

Republic of Uzbekistan

Ministry of Investment and Foreign Trade

Medium-Sized Cities Integrated Urban Development Project  
(MSCIUDP)

# **Resettlement Policy Framework**

January 2021

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## ABBREVIATIONS AND GLOSSARY

### Abbreviations

<b>AD</b>	Agricultural Department
<b>AIIB</b>	Asian Infrastructure Investment Bank
<b>ARAP</b>	Abbreviated Resettlement Action Plan
<b>CB</b>	Central Bank of Uzbekistan
<b>CBO</b>	Community-based organization (mahalla)
<b>CC</b>	Consulting Company
<b>CM</b>	Cabinet of Ministers of the Republic of Uzbekistan
<b>CE</b>	Citizen Engagement
<b>DCM</b>	Decision of Cabinet of Ministers
<b>DMS</b>	Detail Measurement Survey
<b>DP</b>	Displaced Person
<b>EA</b>	Executive Agency
<b>EM</b>	Entitlement Matrix
<b>ESMF</b>	Environmental and Social Management Framework
<b>GRM</b>	Grievance Redress Mechanism
<b>IDA</b>	International Development Association
<b>IFI</b>	International Financial Institution
<b>IPF</b>	Investment Project Financing
<b>LAA</b>	Land Acquisition Act
<b>LAR</b>	Land Acquisition and Resettlement
<b>LARC</b>	Land Acquisition and Resettlement Commission
<b>LRSCD</b>	Land Resources and State Cadaster Department
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MIS</b>	Management Information systems
<b>MSCIUDP</b>	Medium-Sized Cities Integrated Urban Development Project
<b>NGO</b>	Non-Governmental Organization
<b>OP</b>	Operational Policy
<b>PAP</b>	Project Affected Persons
<b>PIU</b>	Project Implementation Unit
<b>R&amp;R</b>	Resettlement and Rehabilitation
<b>RAP</b>	Resettlement Action Plan
<b>RPCU</b>	Regional Project Coordination Unit
<b>RCM</b>	Resolution of the Cabinet of Ministers of Uzbekistan
<b>RPF</b>	Resettlement Policy Framework
<b>RoW</b>	Right-of-Way
<b>MIFT</b>	Ministry of Investments and Foreign Trade
<b>SES</b>	Sanitary Epidemiological Service
<b>SS</b>	Safeguard Specialist
<b>TOR</b>	Terms of Reference
<b>USD (US\$)</b>	United States dollar
<b>UZS</b>	Uzbek Sum
<b>WB</b>	World Bank
<b>WBG</b>	World Bank Group

## Glossary

<b>Displaced Person</b>	Any individual or part of the Displaced Households living, cultivating the land, or carrying on business, trade, or any other occupation within the Corridor of Impact who are impacted by the project is a Displaced Person. Includes households, business units including their workers, and owners of assets like land and buildings affected by the project. It may include; non-resident landowners (including farmers and horticulturist); non-resident lessees; resident landlord (including farmers and horticulturists); resident lessee; resident lessees, tenants or sub-tenants of buildings; squatters (non-resident structure owners, resident structure owners, tenants);
<b>Compensation</b>	Payment in cash or in-kind to which the Project Affected Persons are entitled to replace land or other assets taken for project use.
<b>Census</b>	A field survey carried out to identify and determine the number of Project Affected Persons, their assets, and potential impacts; in accordance with the procedures, satisfactory to the relevant government authorities, and the World Bank Safeguard Policies
<b>Cut-off-date</b>	The date after which people WILL NOT BE considered eligible for compensation, i.e., they are not included in the list of PAPs as defined by the census.
<b>Entitlement</b>	Entitlement means the range of measures comprising compensation in cash or in-kind, relocation cost, income rehabilitation assistance, transfer assistance, income substitution, and business restoration, which are due to PAPs, depending on the type, degree, and nature of their losses, to restore their social and economic base.
<b>Environmental and Social Management Framework</b>	A safeguard instrument (document) establishes a mechanism to determine and assess future potential environmental and social impacts of the project funded activities in the MSCIU DP construction program and other activities associated with this project regardless of the funding agency.
<b>Hokim</b>	Head of public authority in places (Governor)
<b>Hokimiyat</b>	A public authority in places, carrying out the interaction between local communities and the government at regional and national levels. Possesses the highest administrative and legal authority over the local population living in the territory within the jurisdiction.
<b>Income restoration</b>	Income Restoration means re-establishing the productivity and livelihoods of PAPs.
<b>Involuntary Resettlement</b>	For this framework, "involuntary" means actions that may be taken without the displaced person's informed consent or power of choice
<b>Land acquisition</b>	Land Acquisition means the process whereby a person is compelled by a public agency to alienate all or part of the land she/he owns or possesses, to the ownership and possession of that agency, for public purposes in return for fair compensation.
<b>Low-income family</b>	A low-income family is a family whose monthly average income per person is less than 1.5 times of minimum wage which equals US\$1.17. This line is subject to the provision of social support from the Government. In Uzbekistan, the minimum salary per person shall not be below 2.5 times of minimum wage which equals US\$1.95. This number amount is equal to the World Bank's global poverty line to US\$1.90. Therefore, in this document, this number will be taken as a reference to identify low-income families.
<b>Vulnerable people</b>	Women headed household, low-income household, a household headed by elderly <sup>1</sup> with no support and household headed physically challenged people
<b>Owner</b>	The person who own, use, and dispose of appurtenant property (resources, enterprises, things, including buildings, apartments, structures, equipment, raw materials and production, money, equities, and other property, as well as objects of intellectual property) at his/her discretion and in his/her interests.

<sup>1</sup> Elderly people will be defined by the retirement age for women and man as of national legislation on the date of survey.

<b>Ownership</b>	Ownership or property right represents the right of the person to own, use and dispose of appurtenant property at his/her discretion and in his/her interests, and also requires the elimination of any violations of his/her property right of whoever they are originated. The property right is perpetual.
<b>Project Affected Persons</b>	Persons who as a result of Project activities, for reasons of the involuntary taking or voluntary contribution of their land and other assets, results in direct economic and or social adverse impacts, regardless of whether or not PAPs are required to physically relocate
<b>Replacement cost (assets)</b>	For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the value of an affected asset.
<b>Replacement cost (land)</b>	Replacement cost for the land is the pre-project or pre-displacement, whichever is higher, the market value of the land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes
<b>Rehabilitation</b>	Assistance provided to the affected persons to supplement their income losses to improve, or at least achieve full restoration of their pre-project living standards and quality of life.
<b>Mahalla</b>	Community-based organization at the local level, officially recognized in Uzbekistan, serving as an interface between the government and the community and responsible for the provision by the means of social support and cultural interaction of its members. Chairmen of the Mahalla are elected by local gatherings.

**\* The rate of the Central bank of the Republic of Uzbekistan**

(as of December 21, 2020)

1 US dollar = 10,473.77 Uzbek soums

## EXECUTIVE SUMMARY

1. The Government of the Republic of Uzbekistan (GoU), acknowledging the need for a comprehensive approach to medium-size cities (with a population between 50,000 and 100,000 people) in the country, requested the World Bank to support the development of a Medium-Sized Cities Integrated Urban Development Project (MSCIUDP). The World Bank finance approved in 2018 aimed at supporting GoU's overarching development goal of achieving an "integrated and balanced social-economic development of regions, districts, and cities" of Uzbekistan. It is conceptualized as a long-term national program that targets medium-sized cities and supports innovative approaches tailored to the country context to promote integrated urban and territorial development and holistically transform targeted cities, through the efficient management of urban systems. The investments are being designed to address the specific needs of each project city, combining as necessary: (i) integrated urban service improvement, to address the basic infrastructure and service gap, thereby enhancing the functional aspects of the city; (ii) urban regeneration of selected areas of the city to improve livability and (iii) support to local economic development for job creation. Investments would be complemented by assistance to enhance the efficiency of urban planning and capacity building of local and central government agencies.

2. In February 2020 the GoU requested an Additional Financing (AF) to scale up the project and ensure the timely response to the challenges of rapid urbanization. The GoU acknowledged the Bank-funded MSCIUDP as best positioned to support a swift scale-up and replication of development in medium-sized cities across the country, ensuring that they are best prepared to attract and accommodate population growth while applying a consistent approach and focusing on sustained institutional strengthening during the urbanization reform process. Moreover, the AF provides the unique opportunity to mobilize other donors' financing in support of the transformation of medium-size cities into more livable and economically dynamic places. The Asian Infrastructure Investment Bank (AIIB) agreed to co-finance the AF with an equivalent amount of US\$100 million.

3. Initially under the MSCIUDP above-mentioned investments were planned to be implemented in three following cities: Kagan (Kagan district of Bukhara province), Yangiyul (Yangiyul district of Tashkent province), and Chartak (Chartak province of Namangan province). Under the AF, the geographic coverage will be expanded to cover a system of cities characterized by spatial proximity and/or located along economic corridors in selected new locations, while also complementing investments in the current MSCIUDP pilot cities and regions as described below. Based on the outcomes of the ongoing spatial and economic analysis being carried out in cooperation with the implementing agency, the MIFT, and other project stakeholders two additional regions Surkhandarya and Kashkadarya have been selected for the project intervention. The selection of the region is informed by the results of the spatial analysis and is a result of extensive consultations with the stakeholders.

4. The Project Development Objective of the MSCIUDP-AF remains the same as the parent project, i.e is to support the GoU to (1) improve selected urban infrastructure, public spaces, and assets, and access to services in Participating Cities; and (2) strengthen the institutional capacity of relevant government agencies to deliver and manage local infrastructure and services. The proposed project will consist of the following components: Component 1: Improvement of Urban Services and Enhancement of Public Urban Spaces; Component 2: Institutional Strengthening and Capacity Building (include two subcomponents: Subcomponent 2.A: Institutional strengthening and capacity building of project municipalities and their regions. Subcomponent 2.B: Support for GoU policy and reforms for sustainable urbanization); and Component 3: Implementation Support.

5. The Project Design of the AF also remains the same as that of the parent project – the MSCIUDP, adopting the framework approach. The experience gained in the pilot cities of the parent project will play a critical role as the first demonstration/pilot project and providing the necessary experience and lessons in identifying the priority investments under the AF. Thus, the AF is meant to do 'more of the same' but in different geographical areas. Hence, Environmental and Social aspects, as well as the instruments there of to address them remain the same as that of Original Project (OP). However, the project has recognized a need to update the same to reflect on the latest legislative developments.<sup>2</sup> One of them, related to 'lands' – Resettlement Policy Framework (RPF)- forms the focus of this report.

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<sup>2</sup> Earlier, a RPF had been prepared, approved and disclosed for the Original Project on October 8, 2018.



6. The project (both Original and Additional Finance taken together) recognizes well that the investments (sub-projects) may involve permanent and temporary land acquisition affecting agricultural and urban lands. The permanent land acquisition may be needed, for example, for the construction of water distribution centers, water reservoirs, waste collection points, solid waste processing facilities. The temporary land acquisition could be needed for reconstruction and extension of water and sewerage pipelines, widening of roads. Land for that purpose can be taken from agricultural as well as urban lands thus, affecting farmers, households, or businesses (path, title, and non-title holders). There will be no need for permanent land acquisition within the city but may involve temporary land acquisition due to the construction/reconstruction of sewerage and water supply pipelines, and other urban infrastructure. The project is expected to have several subprojects that will become known only during the implementation phase. While the broad category of activities/ impacts is foreseen, exact magnitudes can become known only after detailed designing of the subprojects. Social Impact Assessments (SIA) will need to be undertaken in respect of each subproject to determine the magnitude of displacement and prospective losses, identify vulnerable groups for targeting, ascertain the costs of resettlement, and prepare a resettlement action plan (RAP) for implementation. At the project preparation stage, an Environmental and Social Management Framework (ESMF) has been developed for this MSCIU DP to serve as ‘guidance’, to provide details on procedures, criteria, and responsibilities for subproject screening, preparing, implementing, and monitoring of subproject specific ESIA s. The framework will be applied as and when a subproject surface and an Environmental and Social Management Plans (ESMP) will be prepared which will include, among others, RAP, each citizen engagement plan (CEP), gender action plan (GAP), and a labor-management plan (LMP). Towards preparing a RAP, project has developed a Resettlement Policy Framework (RPF).

7. The key objective of the RPF is to provide a framework to appropriately identify, address and mitigate adverse socioeconomic impacts that may occur due to the implementation of subprojects that involve the involuntary acquisition of land and the subsequent resettlement of affected families. The RPF also serves the following specific purposes:

- Review the existing legal framework, compare with Bank OP 4.12 for gaps, if any, and indicate gap-filling measures;
- Describe the approach to the taking of private land, assets, and other common property resources;
- Valuation process of impacted assets;
- The process of preparation of SIA and RAPs and their review by PIU;
- Defining of the cutoff date for Title and Non-Title holders;
- Consultation mechanisms/approaches to be adopted including disclosure of safeguards instruments; and
- Monitoring and Evaluation arrangements including a Grievance Redress Mechanisms role/responsibility of different stakeholders.

8. Subproject-specific RAPs will be prepared in accordance with the resettlement policy framework. The corresponding safeguards document for other social and economic impacts not associated with land takings and restrictions is an environmental and social management framework. This RPF is based on relevant National laws and Decrees as well as the World Bank’s Operational Policy on Involuntary Resettlement (OP 4.12). The guidelines of the resettlement policy framework applicable to all the investments financed by MSCIU DP. The policy framework applies to all economically and/or physically displaced persons regardless of the total number affected by the severity of impact and whether or not they have legal title to the land. Particular attention will be paid to the needs of vulnerable groups among those women headed household, low-income household, a household headed by elderly with no support and household headed physically challenged people.

9. In this RPF, the resettlement impacts are categorized as Significant (Category 1)<sup>3</sup> – If as a result of the subproject, about 200 or more people may experience major impacts, that is, being physically displaced from housing, or losing 10% or more of their productive (income-generating) assets, Not significant (Category 2)<sup>4</sup> – If as a result of the subproject, fewer than 200 people will be physically displaced from housing or lose less than 10% of their productive (income- generating) assets, No resettlement effect (Category 3)<sup>5</sup> – If the subproject does not require temporary or permanent land acquisition, and there are no impacts involving the loss of land, structures, crops and trees, businesses or income.

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<sup>3</sup> Full RAP is prepared

<sup>4</sup> Abbreviated RAP is prepared

<sup>5</sup> No resettlement plan is required. Due Diligence Report is prepared

10. There are some differences between OP 4.12 and Uzbekistan’s legislation in the sphere of involuntary resettlement. The main discrepancies include a detailed explanation of entitlements to project-affected households, provision of just compensation instead of full replacement cost, cut-off date, and carrying out socioeconomic surveys. The RPF has been prepared to harmonize to the extent possible the two policies. However, OP 4.12 will prevail in cases of differences in substance and/ or in the interpretation, between WB’s Operational Policy and Uzbekistan legislation.

11. Each subproject shall be screened for social impacts based on the given designs for the proposed improvements envisaged to determine if any impacts that require preparation of the resettlement action plan that entitles the project affected persons resettlement assistance. To ensure that ineligible persons do not take the opportunity to claim eligibility, a cut-off date will be established. The cut-off date will be the last date of the census. It is a date, after which people who are not included in the list of Project Affected Persons (PAPs)<sup>6</sup> as defined by the census will not be considered eligible for compensation.

12. Based on the harmonization efforts and the impacts likely to occur, and Entitlement Matrix (EM) has been developed, that summarizes the types of losses and the corresponding nature and scope of entitlements. Compensation and rehabilitation assistance to various categories of losses based on the tenure and magnitude of impact has been provided. Additional assistance to the vulnerable, reimbursement of transaction costs in relation to those who receive land for land compensation, buy land/property with the compensation and assistance in the name of women, cash assistance for housing to physically displaced squatters are some of the provisions contained in the EM. (Table I).

**Table I: Entitlement Matrix**

S.No	Impact Category	Entitlements		Implementation Guidelines	
<b>Section I. TITLE HOLDERS - Loss of Private Property</b>					
1	Loss of Land (agricultural, residential, commercial, or otherwise, including resident & non-resident landlords)	a	Land for land compensation with a plot of equal value.	Compensation “land for land” is provided to all the PAPs in case of loss of their land by a selection of the similar (equivalent) land plots of the equal value/productivity, of comparable location, and additional agricultural means. Transaction costs, including, valuation fee, stamp duty, and registration charges will be borne by the project	
		<b>1.1 Agricultural land</b>			
		a	Land for land compensation with a plot of equal value. <i>OR</i> Compensation to recover a new land to the pre-project condition.	Compensation based on the market value for loss harvest equals the average annual income for the past 3 years multiplied by 4 times (years). Unaffected portions of an affected arable plot will also be compensated if the same becomes unviable after impact.	
		b	One-time subsistence allowance of equivalent to three months minimum wage income <sup>7</sup> for severely affected households	Households who are losing more than 10% of productive lands.	
2	Loss of residential structure (inhabited structures)	<b>2.1. Inhabited structures</b>			
		a	<i>In addition to Compensation for land listed above under S.No.1</i> 6-month notice in advance to vacate the structures  Cash compensation at full replacement costs	Payment of compensations is carried out by the independent Valuation Service on the basic values in local markets in adjacent territories for the actual moment of compensation payment, taking into account inflation and market fluctuation in prices in the real estate sphere.	

