals and mechanism of compensations and whether participants have additional questions regarding the provided information.

Participants stated that they do not have any questions.

Kubat Naskeev, local resident of Jumgal village, is it possible to install signal lights near the school?

Almaz Nurdinov, Detailed Design Engineer (JOC), as I have stated before, there is no signal lights there. For the signal lights installation there are specific requirements on the number of passing the road pedestrians and the quantity of the passing traffic through the road.

Uzak Bolotaliev, head of Jumgal Ayil Okmotu, addressed to the participants whether they have any other questions?

Participants stated that they do not have any additional questions.

Then the head of Jumgal Ayil Okmotu thanked everybody for the participation and closed the Public Consultation.

B. Huiruchuk Village

Date: 16 September 2016

Time: 15.00

Location: Conference Room at Kuiruchuk Ayil Okmotu

PARTICIPANTS: representative of local administration, Ombudsman of Naryn Oblast, Ministry of Transport and Roads of KGR, ADB, Detailed Design Consultant (JOC) and 13 representatives of AH. Total participants are 25.

AGENDA: same as in Jumgal

Mirmuhanbek Aliev, Planning and Architecture decisions Specialist of IPIG MOTR KR, expressed the gratitude for the participants of the Public Consultations and briefed about the project, introduced the attendances and noted that the MOTR KR is the implementing agency of this project.

Talantbek Asanov, Head of Kuiruchuk Ayil Okmotu, greeted the participants and applied for the local residents to take active part in Public Consultations.

Almaz Nurdinov, Detailed Design Engineer (JOC), presented the information about the engineering-technical specifications of the project, length of the project, pavement structure and cross-sections in residential areas. Also he had provided the information about the speed limit system, pedestrian crossings and lightning in residential areas. The presentation also included some entities that preliminary are to be effected by the project.

Bektemor Jarkynbaev, local resident of Kuiruchuk village, what will happen to our fences and trees, in case they are affected by the project?

Almaz Nurdinov, Detailed Design Engineer (JOC), at this moment Gosregistr in close cooperation with other specialists are conducting the survey and determining the quantity of trees and length of the fences to be affected by the project. For withdrawn trees and fences, the owners will be compensated, which will be calculated by independent evaluator.

Bektemor Jarkynbaev, local resident of Kuiruchuk village, during the construction works will the cemetery be affected, which is located along the road?

Almaz Nurdinov, Detailed Design Engineer (JOC), cemetery and the monuments will not be affected at all. At this section of the road we have enough place and we need only 15 meter width, asphalt for 9 meters and 3 meter for shoulder on both sides.

Arslan Korgoldoev, land specialist of Kuiruchuk Ayil Okmotu, it means that within village the road will be 4 lanes and non-residential areas it will be two lanes?

Almaz Nurdinov, Detailed Design Engineer (JOC), yes in villages the road will be 4 lanes and outside the villages two lanes.

Arslan Korgoldoev, land specialist of Kuiruchuk Ayil Okmotu, what size of the ditches are considered on the edges of the road?

Almaz Nurdinov, Detailed Design Engineer (JOC), we are planning to use ditch Б-3 80x40.

Talantbek Asanov, Head of Kuiruchuk Ayil Okmotu, what would be the length of the ditch?

Almaz Nurdinov, Detailed Design Engineer (JOC), from the beginning of the village, starting from the shop and up to the end of the village. Ditches will go through the existing lane. Part of the ditches will pass through one side and then the rest will cross to the other side.

Myrzabek Beisheev, local resident of Kuiruchuk village, will the concrete barriers be installed on the middle of the road?

Almaz Nurdinov, Detailed Design Engineer (JOC), we will not consider concrete barriers, on the middle of the road we have only considered the road marking.

Arslan Korgoldoev, land specialist of Kuiruchuk Ayil Okmotu, nearby the shop there is irrigation pipe. Will it be considered by the project?

Almaz Nurdinov, Detailed Design Engineer (JOC), those pipes are considered in our design. In close cooperation with your specialists we have determined the section, where we need to install pipes.

Arslan Korgoldoev, land specialist of Kuiruchuk Ayil Okmotu, for some land plots the owners provided (by themselves) junctions from the road side and installed special pipes for the entrance to the land plot. Have you considered these moments?

Almaz Nurdinov, Detailed Design Engineer (JOC), our specialists conducted the topographic survey and determined the junctions to land plots and streets, which were taken into account during the design. Most probably, some junctions were constructed after the topo survey and they may not be considered in the project.

Ainura Musaeva, local resident of Kuiruchuk village, my house is located near the road and what will happen to our entrances? Will you install pipes? Are there enough space for pipe and ditch installation?

Almaz Nurdinov, Detailed Design Engineer (JOC), we will leave place for junction and it will be more than enough, we will install the pipes and pave with asphalt.

Talantbek Asanov, Head of Kuiruchuk Ayil Okmotu, we have applied with the proposal to consider animal passes, but we have not received reply from you.

Almaz Nurdinov, Detailed Design Engineer (JOC), in this section animal passes are not considered due to swamp and straight terrain. But will be installed appropriate road sings.

Talantbek Asanov, Head of Kuiruchuk Ayil Okmotu, any traffic lights are considered?

Almaz Nurdinov, Detailed Design Engineer (JOC), for traffic lights installation there are special requirements, within one hour 400 vehicles should pass the road and certain number of pedestrian should cross the road, which is not applicable for this project site.

Arslan Korgoldoev, land specialist of Kuiruchuk Ayil Okmotu, can we use the old asphalt and pipes for the improvement of other village roads?

Mirmuhanbek Aliev, Planning and Architecture decisions Specialist of IPIG MOTR KR, this issue has to discuss with RMD through Ayil Okmotu during the construction period.

Almaz Nurdinov, Detailed Design Engineer (JOC), all old reinforced concrete structures will be handed over to RMD and this issue may be solved with the Contractor and RMD representative during the construction works.

Berdibek Abylabekov, local resident of Kuiruchuk village, you have stated that you will demolish the fence of the Culture House during the construction. Who is going to rehabilitate it?

Almaz Nurdinov, Detailed Design Engineer (JOC), this fence will be compensated and with Contractor's assistance it will be relocated.

Azamat Omorbekov, Resettlement specialist of detailed design (JOC), expressed gratitude to the participants of Public Consultations, local administration and other parties for the interest. He also stated that within the ADB's Safeguard measures from 2009 the Ministry of Transport and Road of the KR is preparing the Resettlement Plan. There will be detailed information about the compensation payment, principals and mechanism of the compensations. For the information, informative brochures in Kyrgyz and Russian languages were prepared and distributed three days before Public Consultations, and also the invitation was distributed among the interested participants.

Additionally for the participants of the Public Consultations was provided the detailed information about the process of conducting the Detailed Measurement Survey (DMS), about the Claim Consideration Mechanism and the Claim Consideration Group.

Azamat Omorbekov, Resettlement specialist of detailed design (JOC), applied for the participants whether participants understood the process of Resettlement Plan preparation, principals and mechanism of compensations and whether participants have additional questions regarding the provided information.

Participants stated that they do not have any questions.

Berdibek Abylabekov, local resident of Kuiruchuk village, Only one construction organization will work or several?

Mirmuhanbek Aliev, Planning and Architecture decisions Specialist of IPIG MOTR KR, appropriate documents will be prepared and then the tender will take place, and who wins the tender with conduct the construction works.

Talantbek Asanov, Head of Kuiruchuk Ayil Okmotu, we would like to install similar fences in places where they are affected. Installation of similar fences will improve the view of our village after the construction. This is a proposal from Ayil Okmotu to install similar fences on both sides of the road.

Azamat Omorbekov, Resettlement specialist of detailed design (JOC), this issue was preliminary discussed with the head of Ayil Okmotu. Compensations will be paid to the owner of the affected entity, and cannot be paid to Ayil Okmotu. This is the owner's right to use the compensation as he wants. We will include your proposal to our Minutes of meeting. Thank you!

Almaz Nurdinov, Detailed Design Engineer (JOC), you are raising a good initiative. But unfortunately, this kind of things are not considered with the project.

Talantbek Asanov, Head of Kuiruchuk Ayil Okmotu, have you considered the installation of street lighting?

Almaz Nurdinov, Detailed Design Engineer (JOC), within the village, from the beginning and up to the end of the village we will install the street lighting.

Talantbek Asanov, Head of Kuiruchuk Ayil Okmotu, addressed to the participants whether they have any other questions?

Participants stated that they do not have any additional questions.

Then the head of Kuiruchuk Ayil Okmotu thanked everybody for the participation and closed the Public Consultations.

C. Tugol-sai Village

Date: 17 September 2016

Time: 10.00

Location: Conference Room at Tugol-sai Ayil Okmotu

PARTICIPANTS: representative of local administration, Ministry of Transport and Roads of KGR, ADB, Detailed Design Consultant (JOC) and 6 Representatives of AHs. Total participants are 17.

AGENDA: Same as in Jumgal

Zamir Djunosov, Head of Tugol-sai Ayil Okmotu, greeted the participants and applied for the local residents to take active part in Public Consultations.

Almaz Nurdinov, Detailed Design Engineer (JOC), presented the information about the engineering-technical specifications of the project, length of the project, pavement structure and cross-sections in residential areas. Also he had provided the information about the speed limit system, pedestrian crossings and lightning in residential areas. The presentation also included some entities that preliminary are to be effected by the project.

