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## **Livelihood Restoration Framework**

August 2018

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# Kapshagai-Kurty Road Project, Kazakhstan

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August 2018

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# 1 INTRODUCTION

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## 1.1 OVERVIEW

This Livelihood Restoration Framework (LRF) sets out the Committee for Roads (within the Ministry of Investment and Development) programme for ensuring that users and owners, of land which the Committee will require (either permanently or temporarily) for its operations (Section 2), are fully compensated for their losses, in a manner such that their livelihoods are completely restored. The temporary acquisition of lands will be undertaken by an Engineering, Procurement and Construction (EPC) Contractor.

The LRF is laid out in accordance with the European Bank for Reconstruction and Development (EBRD) Performance Requirements (PRs), in particular those relating to land acquisition and economic displacement.

The objectives of this LRF are to:

- Provide a framework that sets out how the Project will approach any physical or economic displacement resulting from its operations.
- Ensure that negative impacts of future economic or physical displacements are mitigated.
- Establish a procedure for long term restoration of communities' livelihoods and well-being.

This document will be regularly updated, as a result of consultations with stakeholders, as described in the Stakeholder Engagement Plan. The LRF will set the livelihood restoration process which should be implemented and developed as part of the Livelihood Restoration Plan (LRP).

## 1.2 SCOPE OF THIS DOCUMENT

JSC “NC “KazAutoZhol” (and any associated EPC Contractor who is responsible for temporary acquisition of lands) is committed to the Bank’s environmental and social obligations, which are summarised on the EBRD website and detailed in their Environmental and Social Policy (2014) that includes the Performance Requirements. JSC “NC “KazAutoZhol” will use the Bank’s Performance Requirements (PRs) as the benchmark to assure that adverse impacts on people, their rights, livelihoods, culture and environment are avoided or, where avoidance is not possible, minimised, mitigated, offset and/or compensated.

Amongst others, the EBRD Performance Requirements address land acquisition, involuntary resettlement, and economic displacement under Performance Requirement 5 (PR5). This document is the Livelihood Restoration Framework (LRF) and covers potential impacts that could be caused by Land and Easement Acquisition for this project and measures taken to minimise, mitigate and compensate them.

This LRF addresses all components of the proposed Project, including:

- Above ground works and the land requirements associated with the construction of, and long term operational requirements of the proposed road reconstruction which will cause permanent impacts (land acquisition).

Temporary facilities (construction camps, storage yards, etc.), for which land will be required for the duration of construction only and which will cause temporary impacts (land easement).

## 1.3 KEY TERMINOLOGY

Key terminology and associated meanings and comments are presented in Appendix B.

## 2 PROJECT BACKGROUND

### 2.1 OVERVIEW

The European Bank for Reconstruction and Development (EBRD) is considering extending finance for the reconstruction of the 67 km “Kapshagai-Kurty” of the “Centre - South” corridor linking the cities of Astana to Almaty in Kazakhstan. The finance is sought by the Committee for Roads within the Kazakhstan Ministry of Investment and Development.

The 67 km Kapshagai-Kurty road section starts at Kapshagai Town and ends at the Kurty Village. The road section is located some 60 km north of Almaty, and runs along an east / westerly direction.

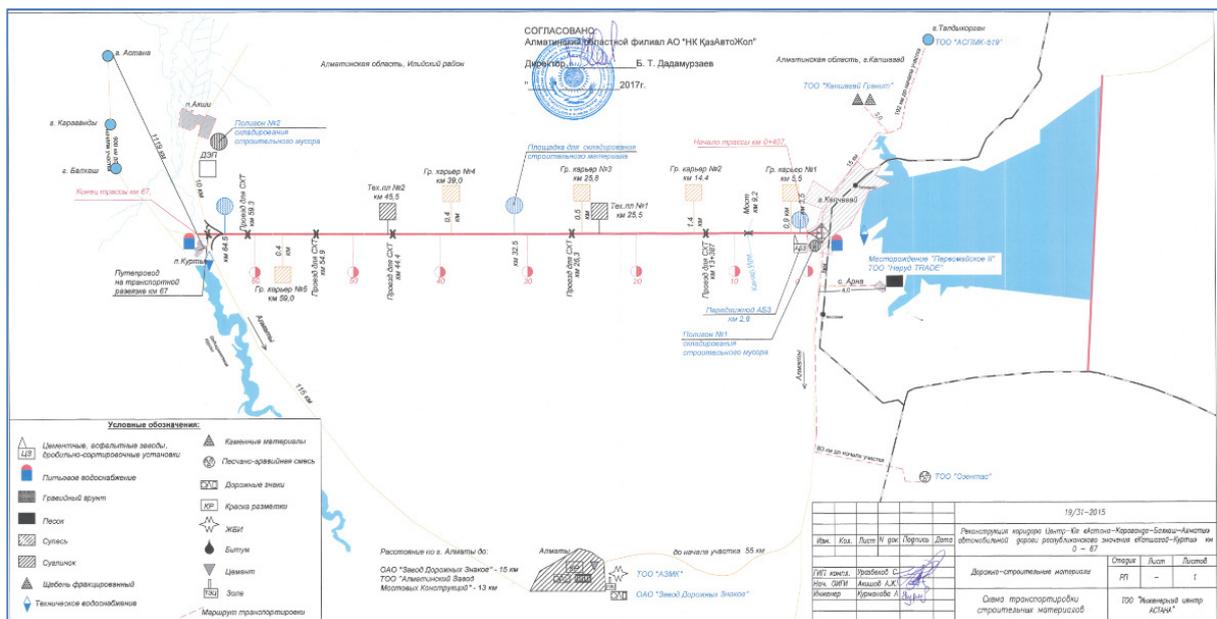
The EBRD previously financed nearby road sections which are part of the Centre - South corridor comprising the 62 km Burybaytal-Aksuek road section and the 81 km Kurty-Burybaytal road section.

The proposed investment includes the reconstruction and widening of the existing road from two lanes (Kazakh Technical Category 2 Road) to four lanes, the reconstruction of a bridge and upgrading of intersections as well as providing finance for supervising project engineers, implementation assistance to the Project Implementation Unit (PIU) and institutional components.