<sup>6</sup> Persons who as a result of Project activities, for reasons of the involuntary taking or voluntary contribution of their land and other assets, results in direct economic and or social adverse impacts, regardless of whether or not PAPs are required to physically relocate

<sup>7</sup> According to February 2021, the minimum wage in Uzbekistan equals to 245 000, so one-time allowance is 735 000 UZS. This number is subject to corrections based on minimum wage rate at the time of census

			<p style="text-align: center;">OR</p> <p>Provision of the alternative house of equality in adjacent territories. In case the alternative house's market value lower than an affected house, then additional cash compensation for the difference will be provided</p>	<p>Transaction costs, including, valuation fee, stamp duty, and registration charges will be borne by the project</p> <p>For partly affected structures, the PAPs will have the option of claiming compensation for the entire structure, if the remaining portion is enviable.</p>
		b	Right to salvage affected materials	There will be no deductions for depreciation or retention of salvaged materials in the calculation of compensation.
		c	One-time subsistence allowance of equivalent to three months minimum wage income for the project affected households who are required to relocate due to the project	Households who need to relocate are assisted as part of livelihood restoration
		d	A one-time allowance of moving costs for those who have to relocate	A one-time allowance will be calculated during the census survey based on the actual market value in respective project areas.
		e	<p>Rental allowance up to 24 months for affected households who gets cash compensation for an affected residential structure</p> <p style="text-align: center;">OR</p> <p>Rental allowance for 1 month, who gets an alternative house.</p>	<p>Monthly allowance will be calculated during the census of PAPs consisting of average market rental value in respective project areas. Information from Real Property Agencies or websites can be taken as reference.</p> <p>A one-month allowance will be given to households who will be provided a ready alternative house to live in.</p>
		<b>2.2. Losses of adjoining substructures to the residential houses such as fences, shed /tents, etc.</b>		
		a	Compensation at full replacement cost for affected structure/fixed assets free of depreciation and transaction cost	PAPs must have the right to salvage materials
3	Loss of Commercial structures	a	<p><b>In addition to Compensation for Land and Assurances listed above under S.No.1</b></p> <p>Cash compensation at full replacement costs</p> <p style="text-align: center;">OR</p> <p>Provision of the alternative commercial structure of equal in adjacent territories. In case the alternative structure's market value lower than the affected structure, then additional cash compensation for the difference will be provided</p>	<p>Payment of compensations is carried out by the independent Valuation Service based on values in local markets in adjacent territories for the actual moment of compensation payment, taking into account inflation and market fluctuation in prices in the real estate sphere.</p> <p>Transaction costs including, valuation fee, stamp duty, and registration charges will be borne by the project</p> <p>For partly affected structures, the PAPs will have the option of claiming compensation for the entire structure, if the remaining portion is unviable.</p>
		b	6-month notice in advance to vacate the structures	
		c	Right to salvage affected materials	There will be no deductions for depreciation or retention of salvaged materials in the calculation of compensation.
		d	One time grant equal to one year of wages for loss of trade/self-employment for the business owner	Provision of compensation will be based on tax declaration or official minimum salary
		e	One-time subsistence allowance of equivalent to three months minimum wage income for owners of	Owners of Commercial structures who need to relocate are accepted as severely affected entities losing more than 10% of their production capacities.

			commercial structures who are required to relocate due to the project	
		f	A one-time allowance of moving costs for those who have to relocate	A one-time allowance will be calculated during the census survey based on the actual market value in respective project areas.
		g	Rental allowance up to 3 months for lost income during the interruption.	Monthly allowance will be calculated during the census of PAPs consisting of average market rental value in respective project areas. Information from Real Property Agencies or websites can be taken as reference.  Provision of rehabilitation assistance if required (assistance with job placement, skills training).
4	Impact to Tenants (Residential/ Commercial / Agricultural)	<b>4.1 Residential</b>		
		a	1-month notice to vacate the rental premises	
		b	Rental allowance for 1 month	Monthly allowance will be calculated during the census of PAPs consisting of average market rental value in respective project areas. Information from Real Property Agencies or websites can be taken as a reference
		c	A one-time allowance of moving costs for those who have to relocate	A one-time allowance will be calculated during the census survey based on the actual market value in respective project areas.
		<b>4.2 Commercial</b>		
		a	1-month notice to vacate the rental premises	
		b	Rental allowance for 1 month	Monthly allowance will be calculated during the census of PAPs consisting of average market rental value in respective project areas. Information from Real Property Agencies or websites can be taken as a reference
		c	A one-time allowance of moving costs for those who have to relocate	A one-time allowance will be calculated during the census survey based on the actual market value in respective project areas.
		d	Commercial tenants will receive a one-time allowance for loss of trade/self-employment provided under 3(c) above in lieu of the owner	Provision of compensation will be based on tax declaration or official minimum salary
		<b>4.3 Agricultural tenants</b>		
		a	In the case of agricultural tenants advance notice to harvest crops OR Compensation for the lost crop at the market value of the 1-year yield	Based on 1 year of production costs (inputs) plus an allowance equivalent to 1-year average net income based on the average income over the past 3 years determined by the Agricultural Department (AD) at respective districts of the project area
5	Impact to trees, standing crops, other properties, perennial and non-perennial crops	a	Three months (90 days) advance notification for the harvesting of standing crops OR A lump sum equal to the market value of the yield of the standing crop lost	Based on 1 year of production costs (inputs) plus an allowance equivalent to 1-year average net income based on the average income over the past 3 years determined by the AD
		b	Compensation for timber trees provided based on replacement cost.	Based on the market value of dry wood volume determined by the AD. Felled trees will be kept by affected households
		c	Compensation for fruit trees will be provided based on replacement cost.	Based on the market value for loss harvest equal the average annual income for the past 3 years multiplied by 4 times (years) plus input costs for

				trees to reflect the duration from planting to reach the productive stage
<b>Section II. Additional assistance for Women headed households (Title and non-title holders)</b>				
6	Loss of Land/house/shop		One-time subsistence allowance of equivalent to three months minimum wage for women-headed households who are required to relocate due to the project	
<b>Section III. NON-TITLE HOLDERS - Impact to squatters / Encroachers</b>				
7	Impact to Squatters	<b>7.1 Loss of house</b>		
		a	Cash compensation at market value for the structures OR Provision of comparable alternative structures	
		b	Right to salvage the affected materials	
		c	One-time subsistence allowance of equivalent to three months minimum wage income for project-affected households who are required to relocate due to the project	
		d	A one-time allowance of moving costs for those who have to relocate	
		e	Assistance in the legalization of title	Transaction costs including, valuation fee, stamp duty, and registration charges will be born by the project
		<b>7.2 Loss of shop, kiosk, repair shop</b>		
		a	Cash compensation at full replacement costs for the structures OR Provision of comparable alternative structures	
		b	Right to salvage the affected materials	
		c	One-time subsistence allowance of equivalent to three months minimum wage income for project-affected households who are required to relocate due to the project	
		d	A one-time allowance of moving costs for those who have to relocate	
		e	Assistance in the legalization of title	
		<b>7.3 Loss of standing crops</b>		
			Three months (90 days) advance notification for the harvesting of standing crops  OR A lump sum equal to the market value of the yield of the standing crop lost	
		8	Impact to Encroachers	<b>8.1 Loss of Standing crops</b>
a	2-month notice to harvest standing crops or market value of compensation for standing crops, if notice is not given.			Market value for the loss of standing crops will be decided by the PIU in consultation with the Agriculture Department at respective districts.
<b>8.2 Structure</b>				
a	1-month notice to demolish the encroached structure			
		b	Compensation at market value for structures without depreciation for the affected portion of the structure	
<b>Section IV. Loss of Livelihood Opportunities</b>				

9	Loss of employment in non-agricultural activities or daily agricultural wages or other wage workers		One-time subsistence allowance of equivalent to three months minimum wage income.	Only agricultural laborers who are in full-time/permanent employment of the landowner, or those affected full-time employees of the business, will be eligible for this assistance. Seasonal agricultural laborers will not be entitled to this assistance.
<b>Section V. Impact on Vulnerable Households</b>				
10	Vulnerable Households (Women headed household, Low-Income household, a household headed by elderly with no support and household headed physically challenged people)	a	Inclusion in existing safety net programs to ensure the continuation, or increase, of previous income.	One adult member of the displaced household, whose livelihood is affected, will be entitled to skill development.  The census team will identify the number of eligible vulnerable displaced persons based on the 100% census of the displaced persons and will conduct training need assessment in consultations with the displaced persons to develop appropriate training programs suitable to the skill and the region.  Suitable trainers or local resources will be identified by MSCIUDP's SS at PIU in consultation with local training institutes.  It is recommended to involve local NGOs in this process
		b	One-time subsistence allowance equivalent to three months minimum wage income	
		c	Priority for employment in project-related jobs, training opportunities, self-employment, and wage employment assistance.	
<b>Section VI. Unforeseen Impacts</b>				
Any unanticipated impacts identified during the Project implementation will be compensated in full at replacement cost and the entitlement matrix shall be revised if required in case major unanticipated impacts occur during detailed and final design.				

13. The replacement value of houses, buildings, and other immovable properties will be determined based on market value as of date without depreciation. Compensation for trees will be based on their market value and compensation for the loss of crops, fruit-bearing trees will be decided by the Agricultural Department at respective districts. Before taking possession of the land or properties, the compensation will be fully paid and PAPs will have the opportunity to harvest crops/trees within 30 days from the date of payment of compensation.

14. The main project implementing agency is the Ministry of Investment and Foreign Trade of the Republic of Uzbekistan (MIFT). MIFT was established on 31 March 2017 as an authorized state body to be responsible for coordinating the formation and implementation of a unified state investment policy and attracting foreign investments. The main role of the MIFT includes a full implementation of the investment potential of Uzbekistan, further improve the investment climate, create the most favorable conditions for attracting foreign investment, expand cooperation with international financial institutions and leading foreign companies and banking structures, as well as an increase of efficiency of attracted foreign investments. SIC also acts as part of the complex of the Cabinet of Ministers for the development of territories and communal sphere, transport, capital construction, construction industry.

15. Also, an Interdepartmental Steering Committee was established, with the participation of key ministries and government departments, including the Ministry of Finance, the Ministry of Economic Development and Poverty Reduction, the Ministry of Construction, the State Committee for Tourism Development, as well as regional and local government representatives in the proposed project areas to coordinate the implementation of the project.

16. Under the State Investment Committee of the Ministry of Investment and Foreign Trade, a Project Implementation Unit (PIU) was established at the national level to coordinate and implement the project in three pilot cities, and subsequently expand its responsibility for implementing the proposed National Urban Program in project cities. The PIU is led by a Project Director and has the staff capacity for procurement, financial management, technical, environmental, and social safeguards. The PIU has hired a Social Safeguards Specialist (SS) who oversees overall coordination of RAP implementation, reporting to MIFT, and the WB regarding social safeguards issues, as well as integrating social safeguards requirements into bidding and contracting documents.

17. The project would be implemented at the local level through Regional Project Coordinating Units (RPCUs) which will be working closely with the respective district and city Hokimiyats. The RPCUs will be established for a region overseeing a cluster of cities, emphasizing the importance of integrated urban development across the city boundaries and looking at development at a regional level. For the RPCUs to be effective and consistent, a Regional Level Working Committee representing each city hokimiyats will be established for coordination amongst the cities, along with an inter-agency working group at the city hokhimiyat level. The RPCUs will also include Safeguards Specialist (SS), whose main duties would be to ensure that the project activities are implemented in compliance with the WB's Safeguards Operational Policies and national rules and procedures

18. Land Resources and State Cadaster Department (LRSCD) for each District in the project is responsible for identifying and verifying property boundaries and ownership. The LRSCD also clarifies land allotment certificates for agricultural land that has been formally registered and transferred to the Real Property Registration Offices. Hokimiyats are the final beneficiaries of the project implementation. The involvement of PAPs in planning before the deciding on the investments is critical. The PIU will be responsible for organizing and conducting public consultations with community groups affected by each subproject before the completion of the site-specific RAP. Public consultations will be conducted as a meeting in each subproject. Any legitimate issue raised through the public consultation should be included in the RAP. In this way, the concerns of PAPs will be taken into account and reflected in subproject implementation.

19. The Resettlement Policy documents including RPF, ARAP/RAP (in case there will be any type of Involuntary resettlement) will be disclosed to the public through all possible channels including social media, websites. Any type of displacement announcement regarding the relocation of residential/business structures shall also be disclosed publicly. The draft RPF was first disclosed<sup>8</sup> on September 19, 2018, on the website of SIC. Additionally, the public consultation meetings were held on 2-4 October 2018 in Kagan, Chartak, and Yangiyul cities where ESMF and RPF were presented to the main stakeholders. The updated version of the RPF was published on January 8, 2021, on the website of the hokimiats of the Kashkadarya and Surkhandarya regions (<http://surxondaryo.uz/news/view/482>, <http://qashqadaryo.uz/uz/eview/ushkrl>). Also, on January 18 and 19, 2021, a meeting was held with the beneficiaries of the Kashkadarya and Surkhandarya regions. The executive part of the RPF was distributed to the stakeholders and their views and suggestions were discussed and incorporated in the finalization of the RPF. The minutes of meetings are given in Annexes 1 and 2. The final RPF was disclosed on the website of MIFT. The executive summary of the RPF was translated into Russian language and disclosed through the MIFT and during the public meetings. The documents available in the public domain include Entitlement Matrix, Grievances Redresses Mechanism, Institutional arrangements, and the categories of eligible PAPs for various R&R benefits. The same procedure is to be followed in case of RAPs will be developed during the project.

20. An external professional agency or consulting company (CC) would be contracted to undertake concurrent Monitoring and Evaluation (M&E) of RAP implementation. The M&E CC shall undertake monitoring and verification of processes and activities in RAP implementation and would submit quarterly reports. It would also undertake an end-term evaluation post RAP implementation to ascertain if the RAP objectives have been achieved. The CC shall identify gaps based on desk reviews and field visits and provide timely inputs for course-correction to MIFT to improve implementation and outcomes.

21. The land acquisition and resettlement implementation will be co-coordinated with the timing of procurement and commencement of civil works. Before the commencement of any civil works, PAPs will need to be compensated in accordance with the resettlement policy framework/RAP. For activities involving the land acquisition or loss, denial or restriction of access, it is further required that these measures include the provision of compensation and other assistance required for relocation, before displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, the taking of land and related assets may occur only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to displaced persons.

22. The project plans to establish a Grievance redress mechanism (GRM) which would function at the three-

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<sup>8</sup> Link: <https://invest.gov.uz/bez-rubriki/struktura-politiki-pereseleniya-proekt-dlya-kommentarijev-kompleksnoe-razvitie-srednih-gorodov-respubliki-uzbekistan.html>

levels to receive, evaluate and facilitate the resolution of displaced person's concerns, complaints and grievances. The proposed GR has been presented during public consultations as well. On the first level, PAPs can deliver grievances to the local mahalla committee, working office of the Contractor, and district Hokimiyats of Chartak, Kagan, and Yangiyul cities as well as the cities of Kashkadarya and Surkhandarya regions, respectively. The second level includes Regional Project Coordinating Units that will function in Chartak, Kagan, and Yangiyul cities and cities of Kashkadarya and Surkhandarya regions respectively. Additionally, in the second level, PAPs can submit their grievances to PIU directly as well. The third level includes Economic Court if the issue was not solved or the applicant is dissatisfied with the decision/resolution given by Levels 1 and 2. In this mechanism, beneficiaries and citizens can turn to register any grievances on all issues that tackle within any infrastructure subprojects of MSCIU DP. All grievances received from the PAPs will be registered in a logbook (Annex 7) which should be available at levels 1 and 2: at the site office of the Contractor, each mahalla committee of project area districts, and PIU Tashkent office.

23. The PAPs will have the right to file complaints and queries on any aspect of land acquisition compensation and resettlement. PIU will be responsible for the establishment of GRM during the project and act as the GRM secretary to make sure that the GRM is operational to effectively handle environmental and social concerns of project affected persons. PIU will ensure that grievances and complaints on any aspect of the land acquisition, compensation, and resettlement are addressed in a timely and satisfactory manner. All possible avenues are made available to the PAPs to resolve their grievances at the project level. Under the proposed project-level grievance mechanism, affected households may appeal any decision, practice, or activity connected with the assessment or valuation of land or other assets, acquisition, and compensation.

24. The authorities of Chartak city, one of the project's target cities, in early April 2019, demolished the Old Soviet Era Bazar and other structures by the side of the River. The Old Bazar was being used by vendors occupying and using the facility for business purposes and their livelihoods were reportedly affected. On notification of this incident, the World Bank and Project Implementation Unit (PIU) fielded a joint mission (April 29th - May 3rd, 2019) to (i) evaluate whether the demolition of the old bazaar and adjacent areas in Chartak city was undertaken in connection with or in anticipation of the implementation of certain investments in Chartak city under the Bank-financed MSCIU DP; (ii) assess the impact caused by the demolition of the old bazaar and adjacent areas; and (iii) get information on the vendors and other affected persons by said demolition. Based on facts and information collected during the mission, it was concluded that the affected people should be provided with assistance and compensation for their losses in accordance with the agreed RPF. A Resettlement Audit was carried out by an independent consultant. The report is completed and found to be of good quality and highly useful.

25. To implement the Resettlement Policy measures, budgetary provisions will be made available, in terms of each subproject. Budgetary estimates for subproject where resettlement implementation is necessary, including resettlement management will be incorporated into the cost estimates. Accordingly, land acquisition and resettlement expenses for consultation and participation, grievances redress, the cost of relocation, Income restoration, transitional allowance, livelihood program, monitoring and evaluation, administration, contingencies, etc. will be included as cost estimates for social management. MIFT will provide an adequate budget for all land acquisition compensation and R&R assistance from the counterpart funding (local budget, or by centralized Fund under Cabinet of Ministers). The budget estimates and its sources will be reflected in RAPs. The World Bank loan will not be available for land acquisition compensation and R&R assistance paid in cash. The World Bank's loan will be available for costs such as works, purchase of goods and services if required.

26. This Resettlement Policy Framework will be updated<sup>9</sup> when changes or amendments to the applicable laws and policies are made and based on implementation experience and lessons learned.

27. Resettlement Performance. The project's investments are substantially delayed. So far, no sub-project has been implemented and hence implementation experiences are yet to materialize. Hence the updating is rather limited, mostly to take into account the recent legislative changes. However, a variety of consultations and capacity building activities have happened. The list of environmental and social safeguards activities carried out within the MSCIU DP as of January 2021:

✓ On November 27, 2019, meeting with the stakeholders of the Chartak project;

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<sup>9</sup> Earlier, a RPF had been prepared, approved and disclosed for the Original Project on October 8, 2018.



- ✓ In three pilot cities (Chartak, Yangiyul, and Kagan), Complaints Commissions were established, which include representatives of the hokimiyats of three cities, the RIU, an ecologist, and a sociologist of the PIU;
- ✓ Information sheets for citizens on the grievance redress mechanism were prepared;
- ✓ An audit was conducted of the actions of local authorities to pay compensation for the demolition of the old bazaar in the city of Chartak, Namangan region (November 2019 - March 2020);
- ✓ On March 06, 2020, online training was held on social safeguards issues for employees of regional PIUs in three pilot cities (Chartak, Yangiyul and Kagan);
- ✓ On May 11, 2020, consultations were held within the framework of capacity building for the staff of the regional PIU (sociologist and ecologist) in Chartak on the framework policies of the project;
- ✓ On June 11, 2020, public hearings were held in Chartak on the component of the reconstruction of the building of the former kindergarten No. 17 and the administrative building;
- ✓ On November 11, 2020, consultations were held within the framework of capacity building for employees of the regional PIU (sociologist and ecologist) in the city of Kagan on the framework policies of the project;
- ✓ On November 18, 2020, consultations were held within the framework of capacity building for the staff of the regional PIU (sociologist and ecologist) in Yangiyul on the framework policies of the project;
- ✓ A sociological study of the people involved in the project at the old bazaar of the city of Chartak, Namangan region was carried out. (October-November 2020);
- ✓ A letter was sent to the hokimiat of the city of Chartak about the beginning of the procedure for calculating and paying compensations to persons affected by the project on the old bazaar of the city of Chartak (December 2020).

## 1. INTRODUCTION

### 1.1. BACKGROUND

1. The Government of the Republic of Uzbekistan (GoU), acknowledging the need for a comprehensive approach to medium-size cities (with a population between 50,000 and 100,000 people) in the country, requested the World Bank in 2018 to support the development of a Medium-Sized Cities Integrated Urban Development Project (MSCIUDP). The MSCIUDP is meant to support GoU's overarching development goal of achieving an "integrated and balanced social-economic development of regions, districts, and cities"<sup>10</sup> of Uzbekistan. It is conceptualized as a long-term national program that targets medium-sized cities and supports innovative approaches tailored to the country context to promote integrated urban and territorial development and holistically transform targeted cities, through the efficient management of urban systems. The investments would be designed to address the specific needs of each project city, combining as necessary: (i) integrated urban service improvement, to address the basic infrastructure and service gap, thereby enhancing the functional aspects of the city; (ii) urban regeneration of selected areas of the city to improve livability and (iii) support to local economic development for job creation. Investments would be complemented by assistance to enhance the efficiency of urban planning and capacity building of local and central government agencies.