Burul Kasmalieva, local resident of Tugol-sai village, nearby our shop goes the water pipe system, what will happen to our shop and water pipe system during the construction?

Almaz Nurdinov, Detailed Design Engineer (JOC), water pipe system will be slightly relocated close to the sidewalk. At this moment the water pipe system is located very close to the road and during the installation of street lighting and ditches, water pipe system will be allocated between ditch and sidewalk. Sidewalk will be in two meters of your shop. At this moment our specialists are determining the affected corridor and making marks on them. You can be ensured that your shop will not be affected with the project.

Azamat Omorbekov, Resettlement specialist of detailed design (JOC), yesterday the Engineers together with Gosregist Specialists conducted the survey and measurement on this section of the road and determined that the distance between the sidewalk and your shop is 3.5 meters. We would like to note that your shop will not be affected, but the trailer near you shop needs to be relocated.

Burul Kasmalieva, local resident of Tugol-sai village, with the trailer there is no any problems and I agree that it has to be relocated. My concern is for my shop, and I wanted to know what will happen. I had a concern that the road will be right near to my shop.

Almaz Nurdinov, Detailed Design Engineer (JOC), you may not be concerned, the road will pass in enough distance from the shop. In some villages the road goes closely to similar entities. In your case we will shift the trailer and the fence of the mosque will be relocated.

Burul Kasmalieva, local resident of Tugol-sai village, on the other side of the road there is enough space and it can be used to minimize the impact to our entities and mosque?

Almaz Nurdinov, Detailed Design Engineer (JOC), on the other side there are land plots and fences of other residents of your village. We cannot design the road with curves, the alignment of the road has to be straight.

J. Medetbekova, local resident of Tugol-sai village, the road in the village will be with four lanes and sidewalks on both sides of the road. Our land plots and houses will not be affected?

Zamir Djunosov, Head of Tugol-sai Ayil Okmotu, your land plots and houses are located far from the road and they will not be affected.

Saparbek Duulatov, local resident of Tugol-sai village, our village is divided to upper and lower zones and accordingly we graze the cattle on two big sections, have you considered the passes for cattle and animals?

Almaz Nurdinov, Detailed Design Engineer (JOC), no we have not considered, due to swamp areas and the construction of passes for the animals will required big financial allocation. How can it function and will the passes operate accordingly, these questions raises some questions. We have specific standards and according to this standard regulation the construction of passes is not applicable. Besides, there will be installed the warning signs about the animals crossing the road.

Burul Kasmalieva, local resident of Tugol-sai village, pedestrian crossing and road markings are considered?

Almaz Nurdinov, Detailed Design Engineer (JOC), inside the village we will install pedestrian crossings and road marking. Near the shop we will install speed humps and Road Police will install speed limit signs in the entrance part of the village.

Saparbek Duulatov, local resident of Tugol-sai village, will the project affect the cemetery, which is located along the road?

Almaz Nurdinov, Detailed Design Engineer (JOC), we understand that this is the important issue. Construction of the road will not affect the cemetery.

Burul Kasmalieva, local resident of Tugol-sai village, What will happen to the bridge? Will it be replaced?

Almaz Nurdinov, Detailed Design Engineer (JOC), our specialists conducted the survey of the bridge and the bridge is in good condition. At this moment we are deciding what we will do with the bridge, whether it will be widened or replaced.

Zamir Djunosov, Head of Tugol-sai Ayil Okmotu, can we use old asphalt and pipes for improving the other village roads. We have some streets, where during the rain you cannot even drive.

Almaz Nurdinov, Detailed Design Engineer (JOC), all old reinforced concrete structures will be handed over to RMD and this issue may be solved with the Contractor and RMD representative during the construction works.

Aida Satylganova, ABD Representative, on behalf of the Ayil Okmotu you can officially propose your suggestions for infrastructure improvement, which has to be realistic in a plan of implementing and in financial relation also.

Almaz Nurdinov, Detailed Design Engineer (JOC), besides you can consider co-financing, where the part of the money will be allocated as own contribution from Ayil Okmotu and part of the money will be allocated for solving the current issues.

Azamat Omorbekov, Resettlement specialist of detailed design (JOC), expressed gratitude to the participants of Public Consultations, local administration and other parties for the interest. He also stated that within the ADB's Safeguard measures from 2009 the Ministry of Transport and Road of the KR is preparing the Resettlement Plan. There will be detailed information about the compensation payment, principals and mechanism of the compensations. For the information, informative brochures in Kyrgyz and Russian languages were prepared and distributed three days before Public Consultations, and also the invitation was distributed among the interested participants.

Additionally for the participants of the Public Consultations was provided the detailed information about the process of conducting the Detailed Measurement Survey (DMS), about the Claim Consideration Mechanism and the Claim Consideration Group.

Azamat Omorbekov, Resettlement specialist of detailed design (JOC), applied for the participants weather is understandable the process of Resettlement Plan preparation, principals and mechanism of compensations and weather participants have additional questions regarding the provided information.

Participants stated that they do not have any questions.

Zamir Djunosov, Head of Tugol-sai Ayil Okmotu, addressed to the participants weather they have any other questions?

Participants stated that they do not have any additional questions.

Then the head of Tugol-sai Ayil Okmotu thanked everybody for the participation and closed the Public Consultations.

D. Jany-Aryk Village

Date: January 31, 2017

Time: 11.00

Place: Conference hall of Jany-Aryk Village council

PARTICIPANTS: Local authority representatives, MOTR representatives, Jumgal local registration office, Jumgal Architecture Department, Jumgal Rayon administration representative, RMD 24 representative, DD Consultant and 26 APs. There were 37 people altogether at the consultations.

AGENDA: same as in Jumgal

Aliev Mirmuhanbek, Specialist of Land Management and architectural solutions, IPIG MOTR, thanked attendees for their participation in public consultations and outlined the upcoming project on the construction of roads, introduced everyone and said that MOTR is the implementing agency of the project.

Kadiev Kayirbek, Head of Jany-Aryk Village, after greetings, kindly requested the locals to actively participate in these public consultations

Nurdinov Almaz, DD Engineer, presented the information on DD, length of the road, pavement construction and cross sections in and out of the villages. Also he informed on speed limits, pedestrian crossings and street lightings. He did also mention about the households that are under the impact of the Project.

Omorbekov Azamat, Resettlement Specialist (JOC), thanked the participants of the public consultation on behalf of representatives of local authorities and affected parties for their interest. He noted that within the framework of the requirements of the Regulations of ADB policy on safeguard measures from 2009, the Ministry of Transport and Road relocation plan is under development. The plan will contain in detail the rights for compensation, the principles and mechanisms for obtaining compensation. For information purposes, brochures were prepared in Kyrgyz and Russian languages, which have been distributed three days before the start of the public consultation, as well as most of the APs were invited personally during individual and group meetings.

In addition to public consultation, participants were provided with detailed information about the process of conducting a detailed measurement survey (DMS), a mechanism to deal with complaints and group complaints.

Azamat Omorbekov, national consultant on resettlement (JOC), asked the audience if it was clear the process of preparing the resettlement plan, the principles and mechanisms of compensation payments, and if they have any questions about the information provided in these two presentations.

Akmatkaziev Okmotkaliy, my land runs along the project road, I pay all the taxes, but the land plot is officially registered at another person. I would like to know from you what will happen to my land and what I have to do?

Koktaev Keneshbek, Land specialist of Jany Aryk Village authority, started to clarify the situation on this issue. Construction of the road will have an impact on the proportion of agricultural land, located along the road. During identifying the areas that could potentially be affected, we are working with the engineers we determined whose land areas are subject to the impact of the project. As it was determined during the joint work that the construction of the road will require land acquisition of about 0.5 to 5 meters along the road from the existing ditch.

Your land does not fall under the influence. I have a preliminary list of land owners, whose lands will be affected. We have been working on the calculation of the approximate area of the seized plots, and the average area of the land plots ranged from 0.01 to 0.05 hectares.

Kadiev Kayirbek, Head of Jany Aryk Village, on the outskirts of our village on the stretch of road has a steep climb, and in winter there are often accidents occur. How do you plan to address this issue?

Nurdinov Almaz, DD Engineer, during design, we have provided all such matters, and specifically in this section it is expected cutting to align the road.

Sagynkulov Seitbek, RMD 24 Engineer, what will be the maximum longitudinal gradient on the Kyzart pass?

Nurdinov Almaz, DD Highway Engineer, maximum longitudinal gradient on the Kyzart pass is 80 and for comfortable climbing, we have provided an additional lane for overtaking traffic.

Sagynkulov Seitbek, RMD 24 Engineer, on the Kyzart pass, constantly windy and in winter the snowdrifts are on the road. Do you plan to provide snow fence at Kyzart pass?

Nurdinov Almaz, DD Highway Engineer, the project provides installation of fences at the Kyzart pass. In addition, we are considering the installation of special protective shield on avalanche sections of the road.

Nogoibaev Kuban, Local of Jany Aryk village, what happens to irrigation channels during construction, which pass along the road?

Nurdinov Almaz, DD Highway Engineer, most of the ditches run along the road are in the right of way. During construction, ditches will be temporarily moved, and after the completion of construction work contractors will put in order. During the construction work you will need to specify which ditches provide water flow permanently.