Currently, the “Kapshagai-Kurty” road is a Kazakh Category 2 road with two lanes. The road will be reconstructed to comply with the Kazakh Category 1b highway requirements. The road’s asphalt pavement is now past its effective working life and its condition is rapidly deteriorating due to a combination of traffic loading and the age of the road surface. Reconstruction of the road is now urgently required to improve the ride quality of the road, minimise road user costs and provide a road surface that can be maintained in a cost-effective manner. In addition, widening of the road will improve road safety as currently the narrow width of the road forces drivers to cross into the oncoming traffic lane to overtake vehicles or avoid potholes. Other upgrades or new features will also include a junction, off ramps, cattle and agricultural machinery underpasses, rest areas, bus stops and zebra crossings, a bridge reconstruction and traffic lighting.

It is expected that the new road will significantly reduce travelling distance, as the drivers currently use the M36 via Karaoi (125 km) when travelling from the north to Kapshagai rather than travelling via Kurty on the road to Kapshagai. They will now use the shorter route instead (67 km). Figure 1 shows the new road.

Figure 1: The Kapshagai-Kurty Route



## 2.2 THE PROJECT AREA'S CHARACTERISTICS

The new road starts in Kapshagai where there are built up areas. The road will pass a total of 582 land plots (Detailed land acquisition information on lands are listed in the Appendix 1<sup>1</sup> (state lands on page 2 will not be acquired)). The first realigned section passes near to some properties in Kapshagai. There are four other realigned sections of road outside of Kapshagai. Most of the lands are categorised as 'Pasture' lands which are currently used for herding and husbandry activities. The farms are relatively medium to large scale with livestock including cattle, sheep and horses connected by predominantly dirt roads. Currently animals cross the road as there are a limited number of underpasses. There will be a number of sites along the road for ground storage of construction materials and construction compounds and a depot that will be constructed near to Kurty Akshi Village. There is only one bridge over a wastewater channel routing treated wastewater from Kapshagai. There are not many businesses along the route apart from where there is a café in Kurty near to the road at the planned junction and there are a few businesses at the first road alteration in Kapshagai.

WSP site observations did not identify any informal people within the project area.

## 2.3 THE PROJECT SCHEDULE

It is planned that the start of construction will commence in Q1 / Q2 of 2019 and be completed within 37 – 43 months. The Proposed Scheme will become operational in 2021 / 22.

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<sup>1</sup> Information in Appendix 1 is sourced from Department of Land Management in Ili District

## 3 KEY REGULATIONS

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### 3.1 NATIONAL REQUIREMENTS

The national laws with regards to land acquisition only covers rights of the legal land owners, and therefore, the law does not fully provide for the rights of unofficial land users in accordance with the requirements of the Bank.. A summary of key national laws is provided in Table 1.

### 3.2 EBRD REQUIREMENTS

EBRD Performance Requirement 5 outlines the requirement for, and the required contents of, a LRF. Specifically, and of relevance to this Project, the following are required:

- Where involuntary resettlement is unavoidable, the client will engage a suitably qualified specialist to carry out a census and a socio-economic baseline assessment within a defined affected area, and assist in the preparation of the Resettlement Action Plan or LRF.
- In the case of economic (but not physical) displacement of people the Project should develop procedures to offer to the affected persons and communities compensation and other assistance that meet the objectives of this PR. This shall take the form of a LRF.
- The LRF will establish the entitlements of affected persons or communities and will ensure that these are provided in a transparent, consistent, and equitable manner. The client should document the procedures for determining and awarding compensation in a LRF.
- The Project should summarise the information contained in the LRF for public disclosure to ensure that affected people understand the compensation procedures and know what to expect at the various stages of the Project (for example, when an offer will be made to them, how long they will have to respond, grievance procedures, legal procedures to be followed if negotiations fail).
- The Project should provide the affected communities the opportunity to participate in the negotiations based on the established procedures.
- The Project should set up a Project-level grievance procedure to deal with concerns about compensation and relocation.

Table 1: Key Land Expropriation Laws

Legislation Type	Summary of the Legislation
<p>The Land Code of the Republic of Kazakhstan (RK Code No. 464-IV adopted on 2003 June 2003, last amendment dated 9 December 2014)</p> <p>Source: World Bank, 2017 – South West Road Corridor Project, Resettlement Action Plan.</p>	<p>Land is state owned. It can be transferred, sold, or rented to individuals or enterprises. Generally, it is leased for 49 years. Once land is in private hands, the State can reclaim it only for specific uses, and only after compensating the owner. Kazakhstan's laws and regulations regarding land and land ownership derive from the Constitution, which states that land (surface and underground) is in principle owned by the State, but can also be privately owned (Article 6.3). Article 26.3 also states that no one may be deprived of property unless stipulated by a court decision. Forcible alienation of property for public use in extraordinary cases stipulated by law may be exercised on condition of its equivalent compensation.</p> <p>The Land Code of the Republic of Kazakhstan (CODE No. 442 of 20 June 2003) covers the reservation of land for State needs, stating that “[a] land plot may be reserved for state needs by way of purchase or by granting an equivalent land plot with the consent of the owner or land user” (Article 84.1). In the case of land under lease, the land user is compensated for the full amount of losses and may be granted an alternative plot (Article 84.4). The availability of suitable land to swap varies from one location to another, however. Landowners and users must be notified of the decision to purchase a year in advance, unless the owner or user agrees to release the land more quickly (Article 85.2). If part of a land plot is reserved and the remainder of the plot cannot be used as before (creating orphaned parcels), then the whole plot should be purchased (Article 86 para 2).</p> <p>Outside of towns and settlements, land is generally owned by the state and managed by the district administration. Land used for agriculture or livestock is typically leased to land users at a modest rent on a 49-year term. Informal use is prohibited.</p> <p>The price of a land plot purchased for State needs may be determined by agreement with the owner or land user in accordance with Article 87.1. If the owner or land user agrees, another plot of equal value can be substituted instead of cash compensation (Article 87.3). If an owner disagrees with the decision to purchase (reserve) or disagrees with the price offer or other conditions of the purchase, the authority that issued the decision to purchase can file a lawsuit to ask the court to purchase the plot (Article 88 para 1) after the year of notification has passed (Article 88 para 2). In disputed cases, the land cannot be accessed until the court adjudicates a settlement that specifies levels of compensation and losses (Article 166.7).</p> <p>In the agreement on land purchasing or other immovable property in connection with the land acquisition for public use shall include:</p> <ol style="list-style-type: none"> <li>1) the price for the land which has no be acquired, determining in accordance with the procedure established by Article 87 of the Land Code of the Republic of Kazakhstan and Article 67 of the Law "On State Property" and identifying characteristics of the property or the land plot, provided to the owner or land user instead of acquired land;</li> <li>2) the difference in cost in case if the price of the acquired land plots would be higher than the price (value) of land provided instead;</li> <li>3) the amount to be reimbursed losses, including the value of immovable property which is acquired in connection with the land acquisition for public use, if incurred in connection with the forced alienation;</li> <li>4) the period of payment of the price (value) for the acquired land or other immovable property in connection with the land acquisition for public use or transfer of land plot (other immovable property) provided to the owner instead of acquired for public</li> </ol>