2. In February 2020 the GoU has requested the Additional Financing (AF) to scale up the project and ensure the timely response to the challenges of rapid urbanization.. The GoU acknowledged the Bank-funded MSCIUDP as best positioned to support a swift scale-up and replication of development in medium-sized cities across the country, ensuring that they are best prepared to attract and accommodate population growth while applying a consistent approach and focusing on sustained institutional strengthening during the urbanization reform process. Moreover, the AF provides the unique opportunity to mobilize other donors' financing in support of the transformation of medium-size cities into more livable and economically dynamic places. The Asian Infrastructure Investment Bank (AIIB) agreed to co-finance the AF with an equivalent amount of US\$100 million.

3. The proposed Scale-up of the MSCIUDP is fully in line with the main targets and objectives of the National Medium-Size Cities Program (NMSCP):

- a. *The National Medium-Size Cities Program is expected to support the GoU's overarching development goal of achieving an "integrated and balanced social-economic development of regions, districts, and cities" of Uzbekistan.* Its framework is conceptualized as a long-term national program that specifically targets medium-sized cities and supports innovative approaches tailored to the country context to promote integrated urban and territorial development.
- b. *The overarching objective of the NMSCP is to improve the quality of life, functionality, and attractiveness of medium-size cities in Uzbekistan* by addressing major infrastructure barriers and bottlenecks to long-term development. In doing so, it will also contribute to building capacities of relevant government agencies to carry out strategic and integrated territorial planning, improve the efficiency of capital investment planning, operate and maintain infrastructure, deliver municipal services and generate the necessary revenues for long-term sustainable local development. In the long-term, the Program is expected to ultimately contribute to the generation of quality jobs and development of the local economy, and increased self-sufficiency of local governments.

### 1.2. PROJECT DESCRIPTION

4. The Project Development Objective of the MSCIUDP-AF remains the same as the parent project, i.e is to support the GoU to (1) improve selected urban infrastructure, public spaces, and assets, and access to services in Participating Cities; and (2) strengthen the institutional capacity of relevant government agencies to deliver and manage local infrastructure and services. The proposed project will consist of the following components:

5. *Component 1: Improvement of Urban Services<sup>11</sup> and Enhancement of Public Urban Spaces.* This component will finance a targeted bundle of integrated and multi-sectoral investments to contribute to the enhancement of selected public urban spaces in project cities and improve livability. These will include, without being limited to,

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<sup>10</sup> Presidential Decree dated February 7, 2017, on Action strategy on five priority development directions of the Republic of Uzbekistan in 2017-2021

<sup>11</sup> Services include any urban services delivered under a Social, Urban, Rural and Resilience (SURR) project or intervention— water supply, sanitation, sewerage, sidewalks, roads, etc. (*The World Bank 2016, Corporate Results Indicators Bank Guidance*).

upgrading of public spaces, street networks, and associated infrastructure; upgrading of vehicular, pedestrian, and multi-modal accesses; carrying out works to restore selected heritage buildings; improvements to selected basic infrastructure and services that are part of larger networks on a case-by-case basis, when deemed necessary to and complement the long-term functionality and increase the effectiveness of area-specific urban improvements, carrying out of all necessary feasibility studies, detailed design studies and conducting construction supervision. A detailed description of investments and planned activities are given in the table below.

6. *Component 2: Institutional Strengthening and Capacity Building.* This will include two subcomponents: *Subcomponent 2.A: Institutional strengthening and capacity building of project municipalities and their regions.* This subcomponent will consist of activities targeting project cities, regional and local government agencies, tailored to their specific needs. *Subcomponent 2.B: Support for GoU policy and reforms for sustainable urbanization.* This subcomponent will first of all support the design of the NMSCP and the phased development of design studies deemed necessary for the preparation of the roll-out phase of the NMSCP to all participating cities in the national program and relevant agencies. It will consist of activities aimed to support relevant government agencies in the development and implementation of policies and reforms that are critical for creating the baling conditions for sustainable development in Uzbekistan. The main priority will be given to technical assistance and capacity building activities to support decentralization reforms and strengthen and empower local governments. Additionally, technical and capacity building assistance may be provided in areas including (but not limited to): urban planning, land privatization, housing, and others.

7. *Component 3: Implementation Support.* This component will support project implementation, including maintenance of the project monitoring and evaluation system, communication strategy, application of safeguard instruments as well as training and financing of Incremental Operating Costs of the central and regional Project Implementing Units.

**Table 2. Type of MSCIU DP subprojects and activities**

No	PROPOSED TYPES OF INVESTMENTS	Activities
1	<b>Street lighting upgrading</b>	<ul style="list-style-type: none"> <li>▪ Repairing of existing pillars;</li> <li>▪ Replace old pillars with new ones;</li> <li>▪ Installing new pillars where needed;</li> <li>▪ Replacements of bulbs;</li> </ul>
2	<b>Parks, playgrounds, and other public spaces improvements</b>	
3	<b>Intracity transport:</b>	<ul style="list-style-type: none"> <li>▪ Construction/rehabilitation of bus terminals and stops;</li> <li>▪ Construction of car parking areas;</li> <li>▪ Installing street lights and road signs</li> </ul>
4	<b>Roads rehabilitation: Road resurfacing</b>	<ul style="list-style-type: none"> <li>▪ Widening of existing roads (within the ROW);</li> <li>▪ Construction of bicycle trial;</li> <li>▪ Rehabilitation of walkways</li> </ul>
5	<b>Bridge rehabilitation</b>	<ul style="list-style-type: none"> <li>▪ Extension of the existing automobile bridge</li> <li>▪ Construction of small-scale new bridges, including pedestrian zones</li> </ul>
6	<b>Drainage extension</b>	<ul style="list-style-type: none"> <li>▪ Widening of existing drains</li> <li>▪ Rehabilitation of existing drains</li> <li>▪ Drilling of new shallow wells/rehabilitation of existing for flood control and reduction with the installation of pumps</li> </ul>
7	<b>Water Supply Systems</b>	<ul style="list-style-type: none"> <li>▪ Extension and rehabilitation of water supply networks</li> <li>▪ Drilling of new deep-water wells</li> <li>▪ Construction/rehabilitation of water reservoirs</li> <li>▪ Overhead water tanks</li> <li>▪ Construction or rehabilitation of pumping stations</li> </ul>
8	<b>Sewerage network management systems</b>	<ul style="list-style-type: none"> <li>▪ Rehabilitation of sewage pumping stations</li> <li>▪ extension and rehabilitation of sewerage networks</li> <li>▪ Septic Tanks</li> </ul>
9	<b>Solid waste management</b>	<ul style="list-style-type: none"> <li>▪ Construction of solid waste processing facilities (segregation)</li> </ul>

No	PROPOSED TYPES OF INVESTMENTS	Activities
	systems	<ul style="list-style-type: none"> <li>▪ Construction of collection points</li> <li>▪ Improvement of solid waste landfill</li> </ul>
10	Social infrastructure upgrading	<ul style="list-style-type: none"> <li>▪ Repair/replacement of external doors and windows, window optimization;</li> <li>▪ Insulation of walls, basements, and attics;</li> <li>▪ Small-scale refurbishing activities inside the school premises (e.g. Walls repainting, tiling, installation of cable ducts, new water-pipes)</li> <li>▪ Major refurbishing activities involving removal/reconstruction of walls (especially when containing Asbestos isolations or sheets);</li> <li>▪ Replacement of the asbestos roofs</li> </ul>
11	Cultural heritage rehabilitation and conservation	
12	Street lighting	<ul style="list-style-type: none"> <li>▪ Underground electric cabling (for magistral lines)</li> <li>▪ Overhead electric cabling</li> <li>▪ New distribution electrical transformers;</li> <li>▪ Installing of short segments of new distribution lines or replacing obsolete pillars;</li> </ul>
13	Purchasing of public utility equipment; transportation means, etc.	
14	Heating systems	<ul style="list-style-type: none"> <li>▪ Reconstruction, modernization of heating systems, (replacement or modernization of the heat source such as a burner, boiler, or external sources);</li> <li>▪ Buildings retrofitting and insulation;</li> <li>▪ Installation of solar panels;</li> <li>▪ Replacement of old heating pipes under roads to be rehabilitated</li> </ul>
15	Small scale construction of public facilities	<ul style="list-style-type: none"> <li>▪ information centers;</li> <li>▪ visitor centers;</li> <li>▪ maintenance facilities; storage facilities)</li> </ul>
16	Installing antennas for providing WIFI services	

### 1.2.1. Project area

8. Initially under the MSCIU DP above-mentioned investments were planned to be implemented in three following cities: Kagan (Kagan district of Bukhara province), Yangiyul (Yangiyul district of Tashkent province), and Chartak (Chartak province of Namangan province). Under the AF the geographic coverage will be expanded to cover a system of cities characterized by spatial proximity and/or located along economic corridors in selected new locations, while also complementing investments in the current MSCIU DP pilot cities and regions as described below. Based on the outcomes of the ongoing spatial and economic analysis being carried out in cooperation with the implementing agency, the MIFT, and other project stakeholders two additional regions Surkhandarya and Kashkadarya have been selected for the project intervention. The selection of the region is informed by the results of the spatial analysis and is a result of extensive consultations with the stakeholders.

9. **Chartak city:** The project will support infrastructure development in Chartak to improve the city's overall living conditions, while also supporting its strategic vision for long-term local development that would benefit both the local population and the incoming visitors/tourists. In particular, the project will support area-based strategic investments in the old and new bazaar (market) area, the area surrounding the railway station, and will focus on supporting Chartak's eco-city tourism assets, including through the proposed development of a greenway (or tourism-loop) along the river, connecting the city with the water reservoir, nature and sanatoriums.

10. **Yangiyul city:** The investments under this project will be selected to enhance the role of Yangiyul as a regional market hub by upgrading the aging water supply system, improving mobility and pedestrian safety, and reducing severance in areas around the Bazar, ultimately contributing to improving the living conditions and economic

activities, and the accessibility to and mobility in the city, addressing bottlenecks connecting to the regional highways and connecting roads, improving interconnectivity, and allowing for safe pedestrian movement along the city core and market surrounding area.

11. **Kagan city:** The project will support urban upgrading of the city core, focusing on the area around the railroad station and potential core touristic circuit in the areas in front and behind the railroad station. Other potential investments would include rehabilitation and adaptive reuse of selected heritage buildings, improvement of traffic, parking and pavements, upgrading of streets and public spaces, and basic service provision.

12. Potential project cities (Karshi, Guzor, Shakhrisabz, and Kitab) in the **Kashkadarya region** have not been selected yet. However, the project will focus on improving urban services and infrastructures, and expanding public urban space, potentially including the modernization of water supply and sewerage systems. Depending on the needs of the selected city, the project area will be identified.

13. Potential project cities (Sherabad, Termez, Zharkurgan, Kumkurgan, Shurchi, Denau, Saraasiya, Angor, Boysun, and Darband) in the **Surkhandarya region** have not been selected yet. However, the project will focus on improving urban services and infrastructures, and expanding public urban space, potentially including the modernization of water supply and sewerage systems. Depending on the needs of the selected city, the project area will be identified.

14. A detailed description of the proposed project areas is given in the Environmental and Social Management Framework (ESMF) prepared for the MSCIU DP project.

### 1.2.2. Project design and progress

15. The Project Design of the AF remains the same as that of the parent project – the MSCIU DP, adopting the framework approach. Thus, the AF is meant to do ‘more of the same’ but in different geographical areas. Hence, Environmental and Social aspects, as well as the instruments there of to address them remain the same as that of Original Project (OP). However, the project has recognized a need to update the same to reflect on the latest legislative developments. One of them, related to ‘lands’ – Resettlement Policy Framework (RPF)- forms the focus of this report.

16. The experience gained in the pilot cities of the parent project will play a critical role as the first demonstration/pilot project and providing the necessary experience and lessons in identifying the priority investments under the AF. The project design will be underpinned and informed by urban visioning and integrated design concepts supported by the technical assistance to design the NMSCP to achieve its overarching objective, under the MSCIU DP.

17. A few of the lessons learned from the MSCIU DP, which will be considered under this AF are as follows:

- The flexibility of the framework approach is critical in the design of an integrated urban project to ensure accurate prioritization and quality technical preparation of sub-projects.
- The identification of projects should not be limited to city boundaries but rather focus on the impact of identified investments across the boundary for the larger impact of investments. For example, as observed in the case of MSCIU DP, the project investments of the Bus Rapid Transit (BRT) Line in Kagan would have a bigger impact, if the project could also have some minor investment in Bukhara to improve the drop-off point of the BRT. Therefore, the AF will be willing to consider projects that have a “regional approach” in nature, considering that they meet the objectives of the project.
- Rehabilitation of infrastructure is crucial since basic services play a big part in complementing other investments under the project with a value-added objective of improving the quality of lives of the citizens. The MSCIU DP experience demonstrates that sub-projects under the following categories: Water Supply and Sanitation (disbursement driver at the start), possibly some energy efficiency and seismic retrofitting of administrative buildings, critical roads/bridges, are other quick-win projects that would need to be considered if they align with the project objectives and the strategy of the Government.
- Regional governments (*hokimiyats*) play a critical role in local development, setting priorities and coordinating between line agencies and territorial units. The implementation of the MSCIU DP, particularly during the pandemic phase, has shown and confirmed that regional governments play a crucial role in decision-making at a local level and need to be fully empowered and equipped to take up more responsibilities at a local level, have the right tools to plan and make a decision, and ultimately to support municipalities and the system of

cities in the region to achieve in the long term the best sustainable development outputs and delivery of the necessary local infrastructures and services needed to support growth. The AF will focus on building the capacity of local governments, particularly regions, and support the creations of institutional systems that would facilitate in the long term the decentralization of critical decision-making responsibilities, planning, and revenue generation to support the sustainable delivery of municipal services and infrastructure at the local level.

18. After a slow start due to multiple challenges, including changes in the PIU management, cumbersome procedures to complete procurement procedures and the complexity of coordinating many stakeholders, all exacerbated by additional delays due to COVID19 multiple lockdowns, the project implementation shows positive progress. All the key preparatory consultancies and technical assistance have been advertised and the Government is in the process of streamlining approval procedures, providing the opportunity for activities to catch up and for the project to remain on track to deliver against its development objectives.

19. The authorities of Chartak city, one of the project's target cities, in early April 2019, demolished the Old Soviet Era Bazar and other structures by the side of the River. The Old Bazar was being used by vendors occupying and using the facility for business purposes and their livelihoods were reportedly affected. On notification of this incident, the World Bank and Project Implementation Unit (PIU) fielded a joint mission (April 29<sup>th</sup> - May 3<sup>rd</sup>, 2019) to (i) evaluate whether the demolition of the old bazaar and adjacent areas in Chartak city was undertaken in connection with or in anticipation of the implementation of certain investments in Chartak city under the Bank-financed MSCIU DP; (ii) assess the impact caused by the demolition of the old bazaar and adjacent areas; and (iii) get information on the vendors and other affected persons by said demolition. Based on facts and information collected during the mission, it was concluded that the affected people should be provided with assistance and compensation for their losses in accordance with the agreed RPF. A Resettlement Audit was carried out by an independent consultant. The report is completed and found to be of good quality and highly useful.

20. The list of environmental and social safeguards activities carried out within the MSCIU DP as of January 2021:

- ✓ On November 27, 2019, meeting with the stakeholders of the Chartak project;
- ✓ In three pilot cities (Chartak, Yangiyul, and Kagan), Complaints Commissions were established, which include representatives of the hokimiyats of three cities, the RIU, an ecologist, and a sociologist of the PIU;
- ✓ Information sheets for citizens on the grievance redress mechanism were prepared;
- ✓ An audit was conducted of the actions of local authorities to pay compensation for the demolition of the old bazaar in the city of Chartak, Namangan region (November 2019 - March 2020);
- ✓ On March 06, 2020, online training was held on social safeguards issues for employees of regional PIUs in three pilot cities (Chartak, Yangiyul and Kagan);
- ✓ On May 11, 2020, consultations were held within the framework of capacity building for the staff of the regional PIU (sociologist and ecologist) in Chartak on the framework policies of the project;
- ✓ On June 11, 2020, public hearings were held in Chartak on the component of the reconstruction of the building of the former kindergarten No. 17 and the administrative building;
- ✓ On November 11, 2020, consultations were held within the framework of capacity building for employees of the regional PIU (sociologist and ecologist) in the city of Kagan on the framework policies of the project;
- ✓ On November 18, 2020, consultations were held within the framework of capacity building for the staff of the regional PIU (sociologist and ecologist) in Yangiyul on the framework policies of the project;
- ✓ A sociological study of the people involved in the project at the old bazaar of the city of Chartak, Namangan region was carried out. (October-November 2020);
- ✓ A letter was sent to the hokimiat of the city of Chartak about the beginning of the procedure for calculating and paying compensations to persons affected by the project on the old bazaar of the city of Chartak (December 2020).

### 1.3. LIKELY IMPACTS

21. Of the above Table 1, key components/activities with likely resettlement impacts are as follows:

- Widening of existing roads

- Construction of bicycle lane
- Construction of small-scale new bridges, including pedestrian zones
- Widening of existing drains
- Drilling of new shallow wells/
- Extension and rehabilitation of water supply networks
- Drilling of new deep-water wells
- Construction/rehabilitation of water reservoirs
- Overhead water tanks
- Construction or rehabilitation of pumping stations
- Construction of Waste collection points
- Construction of solid waste processing facilities
- Small scale construction of public facilities

22. The team of social safeguards consultants visited the proposed project areas. During the visits, the type of proposed physical works has been discussed with local implementing agencies and site visits have been carried out. The preliminary impact assessments show that some of the proposed physical activities may trigger involuntary resettlement thus requiring permanent and temporary land acquisition. The permanent land acquisition may be needed for the construction of a new water pumping station in the settlement area Arbagish of Chartak district. Additionally, the construction of new water and sewerage pipeline also require land for a temporary period. Reconstruction of water and sewerage networks also requires a temporary land acquisition. Land for that purpose can be taken from agricultural as well as urban lands thus, affecting farmers, households, or businesses. There will be no need for permanent land acquisition within the city but may involve temporary land acquisition due to the construction/reconstruction of sewerage and water supply pipelines, and other urban infrastructure. Types of impacts will be defined in detail after the development of the project design.

#### **1.4. IMPACT ASSESSMENT**

23. Impact assessment (IA) descriptions are given in detail in ESMF. The consulting company will be hired to make IAs. Types of impacts will be defined in detail after the development of the project design. On completion of the detailed engineering designs, a social impact assessment report and resettlement plan shall be prepared based on a census of the Displaced Persons (DPs) and socio-economic survey of major impacted DPs. Social Impact Assessment (SIA) of the displaced persons will be undertaken in each subproject to determine the magnitude of displacement and prospective losses, identify vulnerable groups for targeting, ascertain the costs of resettlement, and prepare a resettlement and rehabilitation program for implementation.

##### **1.4.1. Social Impact Assessment**

24. Per the WB safeguards policies Social Assessment (SA) is a process of the pre-implementation stage which evaluates a project's potential social risks and impacts in its area of influence; examines project alternatives; identifies ways of improving project selection, siting, planning, design, and implementation by preventing, minimizing, mitigating, or compensating for adverse social impacts and enhancing positive impacts; and includes the process of mitigating and managing adverse social impacts throughout project implementation. SIA is mandatory for projects, which may potentially have negative impacts. Furthermore, well-organized public participation is mandatory in all the stages of the process.