Jumaliyev Nurbek, local resident, what material will be used for ditches? Concrete irrigation ditches or other material?

Nurdinov Almaz, DD Highway Engineer, in those places where the reinforced concrete ditches, they will be replaced with similar new reinforced concrete ditches. With regard to conventional ditches dug in the ground, they will be cleared by the contractor, by excavators.

Koktaev Keneshbek, Land specialist of Jany Aryk Village authority, currently some irrigation pipes are under the design road. Would it be possible during construction to install additional pipes in other places?

Nurdinov Almaz, DD Highway Engineer, during the meetings that we held in each village to gather information on irrigation and water systems along the road, we took additional proposals from local communities to be included in the project documentation. During construction, if necessary it is to be considered the possibility for extra pipes, 1 or 2.

Smadiyarov Tynychbek, Jumgal architecture department representative, very often we are approached by local residents with questions regarding the construction of cattle drove? Whether it is envisaged in the project? Upon completion of construction of the road there will be great increase of the flow of cars, causing concern among local residents.

Nurdinov Almaz, DD Highway Engineer, it is not provided, due to the fact that the marshy terrain and through underpasses must pass a certain number of cattle and the construction of cattle-drove requires large financial resources. And as far as it will

be needed, and whether it would work in the future, it raises some questions. We have certain standards, and in accordance with our regulations cattle drive is not suitable for the project. Additionally, signs will be installed, warning drivers that the cattle crossing on this stretch of road.

Kulov Nurbek, local resident, what happens to trees that are along the road?

Nurdinov Almaz, DD Highway Engineer, trees along the roads will be cut down. New 3 trees replacing 1 cut tree to be planted on completion of construction. The trees are watered during the construction work, and then will be transferred to the RMD balance.

Omorbekov Azamat, Resettlement Specialist (JOC), There is a small addition to the issue. If the trees are planted and grown on private land or a tree belongs to an individual, for the removal of wood for the construction of the road, compensation will be provided.

Nurdinov Almaz, DD Highway Engineer, we ask you to take an active part in meetings on the definition of land that could potentially be affected by the project and to provide the necessary documents.

Esenkaziev Elchibek, local resident, Can you provide a list of the landowners and the approximate area of the affected land plots?

Omorbekov Azamat, Resettlement Specialist (JOC), currently Jumgal State Registry is working on detailed measurement of objects falling under the impact of the project, the definition of the legal status of the owner, the collection of relevant documents and the calculation of the area to be withdrawn. Preliminary list of landowners is with land specialist of your village authority. Upon completion of this work in more detailed additional information will be provided during the public consultation to you. At this meeting, we will provide you with general preliminary information.

Esenkaziev Elchibek, local resident, Some landowners did not officially registered ownership of the land and some sites formalized to one owner, but actually the land is used by a different person.

Omorbekov Azamat, Resettlement Specialist (JOC), currently Jumgal Gosregister together with representatives of village authorities are conducting a work aimed at identifying the legal and factual landowners. In this regard, we ask you to take an active part in this work and, if necessary, submit the relevant documents for the land plots.

Kurmanbekov U., local resident, There is a bridge near to my land. When the construction will begin, and the reconstruction of the bridge, then most likely, bypass road would pass through my land. What will happen to my site, where I grow hay for cattle?

Nurdinov Almaz, DD Highway Engineer, during the bridge construction will be carried out in stages. The road shall be opened at one lane, and the bypass road is not required.

Omorbekov Azamat, Resettlement Specialist (JOC), if your land will be affected during the rehabilitation of the bridge, you have the right and opportunity to address through GRG. Your appeal will be considered in accordance with established procedures, and in a timely manner will make decisions in your treatment.

Asanov Joldoshbek, local resident, Can we use the old asphalt to improve the roads in the village?

Nurdinov Almaz, DD Highway Engineer, old asphalt will be spoiled to borrow areas. At the request of the representatives of village authority and local community it is possible in the case that the streets are near to the location of the construction works. It would be good if the representatives of village authority to discuss and determine in advance the streets on which it is planned to put the old asphalt.

Aliiev Mirmuhanbek, Specialist of Land Management and architectural solutions, IPIG MOTR addressed the audience with the question of whether they have additional questions about the information provided.

The participants responded that there are no more questions.

Kadiev Kayirbek, Head of Jany Aryk Village, thanked all present for their active participation and closed the public consultation.

E. Kyzart Pass

АКТ

13.01.2017

перевал Кызарт

Мы нижеподписавшие члены выездной комиссии:

- 1) Керимкулов Н.Б., глава Кочкорской РГА.
- 2) Эшмухамбет уулу Н., первый зам. главы РГА.
- 3) Абылкасымов М., начальник управления архитектуры и градостроительства.
- 4) Букарков К., глава Чолпон АО.
- 5) Монкоев Эмиль, глава Семиз-Белого АО.
- 6) Абырзаков М., собственник вагона.
- 7) Айтбаева М. (Балтабаев) собственник вагона.
- 8) Ибраимов И., собственник вагона.
- 7) Гомиев З., собственник вагона.
- 8) Суранчиев Р., Государственный инспектор.
- 9) Алев М., архитектор ИПИГ.

На основании обращения от собственников вагонов расположенных на перевале Кызарт от 02 ноября 2016 года вышерассказанные провели выездной осмотр и решили следующее:

- 1) Глава Кочкорского района Керимкулов Н.Б. предложил предусмотреть в проекте 5 документами вопрос о расширении стоянки/парковки на перевале Кызарт.
- 2) Независимый оценщик Долов Юрий отметил, что вагоны не будут перемещены до завершения процедуры оформления а вынужден комиссии собственников вагонов.

1стр

Statement

13.01.2017

Kyzart Pass

Members of visiting/reviewing commission:

1. Kerimkulov N. B, Head of Kochkor RGA;
2. Eshmuhambet ulu N, Deputy of Kochkor RGA;
3. Abylkasymov M, Head of Architecture Department;
4. Bukarov K, Head of Cholpon Village Council;
5. Monkoev Emil, Head of Semiz-Bel Village Council;
6. Abyrzakov M, Owner of the trailer;
7. Aitbaeva M, (Baltabaev), Owner of the trailer;
8. Ibraimov Sh, Owner of the trailer;
9. Tontiev Z, Owner of the trailer;
10. Suranchiev R, State Ecological and Technical Inspection;
11. Alev M, Architecture IPIG.

Based on the application of the trailer owners submitted on 2 Nov 2016, the above listed members visited the Kyzart Pass and reviewed the case on Jan 13 2017, and reached following:

1. Head of Kochkor Rayon, Kerimkulov N.B suggested to consider in project documents the expansion of parking area on top of Kyzart Pass (so as to enable to better place the trailers at the Pass);
2. Independent valuator, Yuri Dolgov, informed that the trailers will not be relocated before the completion of LAR procedures while proper compensations will be paid to the owners.

Appendix 5: Resettlement Information Brochure

RESETTLEMENT INFORMATION BROCHURE

CAREC Corridors 1 and 3 Connector Road (Section 2B)

Prepared by MOTR

June 2018

A. The Project

The CAREC Corridors 1 and 3 Connector Road Project (the project) will improve national and regional connectivity by rehabilitating an estimated 253 kilometers (km) of road sections connecting the CAREC Corridors 1 (Bishkek–Naryn–Torugart) and 3 (Bishkek–Osh–Batken). The project is consistent with the government's priority of providing alternate access in national and regional connectivity. The project will help 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: (i) reduce the cost of passenger and cargo transportation between southern and northern regions, (ii) provide a more direct transit route between Kazakhstan and Tajikistan, and (iii) help stimulate trade.

The Ministry of Transport and Roads (MOTR) is the “Executing Agency” while the daily administration of the project will fall to the Investment Project Implementation Group (IPIG).

To facilitate preparation, feasibility study, design and financing, the project road is divided into 5 sections:

- (i) Section 1: Balykchy to post km43 (km0 - km43), approximately 43km;
- (ii) Section 2A: Kochkor to Epkin (km62 - km89.2), approximately 27km;
- (iii) Section 2B: Epkin to Bashkuugandy (km89.5 - km159.2) approximately 70km;
- (iv) Section 2C: Bashkuugandy to Kyzyl-Zhyldyz (km159.2-km183) approximately 24km; and
- (v) Section 3: Aral to Too Ashuu (km195 - km286) approximately 70km.

Specifically, the first three sections are prioritized for implementation with ADB financing. The ADB sections are scheduled to start construction in 2017 and to complete by the end of 2019.

B. Resettlement Planning and Documentation

MOTR has prepared a land acquisition and resettlement plan (LARP) for Section 2B based on: (i) detailed measurement survey (DMS) and collection of relevant documents regarding affected households title or ownership status for affected land and non-land assets; (ii) valuation based on DMS results, and (iii) public consultations.

This LARP of Kyrgyz and Russian languages are available at Jumgal, Jany Aryk, Kuiruchuk and Tugol-sai villages, as well at the government offices of Naryn Oblast and Jumgal Rayon.