	use;
	5) property assets to be acquired for public use;
	6) a list of persons whose rights in relation to the alienated property will be terminated or limited;
	7) the financing expense procedure of the government on the acquisition of property for public use.

### 3.3 GAP ANALYSIS BETWEEN THE NATIONAL LEGISLATION AND EBRD PR5 REQUIREMENTS

In summary, the following key gaps are identified between EBRD PR 5 and Kazakhstan land code requirements.

Table 2: Key Gaps

EBRD PR 5	Land Code of Kazakhstan	Key gaps and how the project will address it
Avoid or minimise displacement	It does not require this section. There is a gap.	The project has considered affected people's concerns into the design of the road.
Early consultation	No consultation is required as such with affected land owners or users. However, landowners and users must be notified of the decision to purchase a year in advance, unless the owner or user agrees to release the land more quickly (Article 85.2).	Consultation has been conducted with affected land owners and users.
Socio-economic assessment and census	It does not require undertaking any socio-economic baseline assessment and detailed census on affected peoples. The state land cadastre shall hold itself out as the system of information on natural and economic lands' condition of the Republic of Kazakhstan, on location, intended purpose, sizes and boundaries of the land plots, their qualitative characteristic, on records of land use and cadastral value of the land plots, on other necessary information. The state land cadastre shall also include information on holders of rights to land plots.  Inventory of lands plots for the purpose of registration will be conducted.	The department of land management at Ili District has started to identify affected land owners and users. A Livelihood Restoration Framework (LRP) to be implemented by the project.
Cut-off date	No cut-off date has been set.	The government procedure will be followed and during the public meeting in 2016, affected land owners were asked to be registered with the department of justice.
Compensation based on market value as described in section	The price of a land plot purchased for State needs may be determined by agreement with the owner or land user in accordance with Article 87.1.. Land users and Land owners will be compensated for loss of land and property. State land users will not be compensated in cash, however, their monthly rental amount paid to the state will be reduced accordingly.	All land owners and users will be compensated as per PR5 However, the land code of Kazakhstan does not fully take into account the rights of persons who do not have official documents in accordance with the requirements of the bank and, does not require compensation for informal people if present. <u>In Kazakhstan, compensation for loss of land plot is calculated based on historical value not the market value. Only properties will be compensated at market value.</u>
<b>Land users (referred to as tenants who lease lands from the</b>	The Kazakh law does not provide any cash or land compensation for tenants who lease lands from the State	According to the existing national compensation process, monthly/annual rents paid by tenants for lease of lands will be reduced. The Project will ensure the PR5 will be followed as per Table 4, and

<b>State)</b>		cash compensation or livelihood restoration assistance will be provided to affected tenants based on the level of impact.
<b>Vulnerable people</b>	The Kazakh law does not refer to livelihood restoration and consultation with vulnerable groups.	As per PR5, vulnerable people will be identified and livelihood restoration actions will be implemented to ensure that land acquisition will not affect this group.
<b>Informal people/land users</b>	The Kazakh law does not provide any compensation for informal people	Informal land users will be identified (if any), and they will be compensated for loss of land use as per PR5.
<b>Grievance Mechanism</b>	The Kazakh law does not provide a specific reference to grievance mechanisms	A grievance mechanism procedure will be developed as per PR5.
<b>Monitoring</b>	The Kazakh law refers to monitoring of land condition, however, does not require a third-party consultant for monitoring the livelihood of affected land owners/users post land acquisition	Third-party monitoring will be conducted to ensure the livelihood of affected land owners/users will be restored or improved.

## 4 LAND TENURE AND USE

### 4.1 EXISTING LAND ACQUISITION

The development/reconstruction of the Kapshagai-Kurty road will cause acquisition of lands located along the road. It is not expected that the project will relocate any individuals and households, therefore there is no physical displacement. However, the project will result in economic displacement covering the following key impacts:

- 52 land plots will be acquired permanently which will result in loss of land, its usage and any income associated with it – which will result from land acquisition (in perpetuity). The owners will receive compensation that equal to the historic value of the land.
- There are about 30 tenants using State lands, which according to their lease, no cash compensation will be allocated to them. However, a reduction will be made in their monthly rent.
- Temporary acquisition of lands will be conducted for ground extraction, worker camps, working areas and storages, detours around the bridge, 11 underpasses and 43 drainage pipes. The EPC contractor will be responsible for temporary land acquisition. The contractor will agree with the farmer on the payment for temporary lease/rent of the land needed. When the farmer has no right to sublet in his/her rental agreement, the contractor goes to the district council and rents this land from the council, The district council then changes the rental cost for the farmer. The position of the borrow pits are suggested by the designers. After the extraction is finished the slopes are levelled and the ground is seeded. The farmer can complain to the council if the vegetation does not establish, and the contractor is then required to reseed the bare areas.

Please note that the numbers mentioned above are an estimate at this stage of the process and will be confirmed later during the implementation of the details census and asset inventory survey.