##### **1.4.2. Environmental and Social Management Framework**

25. The project may involve permanent and temporary land acquisition affecting agricultural and urban lands. The permanent land acquisition may be needed, say for example, for construction of water pumping stations, water reservoirs, waste collection points, solid waste processing facilities. The temporary land acquisition could be needed for reconstruction and extension of water and sewerage pipelines, widening of roads. Land for that purpose can be taken from agricultural as well as urban lands thus, affecting farmers, households, or businesses (path, title, and non-title holders). There will be no need for permanent land acquisition within the city but may involve temporary land acquisition due to the construction/reconstruction of sewerage and water supply pipelines, and other urban infrastructure.

26. The project is expected to have several subprojects that will become known only during the implementation phase. While the broad category of activities/ impacts is foreseen, exact magnitudes can become known only after

detailed designing of the subprojects. Social Impact Assessments (SIA) will need to be undertaken in respect of each subproject, to determine the magnitude of displacement and prospective losses, identify vulnerable groups for targeting, ascertain the costs of resettlement, and prepare a resettlement action plan (RAP) for implementation. On the project preparation stage, an ESMF has been developed for this MSCIUDP to serve as ‘guidance’, to provide details on procedures, criteria, and responsibilities for subproject screening, preparing, implementing, and monitoring of subproject specific ESIA. The framework will be applied as and when a subproject surface and an Environmental and Social Management Plans (ESMP) will be prepared which will include, among others, resettlement action plan (RAP), each citizen engagement plan (CEP), gender action plan (GAP) and a labor-management plan (LMP). Towards preparing a RAP, project preparation has developed a Resettlement Policy Framework (RPF).

#### **1.4.3. Resettlement policy framework**

27. The key objective of the Resettlement Policy framework is to provide a framework to appropriately identify, address and mitigate adverse socioeconomic impacts that may occur due to the implementation of subprojects that involve the involuntary acquisition of land and the subsequent resettlement of affected families. RPF also serves the following specific purposes:

- Review the existing legal framework, compare with Bank OP 4.12 for gaps, if any, and indicate gap-filling measures;
- Describe the approach to the taking of private land, assets, and other common property resources;
- Valuation process of impacted assets;
- The process of preparation of SIA and RAPs and their review by PIU;
- Defining of the cutoff date for Title and Non-Title holders;
- Consultation mechanisms/approaches to be adopted, including disclosure of safeguards instruments; and
- Monitoring and Evaluation arrangements, including Grievance Redressal Mechanisms role/responsibilities of different stakeholders.

28. A resettlement action plan (or resettlement plan) will be prepared for each subproject once its footprint has been properly defined. The corresponding safeguards document for other social and economic impacts not associated with land takings and restrictions is an environmental and social management framework. This RPF is based on relevant National laws and Decrees as well as the World Bank Operational Policy for Involuntary Resettlement (OP 4.12). The guidelines of the resettlement policy framework applicable to all the investments financed by MSCIUDP. The policy framework applies to all economically and/or physically displaced persons regardless of the total number affected by the severity of impact and whether or not they have legal title to the land. Particular attention will be paid to the needs of vulnerable groups among those women headed household, low-income household, a household headed by elderly with no support and household headed physically challenged people.

29. This Resettlement Policy Framework will be updated when changes or amendments to the applicable laws and policies are made and based on implementation experience and lessons learned.

#### **1.4.4. Citizen Engagement**

30. In Uzbekistan, the citizen engagement (CE) in the urban planning process has found anchorage in the City Planning Code. The code states that government bodies and local executive authorities are obliged to inform the public through the publication in the media of the final documents of public discussions, conclusions of public examinations, information on the approval of general plans, and the implementation of measures for the submission of programs and urban planning documentation within a period not exceeding five days from the date of the relevant decision.

31. Public discussion of general plans of settlements, according to the code, is carried out in the following order:

- Familiarization of the public with the terms and procedure for holding public discussions with the provision of information on the general plan of the settlement 10 days before the start of the discussion. Familiarization is carried out through publications in the media, the installation of banners and outdoor advertising in the buildings of enterprises, institutions and organizations, public places, in the area of the site of the proposed construction and expositions.



- Conducting public discussion, collecting opinions on the general plan of the settlement and in other forms not prohibited by law. The duration must be at least 15 days;
- Recording of the opinions expressed (questionnaires, audio-video recording, a list of approvals, written proposals of participants, minutes of a public discussion meeting);
- Publication of the conclusion by the public following the discussion in the media no later than 15 days after the end of the discussion.

32. General plans of settlements are approved taking into account the results of public discussion. In the absence of approved master plans of settlements to improve the living conditions of the population, develop social, engineering, communication, and road transport infrastructure, land plots can be withdrawn by a decision of the Cabinet of Ministers, the new version of the code says. Before the adoption of a decision by the Cabinet of Ministers, the executive authorities of districts and cities hold open discussions with stakeholders whose land plots are subject to seizure, assess the benefits, costs, and losses arising from seizure.

33. CE will be regulated by the Project Implementation Unit. Apart from consultations and meetings at local levels, ICT platforms will be actively used to collect opinions, feedbacks, and recommendations given by citizens and stakeholders. This can be done through the application of multiple uptake channels such as mail, e-mail, telephone, project website, and Management Information Systems (MIS). Nowadays the citizens are active in using mobile internets and therefore, the project will open special groups in the Telegram app and on Facebook. To establish systemized CE, PIU established close contact with representatives of Mahalla and local NGOs. In the frame of MSCIU DP following citizen, engagement mechanisms are proposed: (i) Consultations (ii) Focus Group Discussions. (iii) Grievance Redress (iv) Participatory planning (v) Citizen Satisfaction surveys (vi) Participatory Monitoring and Evaluation.

#### **1.4.5. Labor (labor influx, forced and child labor)**

34. In the frame of MSCIU DP, the proposed Contractors for civil works are asked to involve local labor. However, in case there is a shortage of technical skills among local workers, then the Contractor may involve workers from outside the project area. The rapid migration to and settlement of workers and followers in the project area is called labor influx, and under certain conditions, it can affect project areas negatively in terms of public infrastructure, utilities, housing, sustainable resource management, and social dynamics. The impacts may include increased demand and competition for local social and health services, as well as for goods and services, which may lead to price hikes and crowding out of local consumers, increased volume of traffic and a higher risk of accidents, increased demands on the ecosystem and natural resources, social conflicts within and between communities, increased risk of spread of communicable diseases, and increased rates of illicit behavior and crime.

35. Forced labor is prohibited in Uzbekistan. According to article 7 of the Labor Code, forced labor, that is, compulsion to perform work under the threat of the use of any punishment (including as a means of maintaining labor discipline) is prohibited.

36. According to the Labor Code of Uzbekistan and Minimum Age Convention (No. 138 from 1973) minimum age is defined for children under the age of 18. In Uzbekistan, in accordance with the Administrative Responsibility Code (article 49), the employment of persons younger than 18 years by a legal entity is subject to a fine of 5 to 10 times the minimum wage.

### **1.5. PREPARATION OF THE RESETTLEMENT POLICY FRAMEWORK**

37. The RPF of this project is prepared based on the harmonization of the World Bank's OP/BP 4.12 and the Uzbek Laws and Decrees on compensation, assistance, and resettlement. The basic objective of the Resettlement Policy Framework is to ensure that all PAPs will be compensated at replacement cost and assisted with restoration measures to help them improve or at least maintain the living conditions and the capacity to make income before the project. This Resettlement Policy Framework presents the basis for the preparation, review, and approval of RAPS for later sub-projects of the project.

38. The RPF is prepared based on the results of (1) Technical report; (2) Review of policies of Uzbekistan and WB on resettlement (3) site survey and social impact screening of project areas to assess possible impacts of land acquisition and resettlement; (4) consultations and public meetings with local stakeholders. In the project

implementation stage, data will be updated fully (after DMS) and suitable to serve the implementation of the resettlement action plans, meeting the project objectives and policies.

39. In the period of project preparation, the RAPs for the subprojects will be prepared based on the guidance given in this RPF. In the period of project implementation, the updated RAP of each sub-project will be prepared when the detailed engineering design has been finished to allow a Detail Measurement Survey of losses and damages and precise identification of affected persons to be conducted. This updated RAP requires clearance from WB's review before payment release.

40. Where impacts on the entire affected population are not significant or fewer than 200 people are affected, an abbreviated resettlement plan will be applied (Annex 3). Where impacts on the entire affected population are significant, or equal to or higher than 200 people are affected, a full resettlement plan will be applied (Annex 4).

41. The primary goal of the RPF is to ensure that those negatively affected by Project activities, through temporary or permanent losses and impacts, are not worse off the following implementation, that they are compensated in a participatory and timely way, and that any mitigating activity is carried out systematically and beneficially. The following principles will apply to all activities under the Project:

- **Resettlement impacts will be minimized.** If any resettlement impact, as defined under OP4.12, is identified during the screening of MSCIUDP subprojects then proposed subprojects shall explore feasible alternative project designs and/or configurations.
- **Project affected persons will be defined inclusively.** This means that PAPs are defined as those whose livelihoods and standards of living are adversely affected by project activities - whether through the loss of assets or access to assets, through being deprived of resources, through a loss of income sources or means of livelihood, through physical relocation, or through other losses that may be identified during the process of resettlement planning.
- **Meaningful consultation with PAPs and communities.** PAPs and impacted communities have the right to:
  - Receive information on Project developments on an on-going basis;
  - Be consulted on issues pertaining to them, such as possible measures to restore their livelihoods, allowing participation in the final selection and design of such measures;
  - Get information on Project activities and implementation schedules, such as land acquisition dates, sufficiently in advance of execution;
  - Have access to relevant safeguards documents at a place accessible to them in a form, manner, and language that is understandable to them.
- **All adverse Project impacts will be identified before implementation and losses properly recorded.** The following information should be recorded to facilitate the planning, implementation, and monitoring of impacts:
  - Develop an inventory of impacted landholdings and immovable/non-retrievable improvements (buildings and structures) to determine fair and reasonable levels of compensation or mitigation;
  - A census detailing PAP composition and demography, and other relevant socio-economic characteristics.
- **PAPs are entitled to full compensation and rehabilitation measures on an equitable basis.** Compensation must be sufficient to, at a minimum, maintain pre-project living standards. As a principle, the Project should seek to leave PAPs with improved conditions through the inclusion of PAPs in project benefits. All PAPs will be equally eligible to the entitlement, irrespective of social or economic standing, tenure status, or any other discriminating factor.
- **Vulnerable groups will receive special attention.** Particular attention will be paid to adverse impacts on groups/social categories such as the elderly, the physically disabled, women-headed households, child/orphan-headed households, and households below the poverty line who, because of their social position, may be vulnerable to changes brought about by project activities or excluded from project benefits. Members of these groups are often not able to make their voices heard, and the account will be taken of this in the consultation and planning process, and in the establishment of grievance procedures.
- **Resettlement planning, budgeting, and implementation will be an integral part of the Project.** Any resettlement-associated cost is an upfront investment. All restorative activities and compensation identified as part of the RPF process must be completed before Project implementation.

- **Grievance, monitoring, and evaluation procedures will verify the effectiveness of resettlement measures. PIU and RPCU are** responsible for monitoring the adequate implementation of this RPF as well as any associated RAPs. This requires that an effective and accessible grievance procedure is in place.
- **Project activities must be in accordance with the policy and legislative framework.** All Project activities are to be carried out in compliance with all legal obligations, in accordance with international best practices and the World Bank OP 4.12 as defined in the Legal Framework section of this RPF and Uzbek Legislations where appropriate.

#### 1.6. CATEGORIES OF RESETTLEMENT IMPACTS

42. In this RPF, the resettlement impacts are categorized as follows:

- A. **Significant (Category 1)** – If as a result of the subproject, about 200 or more people may experience major impacts, that is, being physically displaced from housing, or losing 10% or more of their productive (income-generating) assets. Full RAP is required to be prepared
- B. **Not significant (Category 2)** – If as a result of the subproject, fewer than 200 people will be physically displaced from housing or lose less than 10% of their productive (income-generating) assets. Abbreviated RAP is prepared;
- C. **No resettlement effect (Category 3)** – If the subproject does not require temporary or permanent land acquisition, and there are no impacts involving the loss of land, structures, crops and trees, businesses, or income. No resettlement plan is required. This category also includes temporary but not significant impacts which will have to be mitigated as a part of construction management in consultation with the PAPs by the Contractor. Due Diligence Report is required.

#### 1.7. IMPLEMENTATION OF RESETTLEMENT PLANNING

43. The Resettlement Planning and Implementation will be carried out through the PIU at MIFT together with Local Hokimiyats, Land Resources and State Cadastre Department (LRSCD), and the State Architectural Departments which are responsible for land acquisition and resettlement, valuation companies, NGOs, and community-based organizations.

44. A flow chart of the steps to be undertaken in a RAP/ARAP procedure is provided in the figure presented in Annex 5. The main steps to be undertaken for the finalization of a RAP/ARAP process are presented shortly below:

**Step 1:** Describe the project activities to be undertaken for the MSCUUDP. The activities have to be approved by the relevant authorities in MIFT.

**Step 2:** A discussion and finalization of the distribution within the parties will need to be done, for a clear process of RAP/ARAP writing and implementation.

**Step 3:** The PIU’s Safeguard Team will finalize the cooperation and agreements with Local Hokimiyats, relevant Ministries, and MIFT.

**Step 4:** Using participatory methods, the PIU in collaboration with Local Hokimiyats will consult the local communities, within the project area, to identify the required piece of land, using the screening criteria. At this stage, the cut-off date will be established.

**Step 5:** If the PIU Safeguards Unit determines that the site is suitable, based on the screening criteria, the allocated land/site would be acceptable. In this case, this process may continue at **Step 10**.

**Step 6:** If the site does not meet the screening criteria, the Local Hokimiyats will be advised to allocate another piece of the land/site that satisfies the screening criteria. If resettlement cannot be avoided as the specific area cannot be changed, moved the process will continue in consideration to the World Bank Safeguard Policies.

**Step 7:** For situations where resettlement cannot be avoided, OP 4.12 and the Expropriation Law will apply. In this case, for each parcel of land, property, or assets of potential PAPs, the cut-off date established at Step 4 above will apply.

**Step 8:** The PIU will carry out a socio-economic survey, a census and collect other information about the land area and affected population. This will be done to identify the potential PAPs; focusing on the individual household and vulnerable groups and; calculating their incomes, as the first step in the preparation of the RAP/ARAP.

**Step 9:** On completion of the socio-economic study and the baseline census, the PIU Safeguards Unit will prepare a Resettlement Action Plan (RAP) or abbreviated version of it (ARAP) for the area that is affected by resettlement and compensation. There will be as many RAPs as the activity sites. Based on the description in the main ToR of the project, the MSCIUDP belongs to Category 2 (mentioned above). MSCIUDP has identified an initial group of activities to be supported in the first year of implementation for which ESMPs and RAPs have been prepared as needed. The RPF needs to be prepared to guide the preparation of RAPs or ARAPs which may be needed to address land acquisition impacts for activities to be undertaken in future years of implementation. The decision to prepare a RAP or ARAP is based on the World Bank Guidelines OP 4.12 Involuntary Resettlement and the World Bank Handbook on Preparation of RAP. The main possible outline and contents of a RAP are explained in **Annex 3**, while the possible outline and content of an ARAP is briefly presented in Annex 4. An Abbreviated Resettlement Action Plan can be prepared if agreed according to the guidelines of the World Bank<sup>12</sup>.

**Step 10:** The PIU then will forward the RAP's, to the respective Local Hokimiyats and World Bank. All project activities that trigger OP 4.12 and resettlement plans would be subjected to the final approval of the World Bank, to ensure compliance with Banks safeguards. The World Bank must provide final clearance/approval of the RAPs/ARAPs, which will comply with the local laws, institutional requirements as well as the World Bank Policy requirements. Thus, ensuring that land is acquired or access to the resource is lost, denied, or restricted and that the individual resettlement plans are consistent with the social considerations of this document.

**Step A-B:** For project activities that do not have any resettlement issues and do not trigger OP 4.12, the provisions of the RPF/social provisions of the ESMF do not apply and the reference is the Environmental Focus of the Environmental and Social Management Framework ESMF.

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<sup>12</sup> OP 4.12. Resettlement Instruments, Article 25: Where impacts on the entire displaced population are minor, or fewer than 200 people are displaced, an abbreviated resettlement plan may be agreed with the borrower

## 2. LEGAL FRAMEWORK

### 2.1. APPLICABLE NATIONAL LAWS AND POLICIES

45. In Uzbekistan, land expropriation is provided for the public needs under the Land Code (LC) and Town Planning Code. Expropriation in this context refers to the taking away of private land and landed property for a public purpose by the government with or without the owner's consent subject to laws of eminent domain, which stipulates prompt and adequate compensation among other things. In Uzbekistan, there is no separate legal document in relation to Land acquisition and Resettlement. The LC defines the terms of rights of termination on the land plot, seizure and land acquisition of land plot for state and public needs, and terms of seizure of land plot in violation of land legislation. The LC also regulates the allocation, transfer, and sale of land plots, defines ownership and rights on the land. It describes the responsibilities of different state authorities in land management; rights and obligations of the land possessor, user, tenant, and owner; land category types, resolution of land disputes, and land protection.

46. A new norm has been introduced into the Town Planning Code, the participation of public control in public discussion and decision-making on the approval of general plans of settlements.

47. The mechanism of payment of compensation in detail is given other legal documents such as Resolution of the Cabinet of Ministers # 911 dated 16/11/2019 mainly on urban land and structures. The resolution of Cabinet of Ministers # 146 mainly on agricultural land, crops, and trees. Recent presidential decrees and resolution adopted in this 2021 year allows carrying out public consultations before any LAR activities and follow the LAR policies of international donor institutions in the investment projects in Uzbekistan.

#### **Constitution of the Republic of Uzbekistan**

48. The Constitution of the Republic of Uzbekistan dated December 8, 1992, includes the following:

- Everyone should have the right to personal property (art. 36). The economy of Uzbekistan, developing towards market relations, is based on various types of property. The government should guarantee freedom of economic activity, entrepreneurship and human labor by prioritizing consumer rights, equality and legal protection of all types of property;
- The owner, in his sole discretion, must own, use and transfer his property. The use of any property should not harm the environment and should not infringe on the rights and interests of citizens, legal enterprises and the government (Art. 54);
- Land, and the minerals it contains water, flora and fauna, and other natural resources are national treasures and must be rationally used and protected by the government (Article 55).

49. The Constitution guarantees the rights of its citizens and their equality before the law. In accordance with the Constitution, all citizens of Uzbekistan have equal rights and freedoms and are equal before the law without distinction of sex, race, nationality, language, religion, social origin, beliefs, personal or social status (Article 18)

#### **Land Code**

50. The Land Code (dated on April 30, 1998 with the latest changes from December 23, 2020) is the main regulatory framework for land-related matters in Uzbekistan. The LC regulates the allocation, transfer and sale of land plots, defines ownership and rights on the land. It describes responsibilities of different state authorities (Cabinet of Ministers, province, district, city Hokimiyat) in land management; rights and obligations of a land possessor, user, tenant and owner; land category types, land acquisition and compensation, resolution of land disputes and land protection.