C. Legal Framework

The legal framework for LAR of the Project is based on ADB Safeguard Policy Statement (2009) and the legislation of KGR. In case there are any differences between requirements set by the legislation of KGR and ADB Policy, the latter should take precedence.³⁷

The relevant laws and government decrees of the country legislation that regulate LAR related to the project include:

- (i) Constitution of KGR (28 December 2016)
- (ii) Civil Code (08 May 1996, No. 16; last amended on 01 June 2017)
- (iii) Land Code (02 June 1999, No. 45; last amended on 28 July 2015, N 198)
- (iv) Law on Automobile Roads (No. 72 dated 02 June 1998, as amended on 03 August 2015)
- (v) Law on State Registration of Rights and Associated Transactions (22 December 1988, N 153, last amended on 10 February 2017)
- (vi) Law on Grievances (dated 04 May 2007, last amended on 27 July 2016)
- (vii) Valuation Standards for Valuators (Government Resolution No.217, 03 April 2006, last amended on 15 November 2016).

³⁷ 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).

- (viii) Decree No. 361-b of the Government of KGR on Formation of LARC (for the project in Naryn), (15 December 2015, last amended on 03 August 2016).
- (ix) Decree No. 183-p of the Government of KGR on Suspension of Land Acquisition Related Activities in the Project Road Corridor (32m from either side), (26 May 2014).

Key provisions of the above laws and decrees are cited in the LARP which is available at Jumgal, Jany Aryk, Kuiruchuk and Tugol-sai villages.

D. Compensation Eligibility and Entitlements

APs eligible LAR compensations and assistances under the project are those identified during DMS, including:

- (i) APs losing both residential and agricultural land, together with attached non-land assets and associated business, if any. APs losing land plots include those with legal titles and those without titles but legalizable (or formalizable). Non-land assets include buildings, structures, trees, bushes, standing crops, and etc.
- (ii) APs losing non-land assets including associated business on current right of way (ROW) of the project road and/or on non-formalizable municipal land.

APs not identified during DMS but recognized by the LARC in the process of implementing LAR and/or during project construction are also eligible for LAR compensations and assistances.

All compensations will be based on valuation results, detailed and officially endorsed valuation report is available (Russian and Kyrgyz versions) at MOTR (IPIG on behalf MOTR) and the Ministry of Finance. Entitlement provisions for APs losing land, non-land assets and associated business interruptions are presented in the entitlement matrix below.

Entitlement Matrix

Type of Loss	Application	Definition of Affected Households	Compensation Entitlements (Note: all compensations are based on valuation by an independent valuator)
1. Agricultural Land Loss	Titled agricultural land	Owner HHs	Compensation at market value including cost for re-registration of the remaining land plot (where applicable).
2. Non-agricultural Land Loss	Titled residential land	Owner HHs	Compensation at market value including cost for re-registration of the remaining land plot (where applicable).
	Illegally used municipal land and right-of-way of project road	User HHs	Compensation will be paid only for the loss of structures, trees and bushes, without compensation for land.
	Village land	Villages & school	No compensation for land, the contractor will be responsible for relocating affected fences
3. Residential Buildings	Residential houses	Owner HH	Compensation at full replacement cost free of depreciation and salvaged materials + transaction costs, including expenses for re-registration of the remaining land and buildings. (Transportation allowance shall also be provided, if applicable)
4. Non-Residential Buildings/Assets	Non-residential buildings	Owner HHs	Compensation in the amount of the full replacement cost without accruing depreciation, transaction costs and the cost of salvaged materials.
	Various types of fences	Owner HHs	Compensation in the amount of the full replacement cost without accruing depreciation and the cost of salvaged materials.
	Movable trailers and kiosks	Owner HHs	The contractor will be responsible to relocate the trailers and kiosks at project cost, no direct compensation to owners for affected trailers and kiosks.
5. Public Assets Loss	Fences and others	Village & School, other public sectors	Restoration of affected fences and others by contractor
6. Loss of Green Plantations and Crops (trees and crops)	Fruit trees and fruiting berry bushes	Owner HHs	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.
	Elms and poplars	Owner HHs	Compensation loss of unproductive trees based on value of the wood volume

	Seedlings and decorative pine	Owner HHs	Compensation based on market value.
	Annual and perennial crops	User HHs	Compensation based on the harvest value for one year.
7. Impacts to the Business	Permanent stoppage of business	Owner HHs	Compensation for verified/assessed net income for 6 months
	Temporary stoppage of business operating on movable trailers and kiosks	Owner HHs	Compensation for verified/assessed net income for one month
8. Allowances for Severe Impacts	Loss of more than 10% of agricultural land	Owner HHs	One additional crop compensation covering 1 year yield
	Loss of more than 10% of residential land	Owner HHs	A rehabilitation allowance of 6 months at minimum national salary
	Suffering physical displacement/losing residential houses	Owner HHs	A rehabilitation allowance of 6 months at minimum national salary
	Suffering income loss from permanent business stoppage	Owner HHs	A rehabilitation allowance of 6 months at minimum national salary
	Suffering transitional operation of business during project construction	Owner HHs	A rehabilitation allowance of 6 months at minimum national salary
94. Vulnerable People Allowances	AHs below poverty line/headed by women/elderly people or receiving the government social benefits.	Village council recognized/confirmed HHs among AHs	An allowance equivalent to 6 months of a minimum salary
104. Unforeseen LAR Impacts, if any	GRM Committee makes decisions on an individual basis	All AHs	Rehabilitation will be based on the above provisions and in compliance with ADB SPS (2009) and applicable laws of KGR.

E. Grievance Redress Mechanism

A grievance redress mechanism (GRM) was established for the project so as to enable APs to voice and resolve their concerns in a trusted and effective way. The complaints and grievances will be addressed by grievance redress groups at local and central levels through the procedure described below.

Grievance Redress Procedure

Steps	Action Level	Process	Timeline
Step 1	Resolution by LFP	At initial stage, the Local Focal Point (LFP) will give hearing to the aggrieved person and try to give acceptable solutions. If an aggrieved person is not satisfied with the solutions, he/she will lodge grievances in written to the local GRG within 3 days.	3 days
Step 2	Resolution at local level	After receiving written complaint of a AP, the LFP will review and prepare a Case File for GRG 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 produce proof in support of his/her claim. The LFP will note down the statements of the complainant and document all proof. 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 complainant person by the LFP within 10 days of submission. If aggrieved person is still not satisfied with the solution, then the LFP will lodge grievance in written to the central GRG at MOTR with conclusion and supporting documents prepared at local level.	10 days
Step 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 or her village. The IPIG Project Coordinator will note down the statements of the complainant and document all proof. The decision 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	7 days

Steps	Action Level	Process	Timeline
		decision will be communicated to the complainant person by the IPIG Project Coordinator within 7 days of submission.	

The composition of local and central GRGs are as follows.

GRG Composition

	Member	Position held
Local GRG	Assistant to resident engineer of CSC	Chairman
	Head of Ayil Okmotu (also as LFP by agreement)	Member
	Head of RMD#24	Member
	Resettlement Specialist of CSC	Member
	Environmental Specialist of CSC	Member
	Representative AH	Member
	Representative AH	Member
	Representative AH	Member
	Representative from NGOs (by agreement)	Member
	Representative of Ombudsman of Naryn Oblast (by agreement)	Member
	Representative from Public Supervision Board for MOTR (by agreement)	Member
	Safeguard Specialist, IPIG of MOTR	Member
Locals	Observers	
Central GRG	Director, IPIG of MOTR	Chairman
	Environmental Specialist, IPIG of MOTR	Member
	Head of RMD#9	Member
	Safeguards Specialist/Sociologist, IPIG of MOTR	Member
	Representative of Ombudsman of Naryn Oblast (by agreement)	Member
	Representative from Public Supervision Board for MOTR (by agreement);	Member
	Representative from NGOs (by agreement)	Member
	Local Focal Point	Member
Representatives of AHs (Male & Female)	Observers	

Affected person can appeal to the local court at any stage of grievance redress for a final resolution. Aggrieved APs, if not satisfied with the GRG's decision or even the court's decision, can appeal to the Office of the Special Office Facilitator³⁸ of ADB in accordance with its Accountability Mechanism (2012).

F. Contact Information

For additional information on the project and its LARP and EMP³⁹ implementations, please contact:

(i) Mr. Ruslan Satybaldiev IPIG Regional Coordinator, MOTR 42, Isanova St., Bishkek 720017 Tel: (0553) 50-40-41 E-mail: rsatybaldiev@piumotc.kg	(ii) Ms. Nurzada Kartanbaeva IPIG Safeguard Specialist MOTR 42, Isanova St., Bishkek 720017 Tel: (312) 31-43-56 E-mail: nurzada@gmail.com
(iii) Mr. Aliev Mirmukanbek IPIG Land specialist, MOTR 42, Isanova St., Bishkek 720017	(iv) Mr. Abdygulov Asylbek IPIG Environmental Specialist 42, Isanova St., Bishkek 720017 Tel: (312) 31-43-56

³⁸ www.adb.org/site/accountability-mechanism/contacts

³⁹ Environment Management Plan.