The department of land management at Ili district is in the process of land acquisition for the road development, and the compensation evaluation is in process. All the land owners and users have agreed with the compensation amount, except one land owner who seems to disagree with the allocated amount. The project land acquisition has affected 18ha of 52 private and commercial land owners and tenants in Ili District, and 160ha of 6 commercial/industrial land owners/users in Kapshagai District With one outlier (# 289-168, see Appendix 1: excel spreadsheet) where 9,6% of land will be acquired, affected 52 parties in Ili District will lose on average 1.2% of their land, and in Kapshagai District, 6 commercial and industrial owners/users will lose on average 2.9%.

The owner of plot 227-005 has died and no inheritors are found to date. The owner of the plot 021-104 cannot be found. These two landowners are to lose 0.5% and 1.4% of their land plots respectively. The Ili District Council Land Management Office is conducting the search for evidences of the land owners to present it to the Regional Inter-economic Court. The Court will review the presented documents within a month and decides on the ownership transfer. If appeared at the later stage, the land owners can claim compensation in land or cash through the same court.

The 176ha will be acquired from the State enterprises and 159ha of the State reserved land will be taken. The land is mainly taken at 5 realignments and Kurty junction, but also along the road for accommodation of higher embankments to provide the required for the road category vertical visibility.

The land rental agreements allow the State to terminate the rent of all or part of the land plots that the State needs unilaterally. All the land to be acquired is used for grazing. The exception is an unused dairy farm at 2.3 km located on the State Reserve land.. The land availability does not limit the livestock composition or number which gradually increases through natural birth. The planned acquisition will split two land plots into two: #008-1035 18ha at 2km owned and designated for material base construction and #008-356 2ha at 2.5km rented to build greenhouses. The former land ownership condition allows passage through the plot. This plot has not been developed according to their designation yet. The latter plot had greenhouses in the past but they have been demolished.

Only a derelict entry to them remains at the northern part of the plot. The access to the split parts of these plots is provided by the project.

Farm 21 will be about 700m away from the ground quarry 5 (25ha at km 59). Both the quarry and the farm are located on the State reserve land. The farm has sheep and cows that graze around the neighbouring lands. However, if the neighbours restrict the access, the livestock would have only the area around the quarry (300ha). This may be still sufficient but as the number of livestock and the farmer's plans are currently not known, the project should establish the baseline status and monitor the number and composition of the livestock at the end of the vegetative period during construction. There is also a risk that cows could fall into the quarry if the quarry walls are unstable. The livestock of the nearby farms 3 and 6 do not use the quarry area.

The WSP team conducted a visit in June 2018 to the affected project area, and provided the following observations.

**Table 2: Specific Observations with regard to Characteristics of Affected Land Owners and Users**

- Most of the households visited along the route are categorised as farmers mainly involved in animal husbandry (horse, camel, cow and sheep)
- State land users were identified along the route. These land users pay monthly rent to the state for use of land.
- Some businesses such as asphalt making plant are present along the route
- Some households may be vulnerable to construction activities such as blasting
- The house 400m southwest and the café 300m south of the Kurty junction may be vulnerable to blasting work. The café is popular among the long haul drivers. The population is sparse along the route, and land users and owners are scattered
- No informal people were present within the project area. However, a census will be conducted to confirm if they are not present within the project area.

#### 4.1.1 PREVIOUS STAKEHOLDERS CONSULTATIONS

The project has consulted affected land users and owners. The main consultation meetings were conducted in 2016 and 2017. Details of stakeholder consultations are available in the Stakeholder Engagement Plan (SEP).

The project management structure and key roles and responsibilities in relation to the project are described here.

**Table 3: Project Responsibilities**

Player	Project Function	Reports To
Ministry of Finance	approves budget, controls usage.	Government
Committee for Automobile Roads	Administers budgets for all road projects, controls procurement.	Ministry of Investment and Development
KazAutoZhol (KAZh)	General control over the project implementation, draws priorities and reallocates internal resources between the projects. KazAvtoZhol is responsible for the Project Implementation Unit (PIU).	Committee for Automobile Roads
Project Implementation Unit at the KAZh Construction Directorate	Selection and control of contractors adherence to the contract conditions and schedule.	KazAutoZhol
Kazavtodor LLP	Maintenance, cleaning, amenity planting and post-guaranty running repairs of the road.	KazAutoZhol sole service provider
Ili District Council and Kapshagay City Municipality	Permanent and temporary acquisition of land for the project and approvals in the frame of the regional council requirements for the local infrastructure maintenance and improvement	Regional Council
Kyrty and Karoy rural areas councils	Organisation of the local stakeholders engagement and amalgamation of their opinions on the reconstructed road crossing and usage.	District councils

	Approval of places for construction waste placing.	
Regional departments of various ministries (see list of approvals)	Project approval, issue of permits for various construction works.	Various ministries
Infrastructure companies	Approval of changes in the infrastructure road crossings and its protection from damage.	-
Engineering Centre Astana LLP	Detailed design, obtainment of approvals, and stakeholders engagement at design stage.	Contracted by KazAutoZhol
Various consultants (archaeology, geology, geomorphology etc.)	Surveys and studies.	Contracted by Engineering Centre Astana LLP

## 5 FRAMEWORK FOR LIVELIHOOD RESTORATION

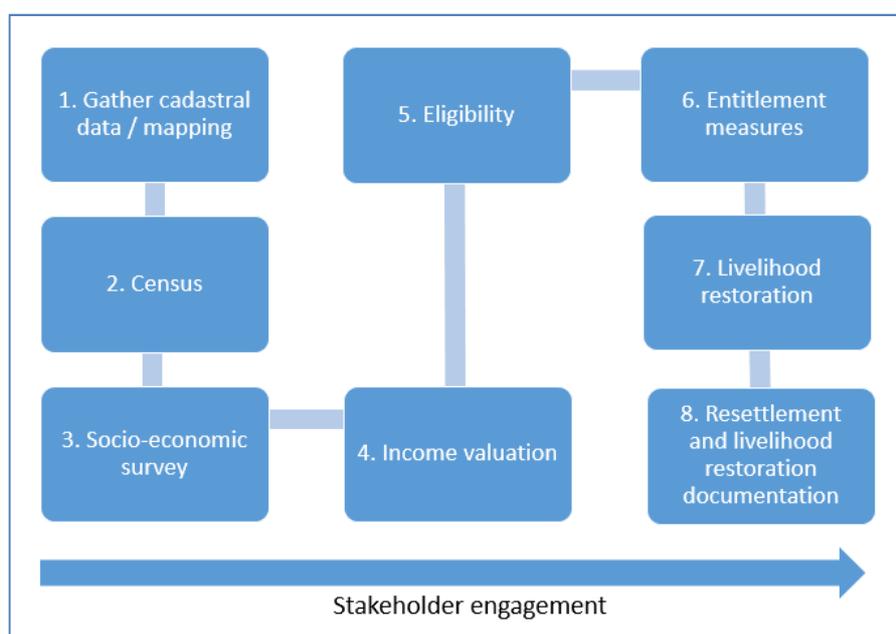
### 5.1 PRINCIPLES

The Project will:

- ensure provision of adequate compensation for loss of income / assets at replacement cost
- improve, or at least restore, the livelihoods and standards of living of affected communities
- consult with, and encourage the informed participation of those affected, and disseminate all relevant information to stakeholders

The LRF covers the following process in accordance with EBRD PR5:

Figure 2: LRF Process



### 5.2 CENSUS / SOCIO-ECONOMIC DATA COLLECTION & SURVEY ACTIVITIES

#### 5.2.1 CENSUS

A census will be undertaken to identify eligible land owners and users (i.e. formal and informal land users/owners and vulnerable groups) that are entitled to compensation and livelihood assistance. It is proposed that the Project will assign a third party consultant to conduct the census and socio-economic baseline survey to further define the characteristics of the affected land owners and users and develop the LRP. The LRP will be developed and implemented prior to land acquisition and agreement with the EBRD.

As part of the census, the following will be undertaken:

- All the affected land owners/users (i.e. permanent or temporary land acquisition, or both) will be identified through Akims and local authorities (Akims attend houses and invite affected land users and owners to a public meeting)
- A cut-off date will be set when the census is announced. This date will be communicated to the affected land owners and users.
- A register of land owners and users will be collected, which will be a process to record their name, contact details and place of living - The register will be implemented until the cut-off date, and any individual appear after this date may not be considered eligible for entitlements.

- The Ili district council and Kapshagai City Municipality will be responsible for land acquisition
- The KazAutoZhol in collaboration with department of land management in Ili district will lead the LRF process and will allocate a Community Liaison Officer (CLO) and local support who can approach affected land owners/users and communicate with them on the LRF process.
- The assigned third party consultant for development and implementation of the LRP will attend the sites regularly to ensure completion of the register.

### 5.2.2 SOCIO-ECONOMIC SURVEY

A socio-economic survey will be undertaken by the third party consultant to obtain data on affected land owners/ users (including any informal people), trades and business or any houses that its' rights of way will be affected. A series of questions will be asked from affected people. The questions will include:

- Household composition;
- Age;
- Source of income (including number of livestock);
- Place of residence;
- Gender - A separate survey and consultation will be conducted to ensure women's concerns and needs are taken into account in the implementation of LRP;
- Number of years working;
- Access to telephones / mobile phones (i.e. to establish if there is a simple mechanism to enable communication);
- Education;
- Health;
- Seasonal variations (if any); including status of seasonal workers at lands;
- Views on type of assistance they would prioritise (i.e. assistance to access farming equipment, assistance to access loans.); and
- Eligibility –eligibility criteria developed (Table 4).

### 5.3 STAKEHOLDER CONSULTATION

A series of stakeholder engagement activities will be undertaken in order to develop the LRP and complete the process. The following consultation activities will be conducted:

*Consultation with all the affected land owners and users (including any informal people and local businesses)*

The consultant, with the support of the Ili district council, will undertake consultations with the affected people. The consultation will be undertaken once the affected individuals and households are identified and the process for conducting a census is initiated. The census and consultation will be undertaken at the same time to avoid any fatigue and confusion among the affected people. A focus group will be undertaken with women to ensure that their concerns will be incorporated into the LRP process. The consultation with the affected land owners and users will be conducted in the following manner:

- Consultation with affected people through Akims
- Meaningful and culturally appropriate in a Kazakh language
- Transparent and clear of any manipulation
- To be conducted in a public / community centre

*Engagement and Consultation with the Akims*

As part of the PIU meetings (which lies within the responsibility of KazAutoZho), engagements will be conducted with project manager and Akims to ensure that sufficient support is available to the third-party consultant for carrying out the LRP process. The Project CLO will lead the discussions on provision of livelihood assistance and compensation process. All the negotiations will be conducted by the CLO and Akims.

## 5.4 ESTABLISHING A CUT-OFF DATE

A cut-off date will be set when the census is announced to ensure that there is a specific time period for identifying and registering the eligible land owners and users. Consultation with various stakeholder groups will be made in accordance with the processes set out in the stakeholder engagement plan (SEP). Any land owner or user who appear after this date may not be considered for provision of compensation and assistance. It is planned that the start of construction will commence in Q1 / Q2 of 2019 and be completed within 37 – 43 months. Therefore, the cut-off date will need to be set at least 6 months prior to commencement of the construction. However, the following assumptions will be used for further investigation in the LRP process:

- A 4-6 month period will be available to undertake the census and complete the LRP process;
- Land owners and users who register their details during this time will be considered as 'Eligible' if they also meet the eligibility criteria specified earlier
- Monitoring for a full 12 months from commencing the implementation of the LRP will be undertaken to identify seasonal trends and informal people. Trends (including indications of opportunistic influx issues) and eligibility of those registering after the first 4 months of implementation of the LRP will be reviewed.
- Livelihood assistance will only be offered to those who are willing to participate in livelihood restoration activities. The affected land owners and users will be informed of the meaningful and transparent process, and will be advised to come forward. Consultation with various stakeholder groups will be made in accordance with the processes set out in the stakeholder engagement plan (SEP).
- The Ili district council is responsible for providing assistance and compensation to the affected land owners and users and providing logistics and means of access to the location of consultation during the implementation of the LRP.

## 5.5 LAND AND ASSET VALUATION

The assessment of valuation of the affected lands and assets will be undertaken by an independent evaluator. The following will be considered in asset valuation:

- Cost method – based on the year which a property is built, or the year that land is purchased, market value for similar land with the same quality (considering productivity and quality of soil)
- Income based – annual income gained from farming (annual income and profit), commercial businesses (café, restaurants).