51. The LC also defines the terms of rights termination on the land plot, seizure and land acquisition of land plot for state and public needs, and terms of seizure of land plot in violation of land legislation. The LC provides that:

- Withdrawal of the land or part thereof for state and public needs is made by agreement with the land user and tenant by decision respectively hokim of district, city, region or by a decision of the Cabinet of Ministers (Article 37, Clause 1). In case of disagreement the land user or tenant of the land with a decision of the district (city, region) hokim, or the decision of the Cabinet of Ministers to withdraw the land, this decision may be appealed in court (Article 37, Clause 2).
- Losses caused by violation of the rights of land users, tenants and land owners (including lost profits), shall be reimbursed in full (Article 41, Clause 3).

- The withdrawal of the land for state or public needs may be produced after allocated to land user or tenant an equivalent land plot and the compensation all losses including lost profits (Article 41, Clause 4).
- The LC (Article 36, Clause 1) specifies instances when the right to the land can be terminated. Termination of the right of possession and the right of permanent or temporary use of land is made by decisions, respectively, of hokims of districts, cities, regions or by the decision of the Cabinet of Ministers on the proposal of the bodies exercising state control over the use and protection of land, on the basis of supporting documents justifying the termination of the rights. In case of disagreement with the decisions of the Cabinet of Ministers and the officials of the termination of the right of possession, the right of permanent or temporary land use natural and legal persons may appeal to the court (Article 36, Clause 4).

52. Article 37 (Confiscation, redemption of land for State and public purposes) of the Land Code is set out in a new edition (2020): "Confiscation of a land plot or part of it for state and public needs is made with the consent of the landowner or in agreement with the land user and the tenant - by the decision, respectively, of the Kengashes of People's Deputies of the regions, the city of Tashkent (in the previous edition - by the decision of the hokims of the city, district, region) or by the decision of the Cabinet of Ministers of the Republic of Uzbekistan."

53. Confiscation, redemption of land for State and public purposes) of land plots for state and public needs will be carried out only for the following purposes:

- provision of land for the needs of defense and state security, protected natural areas, the creation and operation of free economic zones;
- fulfillment of obligations arising from international agreements of Uzbekistan;
- discovery and development of mineral deposits;
- construction (reconstruction) of highways and railways, airports, airfields, air navigation facilities and aviation technical centers, railway transport facilities, bridges, subways, tunnels, energy system facilities and power transmission lines, communication lines, space objects, trunk pipes, engineering and communication networks;
- execution of master plans of settlements in terms of the construction of facilities at the expense of the state budget, as well as in other cases directly provided for by the laws and decisions of the President of Uzbekistan.

54. According to the law, making decisions on the seizure of land plots for state and public needs is allowed only after an open discussion with the owners of real estate located on the land plots to be seized, assessment of benefits and costs, as well as mandatory coordination with the Centralized Fund for Compensation losses to individuals and legal entities in connection with the seizure of land plots from them for state and public needs.

55. The demolition of immovable property belonging to individuals and legal entities, upon the seizure of land plots, is allowed after the complete actual release of residential and non-residential buildings, industrial and other buildings and structures, full reimbursement of the market value of immovable property located on the withdrawn land plot, expenses, associated with the relocation of legal entities, individuals to a new location or residence, including with the move to temporarily acquired real estate objects, as well as losses, including lost profits and other expenses of individuals and legal entities.

56. According to Article 39, Clause 1 land user, tenant and landowner have besides others the right for reimbursement of losses (including lost profits), in case of withdrawal of land or compensation costs for voluntary renunciation of land (Article 39, Clause 1, sub-Clause 7). The LC (Article 86, Clause 1) specifies the cases where losses of land users must be compensated in full including lost profits:

- seizure, redemption or temporary occupation of land;
- the restriction of their rights in connection with the establishment of water protection zones, coastal strips, sanitary protection zones of water bodies, zones of formation of surface and underground water, zones of resort areas, public areas of biosphere reserves, protected zones around national parks, game reserves, national nature monuments, sites of cultural heritage, discharges, roads, pipelines, communication and power lines.

57. According to the Article 87, Clause 1 losses of agricultural and forestry production, caused by the withdrawal of agricultural and forest land, including agricultural land, owned and used by individuals to use them for purposes not related to agriculture and forestry, restrictions on the rights of land users and tenants or deterioration land due to the impact caused by the activity of enterprises, institutions and organizations, shall be reimbursed in addition to the

indemnity provided for in Article 86. Losses of agricultural and forestry production is compensated by legal and natural persons:

- which removes withdrawn agricultural and forest lands for purposes not related to agriculture and forestry;
- around objects that set security, sanitary and protection zones with the exception of the revolutions of agricultural and forest land or transfer them to less valuable lands.

### **Civil Code**

58. The Civil Code (CC) defines the legal status of participants of civil relations, the grounds and procedure of implementation of property rights and other proprietary rights, rights on intellectual property, regulates the contractual and other obligations, as well as other property and related personal non-property relations. The CC defines general rules of property seizure, determination of property cost and rights for compensation, terms of rights termination.

59. The CC provides that: person whose right has been violated may demand full compensation for damages, unless the law or the contract provides compensation for losses in a smaller size (Article 14, Clause 1). The Civil Code (Article 14, Clause 2) also specifies that losses are understood as:

- expenses that the person whose right is violated, made or must make to restore the violated right;
- the loss of or damage to property (real damage);
- the revenues that this person would have received under normal conditions of civil turnover if his right had not been violated (lost profits).

60. According to article 14, Clause 3 “If the person has violated law, revenues received as a result of this, the person whose rights were violated, has the right to demand compensation along with other losses, lost profits in the amount not less than such profits”.

61. According to article 7 “If an international treaty or agreement stipulates other rules than those stipulated by civil legislation, rules of the international treaty or agreement”. This rule is a common rule for all Uzbekistan’s laws.

62. According to the Article 8, Clause 3, the rights to the property which are subject to state registration shall arise upon the registration of the relevant rights to it, unless otherwise provided by law. Article 84, Clause 1 provides that the right of ownership and other real property rights, creation, transfer, restriction and termination of these rights are subject to state registration. This means that without registration the right to real estate property does not enter into the force. This statement is very important for the further understanding of LAR processes related to land acquisition and building’s demolition.

### **Town Planning Code (with revisions dated January 06, 2021)**

63. The Town Planning Code gives the types of objects "settlement", "city", "settlement" and "village (aul)", discloses such concepts as "unauthorized buildings", "urbanization", "participation of citizens in the implementation of urban planning activities”.

64. The Code also establishes new norms for the implementation of regulatory and technical documents and their accounting. i.e:

- ensuring public participation in the discussion of decisions in the field of urban planning;
- a new norm defining the main directions of compensation for harm caused to legal entities and individuals;
- the procedure for the development and conclusion of a state contract for work and strict performance of contract work on the basis of the contract;
- the rights and obligations of experts in the examination of urban planning documentation are indicated.

65. The participation of subjects of public control in public discussion and decision-making on the approval of master plans for settlements is ensured by local executive authorities, the code says. For this, public supervisory and expert commissions, as well as public control groups, can be created.

66. The public has the right to discuss and make proposals when preparing decisions on the approval of the master plans of settlements, as well as to organize a public examination of the master plan of a settlement before its approval.

67. According to the new edition of the code, the information on the approval of master plans for settlements includes:

- legislation on urban planning;
- information about decisions of state administration bodies, local government bodies on the approval of master plans of settlements;
- documents and information on general plans of settlements.

68. Government bodies and local executive authorities are obliged to inform the public through the publication in the media of the final documents of public discussions, conclusions of public examinations, information on the approval of general plans and the implementation of measures for the presentation of programs and urban planning documents within a period not exceeding five days from the date making an appropriate decision.

69. Public discussion of general plans of settlements, according to the code, is carried out in the following order:

- Familiarization of the public with the terms and procedure for holding public discussions with the provision of information on the general plan of the settlement 10 days before the start of the discussion. Familiarization is carried out through publications in the media, the installation of banners and outdoor advertising in the buildings of enterprises, institutions and organizations, public places, in the area of the site of the proposed construction and expositions.

- Conducting public discussion, collecting opinions on the general plan of the settlement and in other forms not prohibited by law. The duration must be at least 15 days;
- Recording of the opinions expressed (questionnaires, audio-video recording, a list of approvals, written proposals of participants, minutes of a public discussion meeting);
- Publication of the conclusion by the public following the discussion in the media no later than 15 days after the end of the discussion.

70. General plans of settlements are approved taking into account the results of public discussion.

71. In the absence of approved master plans of settlements in order to improve the living conditions of the population, develop social, engineering, communication and road transport infrastructure, land plots may be withdrawn by a decision of the Cabinet of Ministers. Prior to the adoption of a decision by the Cabinet of Ministers, the executive authorities of districts and cities hold open discussions with stakeholders whose land plots are subject to seizure, assess the benefits, costs and losses arising from seizure.

72. A decision on a seizure is taken only after an open discussion and after an assessment of the benefits, costs and losses arising from the seizure. Withdrawal of a land plot is carried out only after compensation for damage caused to the owner.

73. The of a land plot and the demolition of immovable property is carried out only after full reimbursement of the market value of the immovable property and the damage caused to the owner.

**Resolution of Cabinet of Ministers № 146 (May 25, 2011) (with revisions dated June 14, 2019)**

74. This Resolution is aimed to improve the procedure of granting land plots, protect the rights of legal entities and individuals on land, improve the architecture of settlements and the efficient use of their land for construction in accordance with the Land Code and the Town Planning Code. The resolution mainly deals with agricultural lands. This resolution has approved two Regulations: (i) Regulation on the procedure for granting land for urban development and other non-agricultural purposes, (ii) Regulation on the procedure of compensation for land possessors, users, tenants and owners, as well as losses of agriculture and forestry. The Regulation on the procedure for granting land for urban development and other non-agricultural purposes contains the following provisions:

- Order of land plot location, preparation and approval of site selection and land allocation documents without approved planning documentation;
- Order of placement, selection and land allocation with approved planning documentation,
- Order for rejection in the selection and land allocation for construction;
- Provision(sale) of land plots for individual housing construction;
- Elements of urban planning documents and development regulation lines.



75. The Regulation on the procedure of compensation for possessors, users, tenants and land owners, as well as losses of agriculture and forestry includes the following:
- Compensation for losses of owners, users, tenants and landowners;
  - Compensation for losses of agriculture and forestry;
  - cost of irrigation and developing equal new land plot in return for seized irrigated agricultural land;
  - Cost of fundamental improvement of grassland and pasture;
  - Scheme for determination of losses of land possessors, users, tenants and owners, as well as losses of agriculture and forestry;
  - Coefficients on location of seized land plots.
76. The losses of land possessors, users, tenants and owners, as well as losses of agriculture and forestry should be compensated before granting of documents certifying rights on land plot. The regulation also orders that demolition of house, or building shall be done only after agreeing on compensation and providing replacement premises. The regulation orders that compensation has to be paid before starting any construction work. The land possessors, users, tenants and owners, whose land plots are seized and to whom land plots are granted, in case of disagreement with defined amount of losses, can appeal to court. In case of acquisition and temporary occupation of land plot or part thereof, the following would be subject to compensation:
- Cost of land plot, owned by individuals and legal entities;
  - Cost of residential houses, constructions and installations, including incomplete constructions, and also located outside of allocated plot, if its further utilization is impossible due to seize of land plot.
  - Cost of fruits and berries, protection and other perennial plants;
  - Cost of incomplete agricultural production;
  - Lost profit.
77. The following shall be compensated in case of permanent land acquisition or temporary use of land:
- cost of land plot which is privately used by legal entities and individuals;
  - cost of residential houses, buildings and structures, including facilities whose construction was not completed;
  - cost of fruit, protective and other perennial plants;
  - cost of not-completed agricultural production;
  - loss of profit.
78. The cost of unfinished agricultural production, including cost of used materials (seeds, mineral and organic fertilizers, pesticides, herbicides, etc.) and actually performed works (preparation of soil for sowing, cleaning of irrigation and drainage network, sowing seeds, watering, processing of crops, etc.) shall be evaluated based on the primary accounting documents.
79. The cost of the lost profit of legal entities due to land acquisition shall be calculated on the basis of the average annual net income for the last three years based on financial reports on for the relevant years, and the period which is necessary for the restoration of activity on new location. The period necessary for the restoration of activity on a new location is time for obtaining land plot, standard time for design and construction of facilities similar to those to be demolished.
80. Loss of profit shall not be compensated in cases when legal entities and individuals are provided with new land plots of equivalent value.
- losses of lands are paid compensated to the government in the following cases:
  - permanent or temporary acquisition, purchase of agricultural land which had been given to people for agricultural activities for non-agricultural purposes;
  - restriction of rights of owners, users, tenants to land plots due to creation of protective and sanitary zones around new water reservoirs under construction, water supply sources, resorts, main canals and collectors, roads, pipelines, power lines and communications as well as other facilities;
  - deterioration of land quality as a result of activities of legal entities and individuals.

81. Losses for agricultural lands are not compensated to the relevant government departments in the following cases:

- housing construction and maintenance of residential buildings;
- construction of kindergartens, schools and medical institutions;
- construction of water facilities, reclamation facilities and hydro-technical structures;
- establishment of protected natural areas.

82. Funds for compensation of losses of agricultural lands shall be transferred to special accounts of regional "departments on land resources and state cadastre" within 1 month after adoption of local government's decision on land acquisition and approval of scope of losses.

83. The funds received into the special accounts of the regional departments shall be used for the following purposes:

- development of new lands and reconstruction of irrigated lands;
- improvement of soil fertility;
- construction and reconstruction of drainage network, capital planning and improve water supply of irrigated lands;
- improvement of hayfields and pastures;
- creation, restoration forests and nut-tree plantations;
- afforestation of sands, coastal strips of reservoirs and rivers;
- terracing of mountain slopes and implementation of other anti-erosion measures;
- land management, cadastral and forest management works;
- construction and equipping of wells and water pipelines on pastures;
- preparation of land management documentation for optimization of land plots of farms;
- reclamation of disturbed lands;
- creation of automated land information systems.

84. Cost of new lands development to be paid to the relevant government department instead of the lands acquired shall be calculated based on the following table.

**Table 3. Land compensation fee for permanent acquisition of land for non-agricultural purposes**

Provinces	Land compensation fee, thsd. UZS x 1 bonitet score (soil quality indicator)
Republic of Karakalpakstan	444,2
Andijan	761,6
Bukhara	634,8
Djizakh	507,8
Kashkadarya	507,8
Navoi	507,8
Namangan	698,2
Samarkand	761,6
Surkhandarya	825,0
Sirdarya	507,8
Tashkent	761,6
Fergana	698,2
Khorezm	634,8
Tashkent city	761,6

85. Also, when calculating the cost of agricultural land loss, the location of the acquired land plot (distance factor) shall be taken into account relatively to administrative and industrial centers. Distance factors to be applied during calculation of compensation cost for permanent land acquisition are given in the following table:

**Table 4. Distance factors applied during calculation of land compensations**

<b>Settlements</b>	<b>Distance to border of settlements, km</b>	<b>Multiplier to be applied</b>
Tashkent city	up to 20	2.0
Province center	up to 10	1.5
Other cities and rural settlements as well as rural settlements which are considered as district centers	up to 5	1.3

**Resolution of the Cabinet of Ministers "On additional measures to improve the procedure for providing compensation for the seizure and provision of land and ensuring guarantees of property rights of individuals and legal entities" dated November 16, 2019 No. 911.**

86. Regulates the procedure for compensation for damage to owners of real estate, located on the seized land. Provides general rules for the acquisition and compensation of land, including preparation of documents for the acquisition of land for state and public needs; Preparation of documents for the acquisition of land for the implementation of investment projects.

87. The cost of residential, industrial or other buildings and structures built without a permit is not subject to compensation.

88. Land acquired for companies, institutions or organizations will be responsible for paying compensation, providing houses or apartments and temporary housing, and reimbursing all relocation costs.

89. The following types of compensation may be provided instead of the acquired land:

- equivalent comfortable living space with an area not lower than the social norm of living space and payment for the cost of plantings;
- payment of the market value of the demolished residential building, other structures, structures and plantings, as well as compensation for losses caused to owners as a result of the acquisition of a land plot;
- provision of a land plot for housing construction, including provision of temporary housing for up to two years, including full payment of the market value of demolished houses, buildings, structures, plantings and other losses incurred in connection with the acquisition of land;

**Resolution of the Government of Uzbekistan "On Measures on Improvement Efficiency of Preparing and Implementation of Projects funded by International Financial Institutions and Foreign Governmental Financial Organizations"**

90. Adopted on 16.07.2018 with the reference number 3857, this resolution requires that compensation for land acquisition, demolition of houses, other facilities, structures or damage of plantings due to implementation of projects funded by international donor to be made in accordance with the rules of international donor if such rules are fixed in project agreement.

**Resolution of the Government of Uzbekistan "About Approval of the Procedure of Accumulating and Use of Funds of Centralized Stocks for Compensation of Damages to Individual Persons and Legal Entities Due to Acquisition of Lands for Public Needs»**

91. Adopted on 26.12.2018 with the reference number 1047, this resolution established the Republican Centralized Fund (RCF) under the Cabinet of Ministers for calculating and paying compensation to affected households and entities due to involuntary land acquisition. According to the resolution, land can be acquired only for public and state needs. RCF covers the projects funded by the central and local government. It sets the procedure for paying compensation to affected physical and legal entities using the RCF funds.

92. Funds of RFC and its regional branches shall be managed by the Chairman of Boards of Directors. The Board of Directors under RCF has the right to decide which are compulsory for execution. The Board of Directors will also monitor the allocation of funds to affected households during land acquisition period. Local governments (i.e., Hokimiyats) shall start the process of compensation by requesting the RCF necessary funds for land acquisition. The Board of Directors shall review such requests and take the appropriate decision. Regional governments shall issue

resolutions on allocation of compensation funds based on the decision of the RCF. The Decree serves as a legal basis for paying compensation to affected persons.

### **Construction Standard and Rules No. KMK 2.10.03-97**

93. The KMK Instruction regulates construction norms for temporary and permanent acquisition of land for construction of main water supply and sewerage pipelines. This construction norm had been issued by the State Committee on Architecture and Construction of Uzbekistan (now the Ministry of Construction) which is the controlling authority for all types of constructions within Uzbekistan. According to this KMK, permanent land acquisition will be allowed for on ground pipelines only. In case the pipelines are to be laid underground, then temporary land acquisition will be applied.

### **Resolution of the President “About the Measures for Fundamental Improvement of Urbanization Processes”**

94. Adopted on 10.01.2019 with reference # 5623, this resolution allows individuals and legal entities of Uzbekistan to privatize non-agricultural lands. Article 2 of the resolution was devoted to the issues of land privatization. Starting from 1 July 2019,

- legal entities — residents of Uzbekistan have the right to privatize land plots on which their buildings or other facilities and production infrastructure are located as well as surrounding areas necessary for implementing production activity;
- individual persons — citizens of Uzbekistan have the right to privatize land plots allocated to them for housing construction and servicing residential house;
- decision on privatization of land plots shall be taken by local governments based on applications of individual persons and legal entities;
- land plots privatized by people and legal entities — residents of Uzbekistan are considered as private property and untouchable. They are protected by the state according to the law of Uzbekistan «About protection of private property and guarantees of the rights of owners»;
- land plots can be privatized only when cadaster documents are available. Amount of privatization shall be fixed by the Cabinet of Ministers of Uzbekistan.