Appendix 6: Approved Generic Entitlement Matrix

Generic Entitlement Matrix

Type of Loss	Application	Affected Households	Compensation Entitlements (Note: all compensations are based on independent valuations)
1. Agricultural Land Loss	16,734.6m ² of titled agricultural land	69 owner HHs	Compensation at market value including cost for re-registration of the remaining land plot (where applicable).
2. Non-agricultural Land Loss	2,882.0m ² of titled residential land	22 owner HHs	Compensation at market value including cost for re-registration of the remaining land plot and attached buildings (where applicable).
	8,496.2m ² of illegally used municipal land and right-of-way of project road	54 user HHs	Compensation will be paid only for the loss of structures, trees and bushes, without compensation for land.
	354.8m ² of documented village land	2 villages & 1 school	No compensation for land, the contractor will restore associated fences on affected land plots
3. Residential Buildings	70.8m ² of titled residential houses	1 owner HH	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	158.7m ² of non-residential buildings	10 owner HHs	Compensation in the amount of full replacement cost without accruing depreciation, transaction costs and the cost of salvaged materials.
	3,428.0m of various types of fences	54 owner HHs	Compensation in the amount of full replacement cost without accruing depreciation and the cost of salvaged materials.
	149.4m ² of movable trailers and kiosks	7 owner HHs	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	614.9m of metal & brick fences, and others	Villages, school, public sectors	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)	14 fruit trees and 128 fruiting berry bushes	3 owner HHs	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

Type of Loss	Application	Affected Households	Compensation Entitlements (Note: all compensations are based on independent valuations)
			of the seedlings.
	858 elms and poplars	44 owner HHs	Compensation loss of unproductive trees based on value of the wood volume
	52 seedlings and 1 decorative pine	4 owner HHs	Compensation based on market value.
	3,3436.1m ² of annual crops and 13,289.5m ² of perennial crops	61 user HHs	Compensation based on the harvest value for one year.
7. Impacts to the Business	Permanent stoppage of business	3 owner HHs	Compensation for verified/assessed net income for 6 months
	Temporary stoppage of business operating on movable trailers and kiosks	7 owner HHs	Compensation for verified/assessed net income for one month
8. Allowances/material assistance for Severe Impacts	Loss of more than 10% of agricultural land	5 owner HHs	One additional crop compensation covering 1 year's yield
	Loss of more than 10% of residential land	8 owner HHs	A rehabilitation allowance/material assistance equivalent to six times of the minimum monthly salary in KGR
	Suffering physical displacement/losing residential houses	1 owner HH	
	Suffering income loss from permanent business stoppage	3 owner HHs	
	Suffering transitional operation of business during project construction	4 owner HHs	
9. Vulnerable People Allowances/material assistance	AHs below poverty line/headed by women/elderly people or receiving the government benefits/persons with disabilities.	39 AHs	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	All AHs	Rehabilitation will be based on the above provisions and in compliance with ADB SPS (2009) and applicable laws of KGR

Appendix 7: Assurance Letters of RMD#24 and Kochkor Rayon

<p>КЫРГЫЗ РЕСПУБЛИКАСЫНЫН ТРАНСПОРТ ЖАНА ЖОЛДОР МИНИСТРЛИГИ</p> <p>№24 Жол тейлоо ишканасы.</p> <p>722530 с/Чаяк Э.Сапарбеков №173 телефон: 0 35 36 23 5 23; 0 35 36 23 5 22</p> <p>№104</p> <p>Жумгал райондук №24 Жол тейлоо ишканасы Силерге томонкулу билдирет. Тундук-Түштүк альтернативдик авто жолу курулуп бүтүп, пайдаланууга берилгенден кийин «Кызарт» белинде торт вагондон соода кылган тургундарга соода кылып учун кайра орун берилет.</p> <p>№24 ЖТИнин начальниги <i>[Signature]</i> С.Сагынкулов.</p> <p>Ministry of Transport and Road of the Kyrgyz Republic Road Maintenance Unit #24 722530, Chyak Village, 173 Saparbekov Street, Tel: 0 35 36 23 5 23; 0 35 36 23 5 22</p> <p>#104 March 3, 2017 Attn: Owners of the trailers at Kyzart Pass</p> <p>Jumgal Rayon Road Maintenance Unit #24 informs you the following: After the completion of South-North Alternative Road and after handing over for the maintenance, four trailers at the top of Kyzart Pass will be relocated at the Pass accordingly.</p> <p>Head of RMU #24 (signature) Satynkulov S.</p>	<p>КЫРГЫЗ РЕСПУБЛИКАСЫ НАРЫН ОБЛУСУ КОЧКОР РАЙОНДУК МАМЛЕКЕТТИК АДМИНИСТРАЦИЯСЫ</p> <p>722800, Коочкор айылы, Исламго кич. 46, телефон: 0 (3535) 5-03-72, факс: 5-03-71, e-mail: info@koykor.gov.kg y: 361290272381410037 Коочкор КРК № 002031106 БИК 129024 «КСК» банк: ААК Коочкор филиалы IBAN: KG09999210035 OJKT0 04078111</p> <p>Кыргыз Республикасынын Нарын областынын Коочкор районунун мамлекеттик администрациясы</p> <p>722800, с/айыл Коочкор Э. Маманов 46, телефон: 0 (3535) 5-03-72, факс: 5-03-71, e-mail: info@koykor.gov.kg y: 361290272381410037 Коочкор КРК № 002031106 БИК 129024 Коочкор филиалы (ААК) «КСК» банк IBAN: KG09999210035 OJKT0 04078111</p> <p>№104-с/с, 2017-жыл № 045</p> <p>Сиздин № _____</p> <p>Кыргыз Республикасынын уюм жана жолдор министрлигинде</p> <p>Коочкор районунун Эпкин айылынын тургундары Б.Балтабаев, М.Абдыразаков, З.Токтiev, Ш.Ибраимовдор 1996-жылдан бери «Кызарт» ашуусунда павильондордо (вагон) соода-сатык кылышып, айдоочуларга жана жүргүнчүлөргө кызмат көрсөтүп, үй-бүлөлөрүн багып келишет.</p> <p>Ошондуктан Коочкор райондук мамлекеттик администрациясы, Тундук-Түштүк альтернативдик автожолунун курулушу аяктаганда, бул жарандар кайрадан «Кызарт» ашуусуна павильондорун (вагондорун) өз ордуларына жайгаштырып, соода-сатыктарын улантып, өз үй-бүлөлөрүн багууга каршы эмес экендигин билдирет.</p> <p>АКМИ <i>[Signature]</i> Н.Керимкулов</p> <p>Идентиф.: М.Катайыча, тел. 5-01-80 The Kyrgyz Republic Naryn Oblast Kochkor Rayon State Administration Date: 14/03/2017 Ref No.: 255 TO: MOTR Residents of Epkin village of Kochkor Rayon Baltabaev B., Abdyrzakov M., Toktiey Z., and Ibraimov Sh from 1996 have been leaving locals and by-passing road users in their trailers on the top of the Kyzart pass and taking care of their families. Therefore, the Kochkor Rayon State Administration do not mind to bring the trailers back to the place at the top of Kyzart Pass where they are currently operating, after the completion of the road construction, to continue their business and further taking care of their families.</p> <p>N. Kerimkulov</p>
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Appendix 8: Assurance Letter of Jumgal Ayil-Okmotu

<p>КЫРГЫЗ РЕСПУБЛИКАСЫ НАРЫН ОБЛУСУ ЖУМГАЛ АЙЫЛ АЙМАГЫНЫН АЙЫЛ ӨКМӨТҮ</p> <p>722530 Жумгал айылы Б.Асанова айылы №11 Тел: 035360 60-058 С/адрес: jumgal-ayil@mail.ru Ресурстар: 2021.06.19.0203841410037 «АК» «КСК» банк Чаяк филиалы БИК: АМБС0 129024 OJKT0 2214443 IBAN: KG091024199610308 С/адрес: 129024112410066</p> <p>722708 «Жумгал» 18 Б.Асанова №11 Тел: 035360 60-058 Эл. адрес: jumgal-ayil@mail.ru Банковский счет: 0203841410037 OJAD «КСК» Банк Чаяк филиалы БИК: АМБС0 129024 OJKT0 2214443 IBAN: KG091024199610308 С/адрес: 129024112410066</p> <p>№ 72 « 01 » июнь 2017-ж</p> <p>Жумгал айылы Кыргыз Республикасынын транспорт жана жол министрлигинде Жумгал айыл окмоту башчысы тарбиялан</p> <p>Маялымдама</p> <p>Сиздердин 18.05.2017-жылдагы №14-8/3965 катаныздардагы Азия Онуугу Банкынын шарты боюнча салына турган жолдун туурасына кабылган Жумгал айыл окмотундогу жайгашкан киосктерге бизнесин орундотуу боюнча башка жерден орун таап берип керектигин тууралу томондогу киосктердин ээлерин -Орозалиев К кочосундогу № 1, Орозалиева Э.К -Бегалиев А кочосундогу № 11, Шамбекова Г.А -Асанова Б кочосундогу № 21, Ногойбаева С берген катаныздарга томондогу маалымат беребиз. Бул киосктердин ээлерине Жумгал айылынын Асанова Бурулкан кочосундо Жумгал айыл окмотунун муниципалдык меңчилигин балансында турган жерден ар бирине киосктерин орнотуп, андан бери соода сатыктарын жүргүзүү үчүн Орозалиева Э.К 12 кв м, Шамбекова Г.А 22 кв м, Ногойбаева С 22,5 кв м жер болушун берилгендиги тууралу билдиребиз.</p> <p>Урматтоо менен, Жумгал айыл окмоту башчысы <i>[Signature]</i> С.Капарбеков</p>	<p>Kyrgyz Republic Naryn Oblast Jumgal Rayon Jumgal Ayil-Okmotu</p> <p># 72 01 June 2017</p> <p>TO: Ministry of Transport and Roads of the Kyrgyz Republic FROM: Jumgal Ayil Okmotu</p> <p>Reference (Information)</p> <p>For your letter #14-8/3965 dated 18.05.2017 regarding the road rehabilitation by ADB loan, the relocation of the following kiosk business owners:</p> <ul style="list-style-type: none"> - 1 Orozaliev Street, Orozalieva E.K - 11 Bagaliev Street, Shambekova G.A - 21 Asanov Street, Nogoibaeva S <p>We would like to inform you that the owners were provided with the relocation land on Asanova Burulkan Street: Orozalieva E.K (12 sq.m), Shambekova G.A (22 sq.m) and Nogoibaeva S (22.5 sq.m); and the kiosks will be installed again to continue their business operation.</p> <p>With best regards, Head of Jumgal Ayil Okmotu Kaparbekov S</p>
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Appendix 9: Duties of GRG Members and Grievance Form