### High Level Entitlements Matrix

During the development of the LRP process, a series of alternative livelihood assistance and compensation measures will be made available to the affected land owners and users. The selected livelihood assistance options and compensation package (either in cash or alternative land) will be evaluated through consultation with the affected people to determine their suitability. The options will be considered based different categories of Project Affected Persons (PAPs) and nature of impact (permanent or temporary loss of land or income). For instance, alternative land or areas need to be allocated to businesses if construction corridor would potentially affect the access of customers to café or small trade. The following entitlement measures will be considered.

Table 4: Entitlement Options

Baseline	Provisional Category of Project Affected Persons (PAPs)	High-level Entitlement Options to be Considered for Each
There are private land owners located along the route. No agricultural lands were identified along the route. However, some agricultural lands were	Category 1: Private Land Owners which their land will be acquired permanently  Permanently acquired land includes the area required for construction of	<ul style="list-style-type: none"> <li>• Purchase of land at replacement value (Current market value plus Transaction costs)</li> <li>• Compensation for annual or perennial crops at replacement value plus annual income received</li> </ul>

Baseline	Provisional Category of Project Affected Persons (PAPs)	High-level Entitlement Options to be Considered for Each
<p>seen further away from the road. Parts of private lands will be acquired for development of the road.</p>	<p>the new road</p>	<p>from agricultural production</p> <ul style="list-style-type: none"> <li>• Compensation for any structures and developments on land at full replacement value</li> <li>• Provision of assistance with cattle passing activities during the construction stage</li> <li>• Provision of compensation if acquisition of land would restrict/reduce the areas for herding and livestock grazing</li> </ul>
<p>There are those who are mainly involved in farming and husbandry activities. Most of lands along the route are pasture lands.</p> <p><b>This group are referred to as 'Tenants' as they lease the land from the State (mainly 49 years lease)</b></p>	<p>Category 2: Land Users (this could also include any secondary land users who assist the primary land users on husbandry and farming activities) which their land use will be affected permanently –</p> <p>Permanently acquired land includes the area required for construction of the new road</p>	<ul style="list-style-type: none"> <li>• Pasture land = cash compensation for use of land for herding and husbandry plus any loss of income associated with reduced area for herding and husbandry</li> <li>• Agricultural land = Cash compensation for any standing crop at full replacement value plus loss for crop production for a year at replacement value</li> <li>• Provision of alternative routes or compensation for loss of access rights</li> <li>• Livelihood restoration one-off payment/allowance of estimated 10%-25% (this could change based for land users of agricultural land which will allow them to move on and rent the land elsewhere and buy new seedlings, new seeds for crops and also fertiliser</li> </ul>
<p>The house 400m southwest and the café 300m south of the Kurty junction are thought to be vulnerable to blasting work. The café is popular among the long haul drivers. To ensure that any damage caused to their structures is accounted, pre-blasting survey shall be conducted with the presence of the owner.</p>	<p>Category 3: trades and businesses (including cafes and shops) which their income will be affected temporarily due to changes in circumstances</p>	<ul style="list-style-type: none"> <li>• Compensation for loss of annual income or provision of alternative areas for establishing business</li> <li>• Compensation for loss of access rights</li> </ul>
<p>Two construction camps will be built; one at Kapshagai and one at Kurty.</p>	<p>Category 3: Land owners and users which their status in using or owning land will be affected temporarily – construction camps, construction corridor, quarries and construction depots, i.e. Land Easement</p> <p>Temporary facilities include construction camps, construction depots, access roads, etc. Land will be occupied on a temporary basis</p>	<ul style="list-style-type: none"> <li>• Land owner: Compensation for land rental at market cost for three years' construction stage or if exceeds three years, additional monthly rental</li> <li>• Land user: Compensation for lost crops and farm income during construction period at full replacement value</li> <li>• Livelihood restoration one-off payment/allowance of 10% to 25%</li> </ul>

Baseline	Provisional Category of Project Affected Persons (PAPs)	High-level Entitlement Options to be Considered for Each
	during the maximum duration of construction, then reinstated to pre-project condition and handed to land owner or user.	for land users of agricultural land which will allow them to move on and rent the land elsewhere and buy new seedlings, new seeds for crops and also fertilizer
Some women may not hold any legal status to lands, however, they may hold traditional rights to lands. The WSP site visit did not identify any informal people in the area. However, a census will need to confirm the presence of this group.	<ul style="list-style-type: none"> <li>Women and informal people who do not have any legal claim to lands, however, they hold customary rights or they hold informal status</li> </ul>	<ul style="list-style-type: none"> <li>Compensate for loss of income associated with use of land or provide alternative areas</li> </ul>

## 5.6 METHODOLOGY OF THE REPLACEMENT VALUE CALCULATION

According to international best practice, the rate for compensation for loss of assets, lands or losses that cannot be easily valued, the following instructions will be used:

**Table 5: IFC PS 5 Replacement Value Calculation**

The rate of compensation for lost assets should be calculated at full replacement cost, (i.e., the market value of the assets plus transaction costs). The process used for determining compensation values should be transparent and easily comprehensible to project-affected people. Rates should be adjusted for inflation annually, at a minimum. For losses that cannot easily be valued or compensated for in monetary terms, in-kind compensation may be appropriate. However, this compensation should be made in goods or resources that are of equivalent or greater value, are culturally appropriate and which can be sustainably maintained by the community. With regard to land and assets, replacement costs are defined as follows:

- **Agricultural or pasture land:** land of equal productive use or potential, located in the vicinity of the affected land or the new housing site, plus the cost of preparation to levels similar to or better than those of the affected land, and transaction costs such as registration and transfer taxes or customary fees. In situations where blocks of replacement land are identified by the client in areas not immediately adjacent to affected land, the client should establish the difference between present and potential land use to ensure that replacement land is of equivalent potential. Typically this requires an independent assessment of land capacity and/or carrying capacity (e.g., soils surveys, agronomic capability mapping). Compensation for affected land with land of less productive potential may prevent the restoration of livelihoods and require a higher cost of inputs than prior to displacement. Land-based compensation strategies are the preferred form of compensation for agriculturally-based households.
- **Fallow land:** market value of land of equal productive value in the vicinity of the affected land. Where value cannot be determined or land for land compensation is not feasible, in-kind communal compensation is recommended.
- **Land in urban areas:** the market value of land of equivalent area and use, with similar or improved infrastructure and services preferably located in the vicinity of the affected land, plus transaction costs such as registration and transfer taxes.