### **Resolution of the President of Uzbekistan “About the Measures for Basic Improvement of Investment Climate in the Republic of Uzbekistan”.**

95. The resolution dated 1 August 2018 with the reference number UP-5495 clarifies the sectors for which involuntary acquisition of land of individuals and legal entities is allowed for the state and public needs. It obligates the concerned government body to carry out consultations with affected persons before acquisition of their lands. Losses of affected people due to land acquisition must be compensated in full before acquisition of land. The government bodies shall reimburse losses of affected persons in case of illegal orders of government bodies for land acquisition. The following are the main provisions of the resolution:

- decision of involuntary land acquisition for the state and public needs is allowed only after consultations with the parties whose land plots are planned to be acquired as well as after evaluation of benefits and losses;
- demolition of residential, industrial structures, other buildings and facilities of individuals and legal entities due to land acquisition is allowed after full compensation of affected assets and losses caused to owners due to land acquisition;
- losses of individuals and legal entities resulting from illegal administrative act of a government body shall be reimbursed by the state;
- Involuntary land acquisition for public needs is allowed only for the following purposes: state defense and public security, protected natural areas, establishment and operation of free economic zones, implementation of obligations arising from international treaties; discovery and development of mineral deposits;
- construction (reconstruction) of roads and railways, airports, aerodromes, air navigation facilities and aviation centers, railway transport facilities, bridges, subways, tunnels, energy systems and power lines, communication lines, space activity facilities, trunk mains, engineering and communication networks may be considered as public need;
- implementation of master plans of settlements for construction of facilities funded by the Government as well as other cases clearly indicated by laws and decisions of the Government.

## Law "On Appraisal Activities"

96. When implementing this project, the procedure for paying compensation to these persons in the event of loss of property and other property objects is also governed by the following regulatory documents:

- i. The Law of the Republic of Uzbekistan "On Valuation Activity" dated 19.08.1999. No. 811-I;
- ii. Decree of the President of the Republic of Uzbekistan "On further improving the activities of appraisal companies and increasing their responsibility for the quality of services provided" (No. PP-843 of 24.04.2008).

97. The law regulates relations related to the implementation of valuation activities. Valuation of assets, including real estate, business, etc., is carried out on the basis of the Law "On appraisal activities" (as of 19.08.1999, No. 811-I as amended in 2017, decrees and decrees of the President). and government standards, departmental regulations and other provisions of national legislation.

98. The sequence of legal acts and their content characterize the state and public understanding of the theory and practice of market valuation. This is confirmed by several definitions and norms stated in the Law "On Valuation Activity". For example:

- "Appraisal activity is the activity of an appraisal organization aimed at determining the value of appraisal";
- "Appraisal organization" - a legal entity licensed to carry out appraisal activities. The appraisal organization is independent in its activities. Customer service (hereinafter referred to as the Customer) or other interested parties does not interfere with the organization's appraisal activities. Creation of an appraisal organization, and the implementation of appraisal activities by state bodies and administrations is prohibited, unless otherwise provided by law. "

99. Although evaluation activities are carried out by independent organizations (private companies with certified evaluators), the state plays an important role in regulating evaluation activities. The State Asset Management Agency is responsible for: i) developing and approving regulations, including property valuation standards; ii) licensing of valuation activities; iii) certification of expert assessors, as well as organization of their training and professional development. The Society of Appraisers of Uzbekistan protects the rights of appraisers, increases their capabilities, upon request, requests an independent expert opinion to verify the conclusions of the appraisal report, etc.

100. In the table below the summary of a legal framework which is related to resettlement is given.

**Table 5. Legal instruments applicable to resettlement**

<b>Legal Framework</b>	<b>Functional Relationship to Resettlement</b>
The Land Code (LC) dated on 30 of April 1998	Describes a condition for permanent land expropriation and temporary land acquisition
The Town Planning Code dated on 04/042002	Determines that land alienation (signing of master plans for settlements) can be carried out only after public discussion.
The Resolution of the Cabinet of Ministers "On additional measures to improve the procedure for providing compensation for the seizure and provision of land and ensuring guarantees of property rights of individuals and legal entities" dated November 16, 2019 No. 911.	Regulates the procedure for compensation for damage to the owners of real estate located on the seized land plots. Provides general rules for the acquisition and compensation of land, including preparation of documents for the acquisition of land for state and public needs; Preparation of documents for the acquisition of land for the implementation of investment projects.
The resolution "On measures to improve the procedure for granting land plots for urban development activities and other non-agricultural purposes" dated on 25 May 2011 #146	Regulates resettlement compensations for affected agricultural lands and trees. Also regulates the provision of land to land compensation principles.
The resolution "On Approval of the order of the appointment and payment of social allowances and material	Regulates the mechanism to the determination of vulnerable groups and their entitlements

(financial) assistance to low-income families” dated on 15 February 2013 #44.	
Presidential resolution “On measures to improve the effectiveness of training and realizing projects with participation of international financial institutions and foreign government financial organizations” dated on 16 July 2018 #3857	Confirms that the resettlement costs are paid based on assessment documents prepared by IFI in accordance with their own methodology.
Presidential Decree “On measures on major improvement of investment climate in the Republic of Uzbekistan” dated on 1 August 2018 #5495	Defines that land expropriation can be implemented only after meaningful consultation with PAPs.
Presidential Decree “On measures to improve the system of protection of rights and legal interests of subjects of entrepreneurship” dated 27 July 2018 # 5490	Defines the source of Resettlement budget in the investment projects.

### 2.1.1. General Provisions

101. The following are the general principles and procedures that will be carried out for acquiring a land plot or portion thereof (hereafter referred to a land plot) and compensating individuals and legal entities for residential , manufacturing, or other special purpose buildings, facilities, and plantings subject to demolition in connection with land withdrawal for government or public needs.

- a) Withdrawal (or acquisition) of a land plot for public needs shall be carried out with landowner’s consent or upon agreement with the land-user/tenant, by a resolution of the Kengash of People’s Deputies of a particular jurisdiction (district, town, city, province), or by the resolution of the Cabinet of Ministers of the Republic of Uzbekistan. The kengash’s decision to seize a land plot for the implementation of investment projects is allowed solely on the basis of decisions of the president and the government.
- b) The investor makes a preliminary calculation and provides the hokimiyat with sufficient resources to compensate and carry out construction work. At the same time, the preliminary calculation cannot be the final amount of compensation. The hokimiyat sends the materials to the Kengash for consideration. The Kengash considers the materials at the meeting and makes an appropriate decision, while the following issues are necessarily considered at the meeting:
  - the focus of investment projects on improving the housing and living conditions of citizens of a certain territory, as well as the development of infrastructure and the construction of objects of socio-economic importance, taking into account the opinion of the majority of the population of the territory;
  - seizure, first of all, of land plots occupied by objects of dilapidated and in an emergency condition of the housing stock, including unused objects (with the exception of cultural heritage objects).
- c) If the landowner, land-user, or landholder disagrees with the resolution of the Kengash of People’s Deputies (Hokim) of the relevant jurisdiction or the Cabinet of Ministers on withdrawal of a land plot, then the resolution may be appealed in a court.
- d) A resolution on the withdrawal of a land plot and demolition of residential, manufacturing, or other assets (that is, buildings, facilities, and plantings) shall be made in accordance with the general layouts, as well as the detailed plans for the development of residential areas and neighborhoods in cities and settlements.
- e) Unjustified demolition of residential, manufacturing, or other buildings, facilities, or plantings shall be prevented.
- f) Based on a resolution of the Cabinet of Ministers, the Hokims of the respective districts/towns shall adopt their own resolutions on withdrawing a land plot and demolishing residential, manufacturing, and other buildings, facilities, and plantings.
- g) The Hokimiyats of the respective districts/towns shall notify the owners of relevant residential, manufacturing and other buildings, facilities, and plantings in writing and against a receipt about the resolution at least six months before the targeted demolition date. The notification shall be supported by copies of the respective resolutions on withdrawal of the land plot and demolition of residential, manufacturing, and other buildings, facilities, and plantings located on the land plot.
- h) An open discussion is allowed only after the kengash makes a decision to hold an open discussion, otherwise an open discussion is considered illegal. An open discussion must be held within 20 days from the date of the decision of the Jokargy Kenes of Karakalpakstan or the relevant kengash of people’s deputies. In case of violation of this period, the materials are considered again on a general basis. The initiator, within two days from the date of the Kengash’s decision to hold an open discussion, but not less than seven days before it, must send a written

notification to the owners. Goals, prospects and conditions of the project are discussed at an open discussion. The owners have the right to give their proposals for the project. If there are grounds, the project is being finalized taking into account these applications.

- i) At a public meeting, the investor must obtain the prior consent of the owners.
- j) Only after the investor receives the preliminary consent of the owners, the Kengash makes a decision on the seizure of the land plot, after which the process of agreeing on the issue of compensation and drawing up an agreement begins.
- k) Landowners may appeal the Resolution of the respective District/Town Hokim (Kengash of People's Deputies) on the demolition and approval of the value of residential, manufacturing, and other-purpose buildings, facilities, and plantings subject to demolition in the Hokimiyats of the Provinces as well as in the court system.
- l) The value of residential, manufacturing, or other-purpose buildings and facilities built without proper authority shall not be reimbursed.
- m) If the withdrawn lands are allocated to enterprises, institutions, or agencies, those entities will be responsible for the payment of compensation, provision of houses or apartments, and temporary housing, as well as the reimbursement of all relocation costs based on the decision of the respective District/Town Hokim.

102. The following are the specific procedures and terms for compensating individuals and legal entities for houses, buildings, facilities, and plantings.

### **2.1.2. Procedure for Calculating Compensation to displaced PAPs**

- a) The respective Hokimiyats shall establish commissions (hereafter referred to as the “Commission”) to determine the size and type of compensation. The Commission will be headed by the Deputy Hokim of the district/town and include the representatives of financial and other departments of Hokimiyats, the State Inspector for Supervision over Land Use and Protection, local authorities, landowner (that is, land-user or landholder) in charge of the land plot to be withdrawn, representative of the enterprise, institution, or agency to which the land plot is to be allocated, as well as representatives of other relevant authorities at the discretion of Hokimiyats.
- b) The technical condition of houses or apartments, buildings, and facilities are appraised, and the value of plantings to be withdrawn will be determined by the District/Town LRSCD at the expense of the applicant. In case of disagreement with the results of the appraisal by the LRSCD, the owner has the right to contract independent licensed appraisers which will be paid for by the applicant. The appraisal materials are to be submitted to the Commission.
- c) If the land plot to be withdrawn is owned by an individual who has acquired a lifetime ownership with the right of inheritance through an auction, the individual will be provided with lifetime ownership to an equivalent new land plot with the right of inheritance. The appraisal will be performed by the licensed appraisers of the LRSCD at current prices at the expense of the applicant.
- d) Any materials resulting from the dismantlement of houses or apartments, other buildings, and facilities (except unauthorized constructions) shall remain at the disposal of the developer or landowner (land-user, landholder) who pays full-scale compensation to the owner. In specific cases, at the request of the owner of the demolished property or plantings, and by the decision of the respective Hokim, the materials resulting from the dismantling of the property may be transferred to the owner. In this case, the Commission shall determine the value of the materials transferred to the owner at current market prices, taking into account wear-and-tear.
- e) The specific timing and procedures of monetary compensation payment shall be set forth by resolutions of the relevant jurisdiction. However, monetary compensation is to be paid prior to the commencement of the demolition process.

### **2.1.3. Procedure and Terms for the provision of housing to displaced PAPs**

- (a) If privately owned are to be demolished, the individuals, members of their families, as well as the individuals permanently residing in these houses or apartments at their own choice and subject to agreement of the parties, will be provided with an equivalent suitable dwelling with the floor space meeting the public norms on an ownership basis, and will receive compensation for the value of the plantings, or will get compensated for the value of demolished houses or apartments, other buildings, facilities, and plantings. Equivalence is determined as being an amount equal to the value of the house or apartment to be demolished. If the value of

the house or apartment to be demolished is higher than the value of the housing provided, the owner will be compensated for the difference.

- (b) The respective District/Town Hokimiyats will be responsible for providing housing and/or paying other types of compensations to the owners of the demolished houses or apartments out of the funds from local budget revenues.
- (c) In order to get living quarters, the owner of the residential house or apartment to be demolished after receipt of a notification about the upcoming demolition shall, within a month's time, file an application agreed with family members and other people residing (registered) in the house or apartment to the respective District/Town Hokimiyat requesting assignment of living quarters in exchange for the housing to be demolished, specifying family members, number of permanently residing persons, as well as any available benefits which entitle them to extra housing floor space in addition to the public norm.
- (d) After the respective District/Town Hokimiyats approve the Commission resolution on the size and type of compensation, assignment of living quarters in exchange for the demolished residential house or apartment, or, at the request of the owner, on provision of monetary compensation, the owner shall file with the Hokimiyat a letter providing a guarantee to vacate the residential house (apartment) subject to demolition.
- (e) A house or apartment may only be demolished subject to the agreement of the parties and after the owner was provided with living quarters in exchange for the house or apartment to be demolished.
- (f) In specific cases, subject to the agreement of the owner of the house or apartment to be demolished, the District/Town Hokimiyat may provide living quarters in houses, which are in the course of construction, specifying in the resolutions the exact timing when the house is to be commissioned. If the living quarters in the houses being constructed are not provided by the established date, the Hokimiyat shall be responsible for providing the living quarters within a month's time.
- (g) Belongings of the owner of the residential house (apartment) to be demolished shall be moved to a new location at the expense of the developer or landowner (land-user, landholder) to whom the plot was allocated.
- (h) The respective District/Town Hokimiyats will compensate the owner of the house to be demolished due to the withdrawal of the land plot.

#### **2.1.4. Procedure and Terms for Provision of Land Plots to displaced PAPs**

- (a) In case of demolition of privately owned residential houses or apartments in connection with a land plot acquisition for public purposes, the owners of the properties, their family members, as well as individuals permanently residing in these houses or apartments at their request could be provided with a land plot for private housing construction within the established norms. Here, temporary housing under the terms of a lease shall be provided for the development period of up to two years along with full-scale compensation for the value of the houses or apartments, buildings, facilities, and plantings to be demolished.
- (b) A land plot for private housing construction and monetary compensation shall be provided to the owner of the demolished houses or apartments by the respective District/Town Hokimiyat. If the withdrawn land plots are to be allocated to enterprises, institutions, or agencies, these entities will be responsible for providing compensation land plots for private housing construction and compensation payments to the owners of the demolished residences.
- (c) To obtain a land plot, the owner of a house or apartment to be demolished after receipt of the notification on the upcoming demolition shall, within a month's time, file with the respective District/Town Hokimiyat an application for assignment of a land plot for private housing construction specifying the family members, the number of permanently residing persons, and the need for temporary housing.
- (d) After the respective District/Town Hokimiyat approves the Commission resolution on the size and type of compensation, the owner shall file with the Hokimiyat a letter providing a guarantee to vacate the house (apartment) subject to demolition within the term specified by the respective District/Town Hokimiyats.
- (e) A house or apartment may be demolished only after the owner is provided with a land plot for private housing construction and with temporary housing in terms of a lease for the period of development of the land plot of up to two years.

#### **2.1.5. Procedure for Compensating Legal Entities for Damages Resulting from Land Withdrawal for Government and Public Needs**

- (a) In the case of withdrawal of a land plot that accommodates residential, manufacturing, or other buildings, facilities, or plantings owned by a legal entity, the legal entity is to be provided with equivalent property and is fully compensated for all damages due to the withdrawal of land plot for public needs.



- (b) Landowners/users/tenants/proprietors of land plots in urban areas shall be compensated for the damages in agriculture and forestry-based production in accordance with the land laws of the Republic of Uzbekistan.
- (c) Legal entities shall be compensated for damages resulting from the withdrawal of land plots by the respective district/Town Hokimiyat. If the withdrawn land plots are to be allocated to enterprises, institutions, or agencies, then payment of compensation, provision of living quarter and temporary housing, as well as moving the property to the new location shall be carried out at the expense of such enterprises, institutions, and agencies according to the resolution of the respective District/Town Hokimiyat.
- (d) To be compensated for the withdrawal of a land plot, the legal entity following the receipt of notification of the upcoming demolition shall, with a month's time, file an application specifying the type of compensation with the respective District/Town Hokimiyat.
- (e) After the respective District/Town Hokimiyat approves the resolution of the Commission, the legal entity shall file with the Hokimiyat a letter providing a guarantee to vacate the residential house, other buildings, and facilities subject to demolition within the term specified by the respective District/Town Hokimiyats.
- (f) Residential, manufacturing, and other special purpose buildings, as well as facilities belonging to a legal entity, may be demolished only after the type and size of compensation and timing of payment thereof are agreed to with the owner.

#### **2.1.6. Procedure and Terms of relocation costs to displaced PAPs**

- (a) At the request of individuals and legal entities, the residential, manufacturing, and other purpose buildings and facilities owned by them, which are subject to demolition may be moved and restored in a new location in accordance with a resolution of the respective District/Town Hokimiyats and shall be funded out of local budget revenues. The individuals and legal entities who own the housing shall be provided with temporary housing under a lease for the period of land plot development up to two years.
- (b) The property will be moved and restored within the limits of a given locality on land plots assigned in accordance with the established norms, subject to a condition that the technical state of houses, buildings, and facilities allows for their movement, i.e. the condition of the engineering structures and structural components must be able to withstand disassembly, transport, and reassembly in a new location. The Commission will determine the feasibility of moving the houses, buildings, and facilities based on a feasibility study and design estimates developed by specialized design agencies at the expense of the developer to whom the withdrawn land plot is allotted. The movement of residential, industrial, or other buildings and facilities and their restoration in a new location shall be carried out within the timeframe set forth by the respective District/Town Hokimiyats. However, the term should not exceed a period of one year.
- (c) All costs associated with the movement of residential, manufacturing, and other buildings and facilities and restoration thereof in a new location, rent of temporary housing, movement of property of individuals or legal entities to the temporary housing and from there to the restored buildings/facilities based on the decision of the respective District/Town Hokimiyats shall be borne by the developer or landowner (land-user, landholder) to whom the plot was allocated.
- (d) Relocation of equivalent residential, manufacturing, or other-purpose buildings and facilities owned by a legal entity shall be carried out only after the type, the size, and the timing of payment of compensation are agreed to with the owner.

#### **2.1.7. Procedure and Terms of Settlement in Cases of Construction of Houses and Buildings in a new location to displaced PAPs and legal entities**

- (a) At the request of individuals and legal entities whose houses or apartments are subject to demolition, residential houses and buildings may be constructed in a new location and transferred to their ownership. In this case, no monetary compensation for the demolished residential houses or apartments is paid.
- (b) Construction of residential houses and buildings in a new location and their transfer to the ownership of individuals and legal entities whose residential houses or apartments are subject to demolition shall be carried out by the respective District/Town Hokimiyats.
- (c) If the withdrawn land plots are to be allocated to enterprises, institutions, or agencies, then the construction of residential houses and buildings in a new location and transfer thereof to the ownership of individuals and legal entities, whose residential houses or apartments are subject to demolition, will be carried out at the expense of such enterprises, institutions, or agencies.
- (d) Construction of residential houses and buildings in a new location for individuals and legal entities, whose residential houses or apartments are subject to demolition shall be carried out within the limits of a given

locality (population center). Here, for the period of construction of residential house/building at the new location, the respective District/Town Hokimiyats will provide the individuals and legal entities concerned with temporary housing on terms of a lease.