A. Duties of GRG Members

Local Focal Point. Once AP files a complaint, the LFP is to undertake and complete the following tasks:

- (i) screen the complaint for eligibility and, if found eligible register it the above Grievance Form;
- (ii) draft a complaint memo to be signed by the complainant, indicating the name of complainant, date and place the case of complaint occurred, apply the date and place of complaint submission, and attach supporting documents, as necessary;
- (iii) send the complaint memo to all members of GRG , agree the date of GRG meeting;
- (iv) request the rural administration authorities to organize the meeting;
- (v) facilitate the GRG meeting by providing a storyline for the complaint and provide factual details and relevant documents obtained;
- (vi) communicate request and queries of the complaints to the members of GRG (on on central level to GRG/IPIG/ADB);
- (vii) maintain the records of the meetings and communications between GRG and complainants
- (viii) ensure administrative and organizational support to GRG members;
- (ix) raise awareness of project stakeholders, including CBOs, NGOs AHs and local authorities on the GRM, it functions and objectives.
- (x) Liaise between local and central GRGs to convey the information of the case of complaint that was not resolved on local level and became the case to be reviewed on a Central Level.

Chairman of local GRG / Head of Ayil-Okmotu. Once the GRG Chairman is informed about the meeting date and schedule he/she is responsible to:

- (i) review the complaint(s) and supporting materials if any ahead of the GRG meeting;
- (ii) manage to obtain any additional information prior to GRG meeting date;
- (iii) involve relevant task expert if such need is obvious after review of the complaint(s);
- (iv) ensure members attendance and chair GRG meeting;
- (v) ensure simple complaints (like notification of when construction starts or a copy of the entitlement brochure etc.) are handled /resolved at the local level during the meeting;
- (vi) ensure that records (of each meeting, communication between GRG and complainant(s)) is accurately recorder by assigned member (Meeting Secretary) and saved in the GRG files;
- (vii) convey requests and enquiries of the complainants to GRG members on Central Level if not resolved on Local Level.

RMD Representative. Once notified of a complaint and summoned by the LFP to a grievance meeting the RMD representative will:

- (i) Review all relevant recording of complaints and submitted documents of proof;
- (ii) participate to all grievance meetings, provide opinions and analysis, take minutes of the discussions (Secretary of the Meeting);
- (iii) accompany eventual assessment/valuation specialists in the field;
- (iv) ensure that claims from damages due to construction works are reviewed by the RMD and technical experts and assess the damages /losses incurred;
- (v) based on the position reports of GRG members and on his/her understanding of the case prepare the final grievance report and recommendations to be sent to complainant, other members of the GRG and if needed to IPIG as well. The summary report should determine, whether the case is:
 - (vi) solved without further action; or
 - (vii) solvable but requires compensation or other action; or
 - (viii) not resolved and requires pending actions, such as forwarding the complaint for review on the higher-Central Level, to the Court, or to investigation to prosecutor's office.
- (ix) if the complaint is considered valid and the needed compensation/action is to be approved by IPIG the case is forwarded to GRG on Central Level with the request to proceed the review and ensure execution of the redress action; and
- (x) when the complaint remains unresolved by Local Level GRG, and a complainant offered to lodge claim on the Central Level agree to act so, RMD representative coordinates with LFP and GRG Chairman to assists the complainant in lodging the complaint at a higher appeal level;
- (xi) in parallel inform IPIG/MOTR and proceed with the organization of the central level appeal meeting.

Representatives of the AHs. Two representatives of the AHs, male and female persons from the affected community will participate in all GRG meetings to:

- (i) act as the full right member of GRG;
- (ii) provide relevant information related to the submitted complaints; and
- (iii) provide other GRG members as relevant with a position note to be reflected in the final meeting report.

Invited Consultant /Field expert. Once notified of Meeting time and location the Consultant will:

- (i) Review all relevant recording of complaints and submitted documents of proof;
- (ii) If feasible visit the place of complaint to visually observe the spot and be fully aware of important details to share with GRG members during the meeting;
- (iii) assist the GRG members to get into the insight of the complaint and assist them in finding feasible, reasonable, mutually agreeable and doable solutions.

IPIG Project Coordinator. Once notified that a complainant has lodged an appeal case at the Central level IPIG project coordinator will:

- (i) contact the complainant(s) and draft a note with his/her understanding of the complaint;
- (ii) participate to the appeal meeting, provide opinions and analysis, take minutes of the discussions;
- (iii) if needed summon again assessment/valuation specialists and accompany them in the field;
- (iv) request the chairperson to organize meetings, as necessary;
- (v) maintain communication between GRG and the complainants; and
- (vi) Complaint Register is kept with IPIG and a copy shared with the Consultant.

Representatives of IPIG Safeguards Unit. Once notified that a complainant has lodged at central:

- (i) participate to all grievance meetings, provide opinions and analysis;
- (ii) accompany eventual assessment/valuation specialists in the field, and
- (iii) provide other GRG members as relevant with a position note to be reflected in the final meeting report.

Ombudsman. Once notified of a complaint and a summoned by the LFP to a grievance meeting is submitted the Ombudsman will:

- (i) monitor complaint handling process and ensure that decisions made by the GRP are equitable and objective;
- (ii) provide independent opinions and recommendations related to the decision made on the case by the GRP team;
- (iii) advise the complainant(s) on their rights and entitlements, as necessary;
- (iv) participate to all GRG meetings and site visits;
- (v) participate in eventual assessment/valuation in the field; and
- (vi) prepare a position memo at the end of the meeting(s) and forward it to LFP/chairperson of the GRG.

Central GRG Chairperson/Head of IPIG of MOTR. Once notified that a complainant has lodged an appeal case at central level, the GRG chairperson will:

- (i) contact the complainant(s) and draft a note with his/her understanding of the complaint;
- (ii) trigger the GRG members through a letter of invitation;
- (iii) chair the GRG meetings and ensure that minutes of the meeting are shared with all relevant parties;
- (iv) review the content of each response prepared after deliberations to ensure accuracy as well as consistency of answers provided to the complainants;
- (v) ensure the administrative and organizational support for GRG members to work; and
- (vi) support the decision made by the GRG and ensure that the follow-up actions are taken.

IPIG Project Coordinator. Once notified that a complainant has lodged an appeal case at central level project coordinator will:

- (i) contact the complainant(s) and draft a note with his/her understanding of the complaint;
- (ii) participate to the appeal meeting, provide opinions and analysis, take minutes of the discussions;
- (iii) if needed summon again assessment/valuation specialists and accompany them in the field;
- (iv) request the chairperson to organize meetings, as necessary;
- (v) maintain communication between GRG and the complainants; and
- (vi) Complaint Register is kept with IPIG and a copy shared with the Consultant.

Representatives of IPIG Safeguards Unit. Once notified that a complainant has lodged at central level, the representatives of IPIG safeguard and technical unit will:

- (i) prepare the chronology of events to understand sequence of developments prompting the complaint;

- (ii) provide environmental and resettlement opinion on impacts claimed by the claimant;
- (iii) examine large claims over USD\$10,000 with financial expert at Ministry and involve a qualified valuator;
- (iv) request the chairperson to organize meetings, as necessary; and
- (v) maintain communication between GRG and the complainants.

Technical Experts. Once summoned to provide expert advice for the assessment or valuation of an impact claimed by a complainant the relevant technical expert will carry out the needed investigations and prepare a report to be handed to the complainant and the other members of the GRG. The tasks will include:

- (i) provision of relevant technical opinion for the case reviewed;
- (ii) carry out the needed investigations relevant to their expertise; and
- (iii) provide recommendation when the legal opinion from the relevant state agencies is necessary.