Houses and other structures (including public structures such as schools, clinics and religious buildings): the cost of purchasing or building a replacement structure, with an area and quality similar to or better than those of the affected structure, or of repairing a partially affected structure, including labour, contractors' fees and transaction costs such as registration, transfer taxes, and moving costs.

Loss of access to natural resources: The market value of the natural resources which may include wild medicinal plants, firewood, and other non-timber forest products, meat or fish. However cash compensation is seldom an effective way of compensating for lost access to natural resource, every effort should be made to provide or facilitate access to similar resources elsewhere, thereby avoiding or minimizing the need for cash compensation.

IFC, 2012

## 5.7 VULNERABLE GROUPS (WITHIN THE CONTEXT OF PR5)

Based on the EBRD definition of vulnerable people, this category includes people who, by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage or social status may be more adversely affected by displacement than others and who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits.

Vulnerable groups in the context of displacement also include people living below the poverty line, the landless, the elderly, women- and children-headed households, ethnic minorities, or other displaced persons who may not be protected through national land compensation or land titling legislation.

Based on the data on affected individuals, there will be approximately 28 farmers and 3 commercial and industrial companies who are not land owners and as such can miss all compensation entitlements that are due to them based on the EBRD PR5 requirements. This potential impact will be mitigated through the legal framework defined in LRF, and through the implementation of a subsequent LRP.

Women (who due to traditional limiting factors cannot participate in consultations or cannot claim compensation), elderly, the disabled and individuals with chronic health condition are vulnerable and would be exposed further to the Project land acquisition impacts. These groups will be identified further in the LRP process, and their needs and concerns will be addressed in relation to the Project.

## 5.8 GRIEVANCE MECHANISM

A Grievance Procedure will be established in the LRP by which all PAPs will be able to submit their grievances and / or comments to the Project CLO. This procedure will be clearly outlined in the LRP and will be in line with the Project Grievance Procedure established as part of the SEP (Appendix A). The affected land owners and users should be able to raise their concern via Akims of Ili district and Kurty. All the PAPs will be informed of the way they can engage with the process and submit grievances. The CLO will ensure grievances are responded to within a period of 30 working days. As some of the affected people may be illiterate, a grievance process will be encouraged through face to face meetings. The CLO will also monitor the LRP and the status of the affected people subsequent to completion of the process. Annual monitoring reports will be provided to the project shareholders.

## 5.9 MONITORING AND EVALUATION

The Project will monitor and audit the land acquisition process in different stages, and will work based on the following indicators to measure the progress.

**Table 6: Monitoring and Evaluation**

Topic	Monitoring	Progress or Outcome indicator
Permanent land acquisition	Quarterly/annual inspection of the land area to ensure that land owner/user's livelihood is not affected.	<p>Compensation of land at full replacement value.</p> <p>Land owner/user's satisfaction from the process.</p> <p>Farming or husbandry activities are run as previous time.</p> <p>There are alternative areas for herders to take their cattle for grazing.</p>
Temporary land acquisition	Quarterly inspection of the land area to ensure that land owner/user' livelihood is not affected.	<p>Rental value of the land at market cost plus in-kind compensation on loss of land use.</p> <p>Upon completion of the temporary use of land by the project, the land needs to be</p>

		restored to its previous state.
Loss of access rights and impacts on local livelihood resulting from the project	Quarterly/annual inspection of affected areas/households to ensure that local livelihood is not affected.	Allocation of temporary access routes for cattle and individuals during the construction stage. In-kind compensation or allocation of temporary areas/lands to affected people.
Vulnerable people	Regular meetings (monthly or quarterly) with vulnerable group to ensure that their livelihood is not affected as a result of the project.	Provision of assistance to improve their livelihood (such as provision of transport if access is affected as a result of construction corridor). In-kind compensation to disabled, people, women and people with chronic illnesses to ensure that their health status will not be affected as a result of construction activities (dust, noise).

**A third-party audit on the affected land owners/users' condition post land acquisition will be undertaken to cover the items mentioned in table 6.**