- (e) All costs related to the leasing of temporary housing, movement of property of the individuals and legal entities to the temporary housing, and from there to the residential houses built in a new location based on the decision of the respective District/Town Hokimiyats, shall be borne by the developer or land owner (that is, land-user, landholder) to whom the withdrawn land plot was allocated.
- (f) In order to get the residential house/building constructed in the new location in exchange for the house or apartment to be demolished, the individuals and legal entities, owning houses or apartments subject to demolition shall, within one month after receipt of notification about demolition, file an application specifying the family members, number of permanently residing persons, as well as the available housing benefits with the respective District/Town Hokimiyats.

#### **2.1.8. Additional Procedures or Principles Relating to Expropriation of Urban Land**

103. Based on the Civil Code, the Housing Code, and the Town Planning Code, the real estate value and corresponding compensation are determined on the basis of the registered price estimated by LRSCD. However, this price may be an underestimation of the real price of the property. In some cases, the registered price can be several times below a real estate's actual market value. The real estate owner is given a choice between cash compensation or the provision of real estate of equal value on a different plot of land. Given that all land in Uzbekistan is state-owned, loss of land is not compensated in cash. Enterprises or businesses that are expropriated will be compensated by a new plot of land and building, thus allowing affected people to pursue their activities.

### **2.2. PRINCIPLES OF RESETTLEMENT POLICY FRAMEWORK FOR COMPARISON OF THE GOVERNMENT STATUTES AND WORL BANK POLICY**

104. The World Bank recognizes that involuntary resettlement may cause severe long-term hardship, impoverishment, and environmental damage unless appropriate measures are carefully planned and carried out. The Bank's Resettlement Policy OP 4.12, includes safeguards to address and mitigate the economic, social, and environmental risks arising from involuntary resettlement.

105. The WB's involuntary resettlement policy objectives are the following:

- (i) Involuntary resettlement should be minimized after exploring all viable alternatives in project design;
- (ii) Resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to share the benefits to PAPs. PAPs should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.
- (iii) PAPs should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-project levels or to levels prevailing prior to the beginning of project implementation, whichever is higher

#### **2.2.1. Principles of resettlement policy framework**

106. The involuntary taking of land results in relocation or loss of shelter; and loss of assets or access to assets or loss of income sources or means of livelihood, whether or not the PAPs must move to another location or not. Therefore, meaningful consultations with the affected persons (directly and through representatives), local authorities and communal leadership allow for establishing the criteria by which displaced persons will be deemed eligible for compensation and other resettlement assistance. OP 4.12 suggests the following three criteria for eligibility;

- (a) those who have formal rights to land;
- (b) those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets provided that such claims are recognized under the national and local laws of Uzbekistan or become recognized through a process identified in the resettlement plan;
- (c) those who have no recognizable legal right or claim to the land they are occupying, using or getting their livelihood from, but are recognized under the World Bank's OP 4.12.

107. Those covered under (a) and (b) above are to be provided compensation for the land they lose, and other assistance in accordance with this RPF. Persons covered under c) above are to be provided with resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives set out in this RPF, if they occupy the project area prior to a cut-off date established by the Hokimiats in close consultation

with the potential PAPs, local community leaders and the respective local LRSCD, LARC and acceptable to the World Bank. Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. All persons included in (a), (b) or (c) above are to be provided with compensation for loss of assets other than land. Therefore, it is clear that all project affected persons irrespective of their status or whether they have formal titles, legal rights or not, squatters or otherwise encroaching illegally on land, are eligible for some kind of assistance if they occupied the land before the entitlement cut-off date. Persons who encroach the area after the socio-economic study (census and valuation) are not eligible for compensation or any form of resettlement assistance.

### **2.2.2. Comparison of national legislation and WB Policy in Involuntary Resettlement**

108. Analysis of previous resettlement documentation including resettlement plans, frameworks shows that there were discrepancies between World Bank OP policies and Uzbekistan's legislation in the sphere of compensation for involuntary resettlement took place in the investment projects. The main discrepancies included, in public consultation before resettlement activities, detail explanation of entitlements to project affected households, provision of just compensation instead of full replacement cost, carry out socio-economic surveys among PAPs. Uzbek Laws only provide compensation for land that is legally owned by PAPs and no compensation to encroachers for the same. The World Bank OP4.12 provides for compensation for land to both legal owners and encroachers. OP4.12 states that where there is a conflict between the Bank and government frameworks, those of the Bank shall take precedence. However, recent Presidential Decree # 3857 clearly defines PIU can use a preliminary assessment document prepared in accordance with the operational policies of international finance institutes (World Bank) as a pre-project document that defines the main parameters of a project implementation.

109. There is no provision for compensation for loss of income or profits. This is in contrast to the Land Code, according to which farmers are compensated for lost income. It is important to note that because of State ownership of lands in Uzbekistan, land use is only possible with the permission of local authorities on the basis of a lease or on other terms. Accordingly, land use issues are fully covered by land legislation and are not governed by provisions of customary law, traditional practices, or neighborhood relationships, etc. Thus, according to Uzbek laws, those who use or occupy land without a lease or other type of official permission will not be entitled to legal compensation. The State will have the right to seize the land from those "illegal land users."

110. Persons who take up their residence on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. WB OP 4.12 highlights that particular attention should be paid to the needs of the most vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples, ethnic minorities, and also other categories of displaced persons whose interests may not be protected by national legislation with regard to the compensations for the land plots subject to withdrawal.

111. A recent change in legislation of Uzbekistan considers the market value of affected property, plantations and crops in consideration of the highest value before the cut-off date while WB considers full replacement cost of structures through calculating the cost of materials, type of construction, labor, transport and other construction costs as on date. No deductions will be applied for depreciation or transaction costs. The cost of reconnection of lost water, electricity, gas and telephone connections will be included in the compensation (the new land sites are assumed to have similar services available). According to the resolution, N911 salvaged materials are deducted from total compensation or will be under the disposal of Contractor, while WB considers salvaged materials to be allowed for taking away by the PAPs prior to demolition at no charge.

112. The Bank Policy 4.12 will prevail in cases of discrepancies between WB and Uzbekistan legislation, not just simply in relation to compensation issues but to all issues.

113. A further comparison between the Uzbek Legislations and the World Bank OP 4.12 a harmonization measures are contained in Table 6.

**Table 6. Comparison of Uzbek Legislation and WB’s OP 4.12**

ASPECT	WORLD BANK	NATIONAL UZBEK REGULATIONS	HARMONIZED FRAMEWORK
<b>SOCIAL SAFEGUARDS REQUIREMENTS</b>			
<b>Involuntary Resettlement</b>	World Bank Group Operational Policy on Involuntary Resettlement. OP 4.12	<p>The legal and policy framework of the project is based on national laws and legislation related to land acquisition and compensation policy in Uzbekistan, there are:</p> <ul style="list-style-type: none"> <li>(i) Land Code (30.04.1998);</li> <li>(ii) Town Planning Code (04/04/2002)</li> <li>(iii) Resolution of the Cabinet of Ministers of November 16, 2019 # 911 "On additional measures to improve the procedure for providing compensation for the seizure and provision of land plots and ensuring guarantees of property rights of individuals and legal entities"</li> <li>(iv) Resolution of the Cabinet of Ministers dated 25.05.2011, #146 "On measures to improve the procedure for granting land plots for urban development activities and other non-agricultural purposes";</li> <li>(v) Resolution of the President of the Republic of Uzbekistan dated 16.07.2018 #3857 "On measures to improve the effectiveness of training and realizing projects with participation of international financial institutions and foreign government financial organizations";</li> <li>(vi) Decree of the President of the Republic of Uzbekistan dated on 01.08.2018 #5495 "On measures on cardinal improvement of investment climate in the Republic of Uzbekistan"</li> </ul>	
<b>Screening and Categorization</b>	WB carry out project screening and categorization at the earliest stage of project preparation when sufficient information is available for this purpose. Type of project categorizations are 1, 2, 3	According to legislation, there is no categorization in Resettlement documents.	
<b>Compensation entitlements</b>	<p>A. PAPs with the formal title has to be compensated for lost land/other assets.</p> <p>B. PAPs with the legalizable title have right to be compensated for lost land and assets after the EAs helps them in legalizing their assets.</p> <p>C. PAPs with no legal title are compensated for lost non-land assets.</p>	<p>A. PAPs with the formal title is compensated for lost land/other assets. PAPs with legalizable or no legal title. Legalizable are not distinguished and considered non-legal as legalization is a burden of the PAPs. Non-legal PAPs have no right to be compensated for land and non-land assets.</p>	<p>A. Same in principle/application. No reconciliation needed. Critically different in principle and application. The application already reconciled in previous WB projects but formal Reconciliation on both counts is needed through a Decree for WB projects as well as through the inclusion of additional safeguard</p>

ASPECT	WORLD BANK	NATIONAL UZBEK REGULATIONS	HARMONIZED FRAMEWORK
			covenants into the loan agreements which are equivalent of the international treaty or agreement.
Compensation	<p>A. Permanent loss of land. Replacement land as a preferred option or cash compensation at the full market rate. At least for legal/legalizable PAPs.</p> <p>B. Replacement of leased land. Based on replacement of lost income through cash compensation of gross income x the remaining lease years or through a replacement land lease.</p> <p>C. Loss of structures/ buildings. Cash compensation at replacement cost for lost item free of depreciation, transaction costs, and other deductions.</p> <p>D. Loss of indirectly affected items. Non affected parts of an asset no longer usable after impact will have to be compensated as well.</p> <p>E. Business losses. Reimbursement of actual losses plus business re-establishment costs. For application based on tax declared income for a period of business stoppage. In absence of tax declaration based on maximum non-taxable salary.</p> <p>F. Loss of trees:  i) Unproductive. Irrespective of legal land occupancy status compensation at market rate. Application based on tree type/ wood volume or other methods ensuring PAP rehabilitation.  ii) Productive. Compensation at replacement cost based for application on various methods: tree reproduction cost, income lost (x tree type x market value of 1-year income x full production years lost).</p> <p>G. Loss of crops. Compensation of crop in cash at market price.</p>	<p>A. Permanent loss of land. Replacement land for legal PAPs.</p> <p>B. Replacement of leased land. Based on lease replacement and compensation in cash all losses including lost profit.</p> <p>C. Loss of structures/buildings. Cash compensation at market cost for lost item free of depreciation, transaction costs, and other deductions.</p> <p>D. Loss of indirectly affected assets. Law requires that all losses including lost profits are to be compensated to all legal PAPs.</p> <p>E. Loss of business. Cash compensation at market value for all damages/opportunity costs incurred. The burden of proving opportunity costs rest on the PAP based on recognized documented evidence but no clear methodology.</p> <p>F. Loss of unproductive and productive trees. Unproductive as well as productive trees affected by a public project are to be compensated.</p> <p>G. Loss of crops. Loss of crops to be compensated. There are two forms of compensation of loss of crops: i) compensation of uncompleted agriculture production and ii) compensation of lost profit by multiplying four (years) average income for the last three years.</p>	<p>A. Same in principle/application for legal PAPs. Reconciliation needed both for principle and application to allow the compensation of all non-land losses of legalizable and non-legal PAPs. It is hoped that this could be achieved through a special Decree for WB projects or through the inclusion of additional safeguard covenants into the loan agreements which are equivalent of the international treaty or agreement.</p> <p>B. Same in principle. Application to be further improved. No reconciliation needed. To be reflected through an instruction for WB projects.</p> <p>C.No reconciliation of principles and application needed. However, it is required the establishment of a protocol allowing the compensation of structures/ building at replacement cost, when the salvaged materials remain with the developer or landowner provides full reimbursement to the owner. It is hoped that this can be formalized without legal reform but only a Decree for WB projects or through the inclusion of additional safeguard covenants into the loan agreements which are equivalent of the international treaty or agreement.</p> <p>D. No reconciliation of principles and application needed.</p> <p>E. Same in principle but WB does not consider opportunity cost. Application reconciliation needed to define a clear methodology and distinguish short- and long-term losses.</p> <p>F. Same in principle, different in application. Already adjusted for previous WB projects but Application reconciliation is needed through a decree for WB projects ensuring systematic law implementation and also cash compensation is</p>

ASPECT	WORLD BANK	NATIONAL UZBEK REGULATIONS	HARMONIZED FRAMEWORK
			<p>provided by default, ensuring and use of valuation standards fitting OP 4.12.</p> <p>G. No reconciliation for policy is needed but the reconciliation of policy application is necessary to ensure that crops are compensated at the moment close as much as possible to the date of calculation lost profit.</p>
<b>Involuntary Resettlement Planning, assessment, and valuation of impacts</b>	<p>Resettlement Action Plan (RAP). RAP preparation includes: a) impacts assessment/PAP census; b) definition of entitlements, income/livelihood restoration strategy, compliance &amp; grievance mechanisms, institutional arrangements; c) consultation results; d) monitoring schemes; e) budget and implementation schedule. RAP requires the following surveys:</p> <p>i. Measurement survey. Measures all affected items.</p> <p>ii. PAP Census. Identifies all PAPs and establishes legitimate beneficiaries based on legal status.</p> <p>iii. Socio-economic survey. Provides background information on PAP' socio-economic features.</p> <p>iv. Valuation survey</p> <p>a) Land: If land market exist based on a survey of recent transactions; without land market based on land productivity/ income;</p> <p>b) Buildings and structures. The replacement cost of materials, labor and transport and special features of building/structure without discounting depreciation, salvaged materials and transaction costs;</p> <p>c) Trees/crops. Based on the methodology detailed in section Compensation.</p>	<p>Resettlement Plan. There are no requirements to prepare integrated and stand-alone RAPs. LAR planning entails similar but less extensive/simpler assessment/survey efforts than WB Policy, as detailed below:</p> <p>i. Measurement survey. Land and buildings impacts measured. Other impacts identified but not measured;</p> <p>ii. PAPs Identification. Identifies only legal PAPs;</p> <p>iii. Socio-economic survey. No comparable requirements exist;</p> <p>iv. Valuation survey;</p> <p>a) Land: valued at a market rate based on a transactions survey. Valuation includes transaction costs/third party liabilities;</p> <p>b) Buildings and structures. Replacement cost but the salvaged materials remain with the developer or landowner provide full reimbursement to the owner;</p> <p>c) Trees/crops. If compensated is provided based on the methodology detailed in section "Compensation" section F. and G. or based on an agreed lump sum.</p>	<p>Partly different in principle and application. No reconciliation needed as law/regulation is silent on this matter and OP 4.12 requirements have been already applied in previous WB projects. Still, clear instructions regarding WB projects ensuring the measurement of all impacts and the counting of all PAP are needed for mainstream purposes.</p> <p>i. Detailed Measurement Surveys to be mainstreamed for all impacts;</p> <p>ii. Detailed count of individuals to be mainstreamed;</p> <p>iii. The execution of the survey is to be mainstreamed;</p> <p>iv. Valuation survey;</p> <p>a) The land is not valued because of compensation land to land; there is only measuring land area and valuation of land quality (productivity/soil quality) in order to compensate land to equal land;</p> <p>b) Already reconciled for previous WB projects but Formal reconciliation needed.</p>
<b>Procedural mechanisms</b>	<p>A. Information disclosure. Resettlement-related documents to be timely disclosed in the PAP language.</p> <p>B. Public consultation. Meaningful public consultations are to be held with the PAPs. PAPs should be informed about their entitlements and options, as well as resettlement alternatives.</p> <p>C. Grievance procedure. A Grievance Redress Mechanism (GRM) is to be established for each project. Information on GRM to be communicated to the PAPs.</p> <p>D. Asset acquisition conditions. Property can be acquired only after full compensation is paid to the PAPs.</p>	<p>A. Information disclosure. No disclosure requirement exists.</p> <p>B. Public consultation. Matters of local importance to be publicly discussed with local authorities. But no requirement to consult directly the PAPs.</p> <p>C. Grievance Procedures. Each state agency/ministry must follow to detail instructions (approved by the government) on registering and reviewing the concerns and claims from citizens.</p> <p>D. Asset acquisition conditions. Property can be acquired only after full compensation is paid to PAPs.</p>	<p>A. Different in principle and application. Already reconciled for WB projects.</p> <p>B. Same in principle but different in application. Already reconciled for WB projects. The better application needed.</p> <p>C. No reconciliation is needed.</p> <p>D. Same in principle, but unsystematic in the application. Application to be improved.</p>

ASPECT	WORLD BANK	NATIONAL UZBEK REGULATIONS	HARMONIZED FRAMEWORK
Assistance to vulnerable and severely affected PAP	A. These PAPs are to be identified and special assistance is provided to restore/ improve their pre-project level of livelihoods.	A. There are no special laws or regulations for livelihood restoration due to land acquisition and involuntary resettlement impact. However, there are a number of legislative documents related to social support and livelihood improvement measures considered by the government of Uzbekistan to consider social allowances and needy families through two Cabinet of Ministers resolutions (#350, 12 December 2012 and #44, 15 December 2013) and to consider disabled people through the Law on social protection of disabled people (#422-XII, 18 November 1991). Thus, support of vulnerable segments of the population is provided on the regular base by the Government on central and local levels and does not require additional payments in connection with the project implementation.	A. Critically different in application. Formal reconciliation of the application mechanisms details may be needed. To be elaborated in a Decree for WB projects.

114. Based on the above comparisons and discussions, an Entitlement Matrix has been developed, that summarizes the types of losses and the corresponding nature and scope of entitlements and is in compliance with National Laws and World Bank OP 4.12. Detail description of entitlements is given in section 3.5. Categories of PAPs including vulnerable groups, the nature of loss/assistance are given in chapter 4. Type of compensation/assistance to be provided to PAPs is described in detail in section 3.6.

### 2.3. ELIGIBILITY CRITERIA

115. PAPs may be classified in one of the three groups listed in Section 4.2. The process will involve a review of tenure documents owned by occupants, interviews with households and groups in the affected area. Local authorities and Land Resources and State Cadaster Department LRSCD concerned with land ownership and management will also hold the consultant. PAPs covered in a) and b) are provided compensation for the land they lose, and other assistance ensuring that they are:

- I. Informed about their options and rights pertaining to resettlement.
- II. Consulted on, or offered choices among, and provided with technically and economically feasible resettlement.
- III. Provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project.

116. Land for land compensation will be applied to PAPs who might lose their land. All PAPs irrespective of their status or whether they have formal titles, legal rights or not, squatters or otherwise encroaching illegally on land, are eligible for some assistance if they occupied the land before the entitlement cut-off date. Persons who encroach on the area after the socio-economic study (census and valuation) are not eligible for compensation or any form of resettlement assistance. There will, therefore, be a package of compensation and other resettlement measures to assist each category of eligible PAPs to achieve the objectives of the policy.

117. Eligibility criteria will also be determined by:

- i. Loss of property
- ii. Loss of wages
- iii. Cut-off date.

118. Refer to Table 7 for reference to the types of eligibility criteria which should be used in the implementation of RPF.

**Table 7. Categories of losses and their impacts on project affected persons**

<b>Loss Category</b>	<b>Type of Losses</b>
Relocation	Impoverishment, disturbance of production systems, loss of sources of income, loss or weakening of community system and social networks, loss of access to social amenities such as hospitals and schools, water; dispersion of kin groups, loss of cultural identity and traditional authority, loss or reduction of potential for mutual help, emotional stress.
Loss of land but no relocation	Impoverishment, loss of sources of income and means of livelihood, Loss of assets or access to assets, increased time to access resources
Alienation due to neighbors being relocated	Impoverishment, weakening of community systems and social networks, loss of mutual help and community support, loss of traditional authority, Loss of identity and cultural survival, emotional stress
Hosting PAPs	Impoverishment, loss of sources of income, reduced time and access to resources such as hospitals and schools, water, sewerage, electricity increased time to access resources.