B. Grievance Form

Section of Complainant:	
Full Name:	Mailing/Permanent Residence Address: Village: Rayon: Oblast:
Preferred option of communication: Mark with X Response mailed to: Face-to-face meeting in GR Focal Point	Contacts Mobile: Landline: E-mail:
Language for Communication (mark with X)	Kyrgyz Russian Other _____ (please specify)
Complain submission date:	Date of hearing:
Please, describe the reason of your discontent or claim in details. Use extra pages if needed. Present copies of the relevant documents, if available	
Results/decisions of complain after hearing:	
If complaints/grievance are not resolved, please write down the reasons:	
Signature: _____ Date: _____	

Appendix 10: Summary Valuation Report

Valuator Dolgov, Yuri Yurievich
Valuation date 30 March 2017

1. General

The valuation was carried out pursuant to the contract with the Client dated 01 August 2016 and the additional agreement dated 01 March 2017.

The valuation findings/conclusions shall be used by the Client and the IPIG of MOTR for the purposes of the preliminary justification and identification of general expenses (budgeting) required for payment of compensations for losses to physical persons and legal entities (households) for loss of land, real estates and income during demolition and/or resettlement (relocation) within rehabilitation Section 2B of the North-South connecting road (km 89-159) between the village of Ak-Uchuk (formerly the village of Epkin) and the village of Bash-Kuugandy (formerly Dyikan village) under the CAREC Transport Corridors 1 and 3 Connector Road Project.

All calculations were made on the basis of the DMS (Detailed Measurement Survey) data provided to the Valuator by State Registry of Jumgal District.

The conclusions in the report are valid only within the agreed conditions, assumptions and restrictions.

2. Conditions, Assumptions and Restrictions

The conditions, assumptions and restrictions for the valuation report are as follows:

- 1) This valuation report is an independent professional judgment of the Valuator on the value of the real estates subject to the valuation recommended to the Client for decision making that are confirmed by the calculations and the market information analysis on the valuation date.
- 2) The Client shall have the right to independently identify options and ways to use the findings/conclusions and information contained in this document and be solely responsible for any legally significant decisions made by him in connection with this Valuation Report.
- 3) The valuator did not conduct any legal examination of the submitted documents. The composition of the rights to the property being valued and the information used about the valuation objects correspond to the documents and information provided to the valuator for the work. The other information used by the Valuator has been obtained in a legitimate way and is considered reliable.
- 4) The Valuator analyzes the legitimacy of the rights to the property being valued. Legitimate in the report are the objects of real estate, for which the documents that are registered in accordance with the established procedure have been assigned. In a separate table, the objects of real estate are identified that have licensing documents, but not registered in the established order.
- 5) The legitimacy of the income of APs engaged in commercial activities and using buildings and structures (pavilions, kiosks, etc.) is confirmed by the availability of voluntary patents for doing business.
- 6) It is assumed that there are no underlying factors affecting the state of the immovable property subject to the valuation. The Valuator does not bear responsibility for any underlying factors or for uncovering them.
- 7) The assessment of losses from loss of immovable property was carried out on the basis of submitted documents, which do not fully comply with the scope and content of the requirements of the legislation of the Kyrgyz Republic. The assessment of losses from loss of income was conducted on the basis of verbal information and provided records (notebooks) of APs, which are not official information. The results of the assessment are sufficient to form the Customer's budget for the proposed compensations, but the calculations for each AP are indicative and, subject to the timing of the implementation of the Project (and possibly a possible change in the design of the project), it may be necessary to make corrections and additional calculations.
- 8) Since 2018, the support of the methodology used with the use of UPVS compilations and the application of the index of capital investments (index of investments) by the State Agency for Architecture, Construction and Housing and Communal Services under the Government of the Kyrgyz Republic will be completed in connection with the transition to a new pricing system based on estimates. Therefore, for the future period of the implementation of this Project, it may be necessary to amend the presented calculations and additionally attract a specialist-estimator.
- 9) The relationship between the Valuator and the parties concerned is consistent with the principles of objectivity, independence and ethic standards of the Valuator's professional ethics.

- 10) The Valuator's remuneration does not depend on the value of the real estates to be appraised or the findings/conclusions of the report.
- 11) Valuator provides his services as an individual and performs his duties according to the voluntary patent (see DVD in Appendix 5)

The currency exchange rate at the valuation date is as follows:

DATE	<u>USD</u>
2017-03-30	68.5850 KGS/USD

3. Valuation Procedure

The Valuator conducts the valuation according to the following procedure:

- 1) acquaintance with the provided information about the AH, list of the objects and analysis of the provided technical documentation;
- 2) site visit to Section 2B and conducting the visual inspection of the objects;
- 3) acquaintance with the provided entitled and technical documents, including the checking the suitability of characteristics/sizes in the document with the actual condition of the valued objects;
- 4) collect and analyze relevant market information;
- 5) collect documents and information on businesses' legitimacy and the value of AHs' incomes;
- 6) conducting the evaluation of the real estate assets and losses of the households in accordance with the requirements of the terms of reference;
- 7) calculation of accruals for loss of business, work / employment to households affected by the project, as well as additional charges for severe impact and vulnerability in accordance with the requirements of the terms of reference;
- 8) set of results for the calculation of losses and other charges to households affected by the project;
- 9) report preparation about the results of the conducted works.

4. General Methodology Provisions

In accordance with the current legislation of KGR and the standard theory, the valuation of any object shall be carried out from the perspective of three methodological approaches: cost approach, income approach and comparable/sales comparison approach.

Cost approach provides for the real estate valuation when the property value includes the costs of purchase and/or replacement of all components minus accumulated depreciation.

Comparison approach compares the value of a piece of property to other properties with similar characteristics, including the relevant adjustments.

Income approach estimates the current value of a piece of property, including the amount of future income generated related to its use and/or sale based on the structure, income, time and risks.

Application of each approach depends on characteristics of each piece of property subject to the valuation and different market information based on the objectives and the purpose of the valuation.

5. Objects Subject to Valuation

The objects subject to valuation include the following:

- 1) Lost land and non-land assets:
 - agricultural land (the right of ownership);
 - losses of due to lost crops (owners and tenants);
 - land plots (the right of ownership) in settlements;
 - residential building, building extensions;
 - capital objects of commercial purpose (shop, kiosk, barn);
 - other structures -gates and fences;
 - Trees and bushes;
 - cost of re/registration of documents related to future purchase/revocation.
- 2) Income losses associated with business stoppage:

- income loss associated with permanent business stoppage; and
- income loss due to temporary businesses stoppage.

Information on AHs' intangible assets or liabilities to third parties for the purposes of adequate compensation calculating were not provided to the Valuator, or revealed during the survey. No cases of providing replacement land plots to AHs by local self-government bodies were revealed.

6. Valuation Methodologies

6.1 Agricultural Land

A cost approach, where the principle of contribution plays a decisive role, is used in assessing the improved land plots to determine the value of land as the balance between the expected income from the sale of the improved site (or capitalized net operating or rental income from its use) and the costs of land improvements. In addition, the cost of land improvements includes the cost of design, financing and entrepreneurial profit.

The market value of agricultural land was estimated using a revenue approach based on the analysis of the most efficient use of land. This method involves considering options for the possible alternative use of land for growing various crops, the income of which provides the maximum cost of land. In the absence of the necessary amount of reliable information about actual transactions (lease and sale), the most appropriate approach is the income approach. In this case, the methodology of capitalization of net operating income is used provided that the land plot is used by the owner:

- 1) The average yield of typical agricultural crops for this type of soil in c / ha is assumed; Average agricultural crops yield in centner/per ha for this type of soil is assumed;
- 2) The market price in KGS per 1 centner for this type of agricultural product is assumed;
- 3) The typical costs for the cultivation of a certain crop in this area for these soils are determined (calculated);
- 4) The costs associated with land ownership are determined (calculated);
- 5) The amount of net operating income is determined (calculated);
- 6) Considered the current level of profitability of a certain type of agricultural land in the area of the estimated site;
- 7) The risks associated with cultivating each of the compared crops in percentage are taken into account;
- 8) By capitalizing the net operating income, the value of the estimated land plot is determined.
- 9) The most effective use of land is determined by the maximum calculated value. The final value of the land with a capitalization of 7.23% is set as 170,000 KGS / ha.

6.2 Assessment methodology for Lost Crops

When calculating the cost of losses from crop losses, the data of the regional department of state statistics of the National Statistics Committee of the Kyrgyz Republic on crop yields was taken as a basis.

In determining the amount of damage to the APs from crop loss, the following calculation algorithm was used:

Calculations for determining the sums of losses of households from crop losses were carried out according to the following algorithm:

- 1) Lost crop in kilograms;
- 2) Average cost/price for one kilogram of the relevant harvested crop determined on the basis of the market information;
- 3) The calculated weight of the crop is multiplied by the average cost / price of one kilogram. For perennial grasses, the calculated mass is divided by the average mass of one bale (20 kg), then the resulting value is multiplied by the value of one bale.

6.3 Land Plots in Settlements (Residential Land)

For the valuation of commercial land, the "residual method for land" is applied. The method is used to assess improved land plots, provided they are used most effectively, and is based on the expectations and added profitability not related to land improvements. According to the residual method, the value of land is defined as the difference between the current value of capitalized net operating income from the improved land plot and the value of land improvements. The essence of the residual method for the land reflects the following formula:

$$V_L = \frac{I_0}{R_0} - V_B$$

Where: V_L – value of land;
 I_0 - net operating income from an improved land plot;
 R_0 - capitalization rate for the improved land plot;
 V_B - cost of land improvements.

The land market value in settlements was assessed as 501 KGS/m².