## 5.10 LRP / LRF ACTIONS

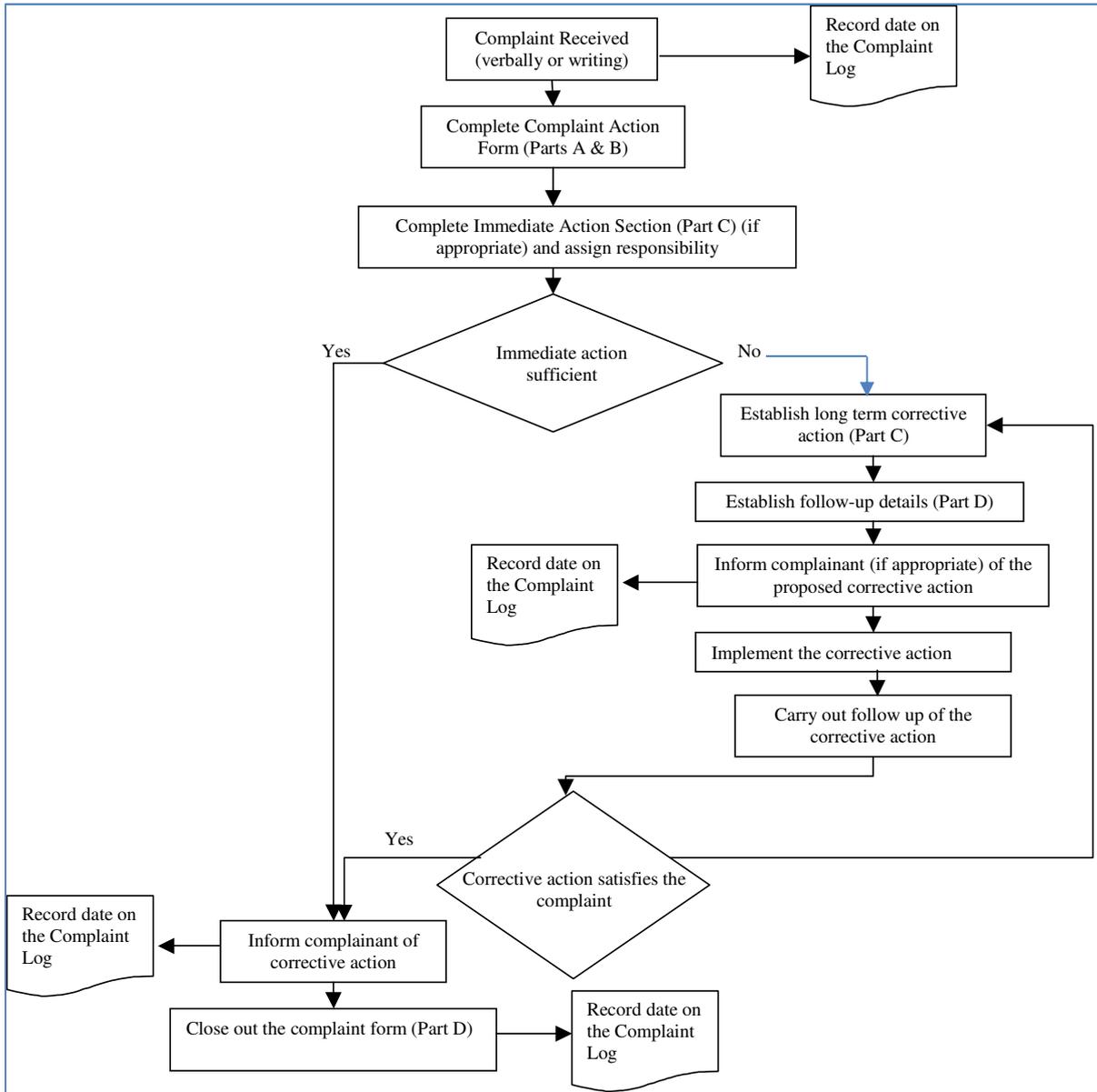
The KazAutoZhol will be responsible for leading the implementation of the LRF and LRP process. A third-party social / livelihood restoration consultant will be assigned to develop the LRP process and undertake the detailed tasks. The following actions will be undertaken by the KazAutoZhol PIU to ensure implementation of the LRF and development of the LRP process:

**Table 7: Livelihood Restoration Actions**

Actions	Responsible	Timeline
Allocate a team to lead the development of the LRP.	KazAutoZhol	As soon as practicable and within 1 year of the initial formation of the Project Implementation Unit.
Allocate the project CLO to consult with PAPs and finalise land acquisition negotiations and compensation process.	KazAutoZhol	As soon as practicable after formation of the LRP development team.
Consult with all the affected land owners and users on the location of underpasses, construction camps and potential new quarries or depots	KazAutoZhol and EPC contractor (who is responsible for temporary land acquisition)	As soon as practicable after formation of the LRP development team.
Procure a social consultant to develop the LRP.	KazAutoZhol with assistance of the EBRD	Within months of the investment.
Initiate engagement with Akims of Ili district and Kapshagai municipality about the LRP.	KazAutoZhol and the allocated CLO	As soon as practicable after appointment of the LRP consultant.
Develop and implement the LRP (subsequent to agreement with the EBRD)	KazAutoZhol to instruct a third-party consultant to undertake the LRP  EPC Contractor will also	Prior to land acquisition

	follow the LRP process for all temporarily land acquisitions.	
Conduct census and socio-economic survey as part of the implementation of the LRP. Electronic records of information will be kept and the simple register updated by the KazAutoZhol and reviewed with the Consultant. Data protection of personal information will be reviewed at all stages.	Third-party consultant	As soon as practicable after appointment of the LRP consultant.
Conduct a meaningful and transparent consultation with the affected people with assistance from the Akims.	Third-party consultant	At all stages of Project design, development and implementation.
Provide and investigate suitable compensation package (land based or cash) and provision of assistance to affected people.	PIU, Third party consultant, Ili district council and Kapshagai municipality	Subsequent to completion of census and socio-economic survey and prior to commencement of construction.
Confirm the exact date for closure of the parts of the road and commencement of construction.	KazAutoZhol	As soon as practicable.
Collaborate with Akims with regard to development of temporary access roads and location of construction camps to ensure local discomfort.	KazAutoZhol and Ili district council, CLO	Throughout the LRP process.
Implement the grievance mechanism and monitor the LRP.	KazAutoZhol	At all stages of Project design, development and implementation.

# APPENDIX A: COMPLAINT PROCEDURE & GRIEVANCE FORM



## PAPs' Grievance Form

Reference No:	
Full Name	
Note: <i>you can remain anonymous if you prefer or request not to disclose your identity to the third parties without your consent</i>	<input type="checkbox"/> I wish to raise my grievance anonymously <input type="checkbox"/> I request not to disclose my identity without my consent
Contact Information Please mark how you wish to be contacted (mail, telephone, e-mail).	By Post: Please provide mailing address: _____ _____ _____ By Telephone: _____ By E-mail: _____
Language Please mark your preferred language for communication	Kazakh Other
Description of Incident or Grievance: What happened? Where did it happen? Who did it happen to? What is the result of the problem?	
Date of Incident / Grievance	
	One time incident/grievance (date _____) Happened more than once (how many times? _____) On-going (currently experiencing problem)
What would you like to see happen to resolve the problem?	

Please return the form to: **JSC "NC "KazAutoZhol"**

Name: Aliya Zeinullina

Title: Environmental and social issues specialist of the JSC "National Company "KazAutoZhol" – "Construction Directorate"

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Website: [www.kazautozhol.kz](http://www.kazautozhol.kz)

## APPENDIX B -TERMINOLOGY

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LRF	Livelihood Restoration Framework
LRP	Livelihood Restoration Plan
EBRD	European Bank for Reconstruction
IFC	International Finance for Corporation
SEP	Stakeholder Engagement Plan
PAP	Project Affected Persons
EPC	Engineering, Procurement and Construction
PS	Performance Standard
PR	Performance Requirement
CLO	Community Liaison Officer
PIU	Project Implementation Unit