For residential areas, at the suggestion of the Department of State Expertise, the calculation of the cost of a piece of residential land is made by a profitable approach, provided that it is used as a vegetable garden for vegetables - potatoes, garlic and others. The most effective use of land is determined under the condition of growing garlic. In the end, the cost of commercial and residential land is determined by the minimum estimated value and is 501 KGS / m², which will be purchased in three villages.

6.4 Buildings and Structures

Losses to AHs is fully covered by the cost of re-creation (replacement cost) without accrual of depreciation (amortization) and without taking into account (without withdrawal) the cost of return materials.

For the purposes of calculating the AHs damages, the cost of recreating objects by the method of integrated indicators of the cost approach is determined by the formula:

$$C_B = V_{CTP} \times C_{yA} \times (1.2 \times 1.6 / 200 \times I_{HHB}) \times K_6 \times K_p \times K_c \times K_k \times K_{K3} \times K_{H3} \times K_{np}$$

where: V_{CTP} – construction volume of a building or linear characteristics of structures;

C_{yA} – unit cost of construction volume on AIRC;

$(1.2 \times 1.6 / 200 \times I_{HHB})$ - the coefficients for translating the cost of specific indicators into the prices of 1984, 1991, 1993 and 2017. Investment index for the 4th quarter. 2016 is set at 23.799 (data of the State Agency for Architecture, Construction and Housing and Communal Services under the Government of the Kyrgyz Republic). The index of investments for the 1st quarter of 2017 will be set only at the end of May-June 2017, but according to the analysis of the previous two years and the market situation, its growth is assumed to be very insignificant;

K_6 - coefficient that takes into account the additional availability of amenities (running water in the building, sewerage, gas supply) ($K_6 = 1.0$);

K_p - coefficient, which additionally takes into account the correction of the object's conformity with the technical description and the features of the structural design of the facility, including materials, changes in the height of the premises, the presence of partitions, adjacent walls, basement, basement or attic floors, etc. (technical part of the AIRC). Determined individually;

K_c - coefficient that takes into account the increase in the cost of construction in an area with 9-point strength of the earthquake (the technical part of the AIRC) ($K_c=1,05$);

K_k - coefficient, taking into account the construction in the III climatic region and depends on the purpose of the building (technical part of the AIRC) ($K_k=0,99$);

K_{K3} - coefficient that takes into account the indirect costs of construction (obtaining the right to build, other legal expenses, construction financing costs, payment of taxes during the period of work, general and administrative expenses). In the calculations, a value of 25% ($K_{K3}=1,25$);

K_{H3} - coefficient that takes into account the profit of the entrepreneur-builder. The average profit is usually between 25% and 30%, and in some cases more than 40%. Taking into account the characteristics of the objects of valuation, volumes and terms of construction, the average profit rate equal to 30% ($K_{H3}=1,3$);

K_{np} – other coefficients (in aggregate), taking into account other correction factors, the amount of which is not limited by the methodology. These can be up or down coefficients, for example:

- the conversion factor from the capitalization group indicated in the AIRC collection to the capitalization group of the evaluation object;
- coefficient of low-volume, taking into account the rise in the cost of construction with the reduction of the building area;
- coefficient that takes into account the regional coefficient of overhead costs;
- coefficient that takes into account the regional coefficient (SNiP 4-5-82 $K = 1.15$ except for Bishkek);
- coefficient of wage increase in high-mountain areas ($K = 1,2$ at $H > 2000M$). Section 2B is located at an altitude of 1920-2250 m above sea level (Kyzart pass 2670 m);

- coefficient that takes into account the construction of the house. In different directories has a value of 0.7 to 0.88. Depends on many factors, including the organizational legal form of the developer, but the methodology for its calculation is not approved;
- other coefficients are possible.

In the calculations, $K_{np}=1,0$ is adopted, since the use of raising and lowering coefficients under these conditions is balanced.

It should be noted that since 2018 the support of this methodology and application of the index of capital investments (index of investments) by the State Agency for Architecture, Construction and Housing and Communal Services under the Government of the Kyrgyz Republic will be completed in connection with the transition to a new pricing system based on estimates. Therefore, for the future period of the implementation of this Project, it may be necessary to amend the presented calculations and additionally attract a specialist-estimator.

In some cases, calculations of the cost of recreating buildings are made using a resource method based on the use of current market prices for a single indicator (pcs, m, m², m³). The calculations use simple quotations for the services of contractors and suppliers of materials and services from accessible information in the media and the Internet.

The Terms of Reference provide for the calculation of the market value of additional costs of AH for the re-registration of title, authorization and design estimates for the demolition and removal of real estate. Calculation of costs for re-registration of documents is based on information on the price of services of authorized bodies: local government, architecture and urban planning department, regional department of Gosregister.

Calculation of losses for losses of state and municipal real estate in accordance with the instructions of the technical assignment was not made. For such facilities, it is envisaged to restore (move) the damaged real estate during the construction of the road at the expense of the Project and by agreement of the parties.

The costs of demolition (and physical movement) of structures affected by the Project in the Valuer's calculations were not taken into account. It is assumed that the demolition (and physical movement) of structures is carried out by the Contractor - the construction organization, during the preparation (clearing) of the route prior to the commencement of construction work and is documented by the Act of Completed Works. Returnable materials used to be transferred to the owners of real estate, so the dismantling of objects is possible and by the owners at their own expense.

6.5 Lost Trees and Bushes

Calculation of losses for lost trees/bushes was carried out using different approaches:

- the costs of seedlings and ornamental trees were determined on the basis of the nurseries' market sale prices;
- age and physical condition of fruit bearing trees subject to cutting are determined by a survey of owners;
- losses from loss of fruit-bearing trees are determined from the condition of the restoration of the tree and the volume of the harvest based on the annual (gross) harvest from the tree for 4 years;
- the costs of non-fruit trees are determined based on their lumber volume as firewood. The lumber volume is determined according to the reference books (Chotonov A. B. Directory of the KR Forest Inventory, 2006).

6.6 Income Loss due to Business Stoppage

There are 10 operating businesses that will be affected:

- four trailer café/shops in Kyzart pass;
- two adobe kiosks in the village of Jumgal;
- one adobe in the village of Kuiruchuk; and
- three movable metal kiosks in the village of Jumgal.

The total volume of income of the households affected by the Project does not exceed the value-added tax (VAT) threshold of 84 million KGS, and thus corresponds to small business category. At this level, the Kyrgyz tax legislation provides for the simplified patent-based taxation for physical persons. All AHs at Section 2B conduct legitimate patent-based commercial activity.

Patent-based taxation does not incur obligations for business operators to document their income in any way. Payment of a monthly non-recurring tax (patent) allows conducting the relevant activity, and means that an operator may generate income for up to 84 million KGS. Only some operators keep log books for their businesses, but in most cases they prefer not to disclose their income information (they have the right for this).

The Valuator received verbal information from AHs on their monthly revenues and net profit during the survey. The investigation show that the main factors affecting their monthly or daily include the type of business, location, and

operators' management skills and seasons. Therefore, profitability calculations are based on average/annual average income figures.

Operators' (property owners) daily net profit averages from 1,000 KGS per day to 1,500 KGS, and in some cases for up to 2,000 KGS. This indicator is verified through the market information analysis in other regions of KGR.

7. Allowances to SAHS and AVHs

Calculation of allowances to the HHs with vulnerability and severe impacts are included for valuation.

SAHs were assessed by the valuator and confirmed by the Gosregister, AVHs were identified by the affected village authorities.

The rehabilitation allowance for SAHs due to loss of more than 10% of agricultural land is one years' harvest; while it is 6,840 KGS for all others, 6,480 KGS is equivalent to 6 times of the monthly minimum wage of 1,140 KGS in Kyrgyz. The allowance to each of the vulnerable HH is also 6,840 KGS.

8. Valuation Results

Actual valuation was carried out DMS unit by unit. Apart from valuated losses, costs for re-registration of acquisitioned and attached non-land assets are also included for each unit, if applicable. The re-registration costs covers: (i) registration of owner's right; (ii) technical passport; (iii) title deed; and (iv) title deed for acquisition.

Table AX10-1 summarizes DMS unit based valuation. The total valuated losses and allowances to AHs as a result of LAR amount to 10,758,700 KGS or 156,900 US\$ equivalent.

Table AX10-1: Valuation Results

Item	Impact		Cost	
	Unit	Qty	KGS	US\$
1. Compensation for agricultural land	m ²	16,734.6	284,500	4,100
2. Compensation for residential land	m ²	2,882.0	1,444,400	21,100
3. Compensation for residential building	m ²	70.8	1,156,300	16,900
4. Compensation for non-movable building	m ²	270.3	2,797,100	40,800
5. Compensation for affected fences	m	4,042.8	1,893,000	27,600
6. Compensation for trees	1028		523,000	7,600
7. Compensation for other assets			72,100	1,100
8. Compensation for standing crops	74	16,734.6	54,600	800
9. Cost for re-registration of land plots	HH	103	828,300	12,100
10. Compensation for Affected business	10	228.6	1,320,000	19,200
11. Allowance for severely affected HHs	HH	21	118,700	1,700
12. Allowance for affected vulnerable HHs	HH	39	266,800	3,900
Total			10,758,700	156,900