119. Any person or household, or community who suffers the loss of land, shelter, business, incomes, sources of livelihood because of the Project impact is eligible for receiving compensation and or R&R assistance to offset such loss enabling restoration of living conditions to a state better or equal to the pre-project situation. The eligibility will be determined on the basis of an impact survey carried out while preparing the ARAP/RAP and approved by the PIU Whereas the eligibility list provided in the ARAP/RAP will remain the basis for providing entitlements to the non-titleholder PAPs, in case of the titleholders eligibility will be determined through scrutiny of title deeds or other legal documents admissible and recognized under law as valid ownership documents.

#### **2.4. CUT-OFF DATE**

120. Cut-off dates are essential in the process of drawing up lists to ensure that ineligible persons do not take the opportunity to claim eligibility. The establishment of a cut-off date is required to prevent opportunistic invasions/rush migration into the chosen land, thereby posing a major risk to the subproject.

121. The cut-off date will be the last date of the census. It is a date, after which people who are not included in the list of PAPs as defined by the census will not be considered eligible for compensation. The census will be carried out to collect data on the affected households. The specific date will be included in the RAP and clearly communicated to affected communities. Thereafter, no new cases of affected people will be considered. Unfinished structures would be identified and secured, and unused materials for individuals' constructions will be gathered at the site so that the cut-off survey can estimate PAPs' investment which should be compensated for in lieu of expenses (including labor) incurred until the cut-off date. Because the time period between the cut-off date and the time that actual productive investments (civil works, etc.) would start, special attention needs to be taken to secure the sites from the rush and opportunistic invasion.

122. These measures could include close consultation with the recognized PAPs, signs that inform the general public of the intended use of the site, security patrols to identify opportunistic invaders etc. Further patrols and monitoring of any violation of the cut-off date could be carried out by local hokimiyats (local governments) and be reported to the local resettlement commission in written form. This could also be done both by the local PAPs representatives or the local community.

123. This process must be in full compliance with the conflict resolution mechanisms in this RPF and this date must be communicated effectively to the potential PAPs and surrounding local communities. The local community and traditional leaders will play a crucial role in identifying users of land.

#### **2.5. ENTITLEMENT MATRIX**

124. All involuntary land acquisitions will be compensated at replacement cost as per the OP 4.12 and the PAPs will be assisted to re-establish their living standards (affected shelter and incomes) to a level to or better than their living condition prior to the project. In according to Presidential Decree # 5495 (dated on 01.08.2018), a replacement cost, including compensation on market value and losses shall be paid to PAPs. So, the valuation of affected structures can be valued by independent valuation companies without deducting any depreciation. Land-based compensation is provided by local Hokimiyats on the basis of land acquisition acts at respective cities.



125. In accordance with the principles of the RPF of MSCIUDP, all displaced households and persons will be entitled to a combination of compensation packages and resettlement assistance depending on the nature of ownership rights on lost assets and scope of the impacts including socio-economic vulnerability of the displaced persons and measures to support livelihood restoration if livelihood impacts are envisaged. The displaced persons will be entitled to the following five types of compensation and assistance packages:

- (i) Compensation for the loss of land, crops/ trees at their replacement cost;
- (ii) Compensation for structures (residential/ commercial) and other immovable assets at their replacement cost;
- (iii) Assistance in lieu of the loss of business/ wage income and income restoration assistance;
- (iv) Assistance for shifting and provision of the relocation site (if required), and
- (v) Rebuilding and/ or restoration of community resources/facilities.

126. Displaced persons meeting the cut-off date requirements will be entitled to a combination of compensation measures and resettlement assistance, depending on the nature of ownership rights of lost assets and scope of the impact, including the social and economic vulnerability of the displaced persons. Unforeseen impacts will be mitigated in accordance with the principles of this RPF.

127. An Entitlement Matrix has been developed in Table below that summarizes the types of losses and the corresponding nature and scope of entitlements and is in compliance with National Laws and World Bank OP 4.12. The entitlement matrix presents the entitlements corresponding to the tenure of the DPs in the following order.

- 1) Loss of Land (agricultural, residential, commercial or otherwise)
- 2) Loss of residential structure (inhabited structures)
- 3) Loss of Commercial structures
- 4) Impact to Tenants (Residential/ Commercial / Agricultural)
- 5) Impact to trees, standing crops, other properties, perennial and non-perennial crops
- 6) Loss of Land/ house/shop
- 7) Impact to Squatters
- 8) Impact to Encroachers
- 9) Loss of employment in non-agricultural activities or daily agricultural wages or other wage workers
- 10) The impact on Vulnerable Households
- 11) Unforeseen impacts.

**Table 8. Entitlement matrix**

S.No	Impact Category	Entitlements		Implementation Guidelines	
<b>Section I. TITLE HOLDERS - Loss of Private Property</b>					
1	Loss of Land (agricultural, residential, commercial or otherwise including resident & non-resident landlords)	a	Land for land compensation with a plot of equal value.	Compensation “land for land” is provided to all the PAPs in case of loss of their land by selection of the similar (equivalent) land plots of the equal value/productivity, of comparable location and additional agricultural means. Transaction costs including, valuation fee, stamp duty, and registration charges will be borne by the project	
		1.1 Agricultural land			
		a	Land for land compensation with a plot of equal value. <i>OR</i> Compensation to recover a new land to the pre-project condition.	Compensation based on market value for loss harvest equal the average annual income for past 3 years multiplied by 4 times (years). Unaffected portions of an affected arable plot will also be compensated if the same becomes unviable after impact.	
b	One-time subsistence allowance of equivalent to three months minimum	Households who are losing more than 10% of productive lands.			

			wage income <sup>13</sup> for severely affected households	
2	Loss of residential structure (inhabited structures)	<b>2.1. Inhabited structures</b>		
		a	<i>In addition to Compensation for land listed above under S.No.1</i> 6-month notice in advance to vacate the structures  Cash compensation at full replacement costs  OR Provision of the alternative house of equal in adjacent territories. In case the alternative house's market value lower than an affected house, then additional cash compensation for the difference will be provided	Payment of compensations is carried out by independent Valuation Service on the basis values in local markets in adjacent territories for the actual moment of compensation payment, taking into account inflation and market fluctuation in prices in the real estate sphere.  Transaction costs including, valuation fee, stamp duty, and registration charges will be borne by the project  For partly affected structures, the PAPs will have the option of claiming compensation for the entire structure, if the remaining portion is unviable.
		b	Right to salvage affected materials	There will be no deductions for depreciation or for retention of salvaged materials in the calculation of compensation.
		c	One-time subsistence allowance of equivalent to three months minimum wage income <sup>14</sup> for project affected households who are required to relocate due to the project	Households who need to relocate are provided assistance as part of livelihood restoration
		d	One-time allowance of moving costs for those who have to relocate	One-time allowance will be calculated during the census survey based on the actual market value in respective project areas.
		e	Rental allowance up to 24 months for affected households who gets cash compensation for affected residential structure  OR Rental allowance for 1 month who gets an alternative house.	Monthly allowance will be calculated during the census of PAPs consisting of average market rental value in respective project areas. Information from Real Property Agencies or websites can be taken as reference. One-month allowance will be given to households who will be provided a ready alternative house to live.
		<b>2.2. Losses of adjoining substructures to the residential houses such as fences, shed /tents etc.</b>		
a	Compensation at full replacement cost for affected structure/ fixed assets free of depreciation and transaction cost	PAPs must have the right to salvage materials		
3	Loss of Commercial structures	a	<b>In addition to Compensation for Land and Assistance listed above under S.No.1</b> Cash compensation at full replacement costs  OR Provision of the alternative commercial structure of equal in adjacent territories. In case the alternative structure's market value lower than affected structure, then additional cash compensation for the difference will be provided	Payment of compensations is carried out by independent Valuation Service on the basis values in local markets in adjacent territories for the actual moment of compensation payment, taking into account inflation and market fluctuation in prices in the real estate sphere.  Transaction costs including, valuation fee, stamp duty, and registration charges will be borne by the project  For partly affected structures, the PAPs will have the option of claiming compensation for the entire structure, if the remaining portion is unviable.

<sup>13</sup> According to February 2021, the minimum wage in Uzbekistan equals to 245 000, so one-time allowance is 735 000 UZS. This number is subject to corrections based on minimum wage rate at the time of census

		b	6-month notice in advance to vacate the structures	
		c	Right to salvage affected materials	There will be no deductions for depreciation or for retention of salvaged materials in the calculation of compensation.
		d	One time grant equal to one year of wages for loss of trade/self-employment for the business owner	Provision of compensation will be based on tax declaration or official minimum salary
		e	One-time subsistence allowance of equivalent to three months minimum wage income for owners of commercial structures who are required to relocate due to the project	Owners of Commercial structures who need to relocate are accepted as severely affected entities losing more than 10% of their production capacities.
		f	One-time allowance of moving costs for those who have to relocate	One-time allowance will be calculated during the census survey based on the actual market value in respective project areas.
		g	Rental allowance up to 3 months for lost income during the interruption.	Monthly allowance will be calculated during the census of PAPs consisting of average market rental value in respective project areas. Information from Real Property Agencies or websites can be taken as reference.  Provision of rehabilitation assistance if required (assistance with job placement, skills training).
4	Impact to Tenants (Residential/ Commercial / Agricultural)	<b>4.1 Residential</b>		
		a	1-month notice to vacate the rental premises	
		b	Rental allowance for 1 month	Monthly allowance will be calculated during the census of PAPs consisting of average market rental value in respective project areas. Information from Real Property Agencies or websites can be taken as a reference
		c	One-time allowance of moving costs for those who have to relocate	One-time allowance will be calculated during the census survey based on the actual market value in respective project areas.
		<b>4.2 Commercial</b>		
		a	1-month notice to vacate the rental premises	
		b	Rental allowance for 1 month	Monthly allowance will be calculated during the census of PAPs consisting of average market rental value in respective project areas. Information from Real Property Agencies or websites can be taken as a reference
		c	One-time allowance of moving costs for those who have to relocate	One-time allowance will be calculated during the census survey based on the actual market value in respective project areas.
		d	Commercial tenants will receive a one-time allowance for loss of trade/self-employment provided under 3(c) above in lieu to the owner	Provision of compensation will be based on tax declaration or official minimum salary
		<b>4.3 Agricultural tenants</b>		
		a	In case of agricultural tenants advance notice to harvest crops OR Compensation for the lost crop at the market value of the 1-year yield	Based on 1 year of production costs (inputs) plus an allowance equivalent to 1-year average net income based on the average income over the past 3 years determined by the Agricultural Department (AD) at respective districts of the project area

5	Impact to trees, standing crops, other properties, perennial and non-perennial crops	a	Three months (90 days) advance notification for the harvesting of standing crops  OR A lump sum equal to the market value of the yield of the standing crop lost	Based on 1 year of production costs (inputs) plus an allowance equivalent to 1-year average net income based on the average income over the past 3 years determined by the AD	
		b	Compensation for timber trees provided based on replacement cost.	Based on the market value of dry wood volume determined by the AD. Felled trees will be kept by affected households	
		c	Compensation for fruit trees will be provided based on replacement cost.	Based on market value for loss harvest equal the average annual income for past 3 years multiplied by 4 times (years) plus input costs for trees to reflect the duration from planting to reach the productive stage	
<b>Section II. Additional assistance for Women headed households (Title and non-title holders)</b>					
6	Loss of Land / house / shop		One-time subsistence allowance of equivalent to three months minimum wage for women-headed households who are required to relocate due to the project		
<b>Section III. NON-TITLE HOLDERS - Impact to squatters / Encroachers</b>					
7	Impact to Squatters	7.1 Loss of house			
		a	Cash compensation at market value for the structures  OR Provision of comparable alternative structures		
		b	Right to salvage the affected materials		
		c	One-time subsistence allowance of equivalent to three months minimum wage income for project affected households who are required to relocate due to the project		
		d	One-time allowance of moving costs for those who have to relocate		
		e	Assistance in the legalization of title	Transaction costs including, valuation fee, stamp duty, and registration charges will be borne by the project	
		7.2 Loss of shop, kiosk, repair shop			
		a	Cash compensation at full replacement costs for the structures  OR Provision of comparable alternative structures		
		b	Right to salvage the affected materials		
		c	One-time subsistence allowance of equivalent to three months minimum wage income for project affected households who are required to relocate due to the project		
		d	One-time allowance of moving costs for those who have to relocate		
		e	Assistance in the legalization of title		
		7.3 Loss of standing crops			
			Three months (90 days) advance notification for the harvesting of standing crops		

			OR A lump sum equal to the market value of the yield of the standing crop lost	
8	Impact to Encroachers	<b>8.1 Loss of Standing crops</b>		
		a	2-month notice to harvest standing crops or market value of compensation for standing crops, if notice is not given.	Market value for the loss of standing crops will be decided by the PIU in consultation with the Agriculture Department at respective districts.
		<b>8.2 Structure</b>		
		a	1-month notice to demolish the encroached structure	
		b	Compensation at market value for structures without depreciation for the affected portion of the structure	
<b>Section IV. Loss of Livelihood Opportunities</b>				
9	Loss of employment in non-agricultural activities or daily agricultural wages or other wage workers		One-time subsistence allowance of equivalent to three months minimum wage income.	Only agricultural laborers who are in fulltime / permanent employment of the landowner, or those affected full-time employees of the business, will be eligible for this assistance. Seasonal agricultural laborers will not be entitled to this assistance.
<b>Section V. Impact on Vulnerable Households</b>				
10	Vulnerable Households (Women headed household, Low-Income household, a household headed by elderly with no support and household headed physically challenged people)	a	Inclusion in existing safety net programs to ensure the continuation, or increase, of previous income.	One adult member of the displaced household, whose livelihood is affected, will be entitled to skill development.
		b	One-time subsistence allowance equivalent to three months minimum wage income	The census team will identify the number of eligible vulnerable displaced persons based on the 100% census of the displaced persons and will conduct training need assessment in consultations with the displaced persons so as to develop appropriate training programmes suitable to the skill and the region.
		c	Priority for employment in project-related jobs, training opportunities, self-employment, and wage employment assistance.	Suitable trainers or local resources will be identified by MSCIU DP's SS at PIU in consultation with local training institutes.  It is recommended to involve local NGOs in this process
<b>Section VI. Unforeseen Impacts</b>				
Any unanticipated impacts identified during Project implementation will be compensated in full at replacement cost and the entitlement matrix shall be revised if required in case major unanticipated impacts occur during detailed and final design.				

## 2.6. VALUATION AND COMPENSATION OF LOST AND AFFECTED ASSETS

128. In accordance with the principles of the RPF, all displaced households and persons will be entitled to a combination of compensation packages and resettlement assistance depending on the nature of ownership rights on lost assets and scope of the impacts, including the socio-economic vulnerability of the displaced persons and measures to support livelihood restoration if livelihood impacts are envisaged. The displaced persons will be entitled to the following five types of compensation and assistance packages:

- (i) Compensation for the loss of land, crops/ trees at their replacement cost;
- (ii) Compensation for structures (residential/ commercial) and other immovable assets at their replacement cost;
- (iii) Assistance in lieu of the loss of business/ wage income and income restoration assistance;
- (iv) Assistance for shifting and provision of the relocation site (if required), and
- (v) Rebuilding and/ or restoration of community resources/facilities.

129. The following methods of calculation shall be adopted for the preparation of the aforementioned standardized asset valuation tables and/or the application of specific, case-by-case valuations in the case of projects that have significant impacts.

### 2.6.1. Valuation of assets

130. The valuation of the assets, including real estate property, business etc., is carried out on the basis of the Law “On Valuation Activity”, decrees and resolutions of the President and the government state standards, departmental regulations and other provisions of national legislation

131. Among the legal acts related to the evaluation of real estate and used in determining compensation for alienated land, demolition and resettlement should be highlighted:

- Resolution of the Cabinet of Ministers of November 16, 2019 # 911 "On additional measures to improve the procedure for providing compensation for the seizure and provision of land plots and ensuring guarantees of property rights of individuals and legal entities";
- Resolution of the Cabinet of Ministers dated 25.05.2011, №146 “On measures to improve the procedure for granting land plots for urban development activities and other non-agricultural purposes” (annex 2 – Regulations on the indemnification of possessors, users, tenants, and landowners, as well as losses of agricultural and forestry production);
- National property valuation standards of Uzbekistan (IF) N 10 "Valuation of real estate" (registered by the Ministry of Justice of 18.11.2009, N 2044);
- Resolution of the Board of the Central Bank of the Republic of Uzbekistan “On Approval of the Procedure of valuation the right to lease the land plot” (Registered 8.04.2004 by Ministry of Justice, reg. №1336);

132. Sequencing of legal acts and their contents characterize the state and public understanding of the theory and practice of market valuation. This confirms by a number of definitions and norms declared in the Law “On valuation activity”. For example:

- “Valuation activities are the activities of appraisal organization, aimed at determining the value of the assessment”<sup>15</sup>
- "Appraisal organization - a legal entity licensed to carry out valuation activities. Appraisal organization in its activity is independent. No interference consumer services (hereinafter - Customer), or other interested parties in the evaluation activities of the organization. Creation of the appraisal organization and realization of valuation activities by public authorities and administrations are prohibited unless otherwise provided by law”<sup>16</sup>.

133. While the evaluation activities carried out by independent organizations (private companies having certified evaluators), the state plays an important role in the regulation of evaluation activities. The State Committee for State Property Management and Development of Competition (Goskomkonkurentsii) is responsible for: i) developing and approving regulations, including standards for the valuation of the property; ii) licensing of valuation activity; iii) certification of experts-appraisers, as well as organize their training and professional development. The Society of Appraisers of Uzbekistan shall protect the rights of appraisers, increase their capacity, provides an independent expert opinion, when requested, to validate findings of the valuation report, etc.

134. According to the UNECE publication “Land Administration Guidelines with Special Reference to Countries in Transition” (1996), “In countries of east and central Europe currently in transition the cadastral system was based on the Russian model and focused on land use. The land was “valued” in terms of its agricultural potential based on soil types, climate, rainfall, etc. and the farmers were then instructed to grow appropriate crops. This concept of the term “value” is only indirectly connected with the sort of valuations that are needed to manage land in a market economy”<sup>17</sup>. This principle may explain why the Land Code has no information on land valuation.

<sup>15</sup> Law “On Valuation Activity”, Article 3, Clause 1, dated 19 August 1999, last amended 14 May 2014

<sup>16</sup> Law “On Valuation Activity”, Article 4-1, Clause 1,2,5, dated 19 August 1999, last amended 14 May 2014

<sup>17</sup> Available at: <http://www.unece.org/fileadmin/DAM/hlm/documents/Publications/land.administration.guidelines.e.pdf>

## 2.6.2. Use of Standard Valuation

135. In case of anticipated subproject interventions result in any type of temporary or permanent impact to land, structures or trees, then Valuation Company will be hired. It is therefore proposed that an evaluation expert is contracted by the Implementing Agency at the project outset to develop a standardized procedure for asset valuation, which can then be applied by PIU and local level Hokimiyats (Governorates). This standardized procedure would include a series of 'look-up' tables for estimating asset value by type according to the approximate size and condition of the existing asset.

136. The qualified independent appraisal company is hired and mobilized by PIU in defined timeframes to ensure the evaluation of compensation and allowances for AHs during the RAP finalization by MIFT. The draft ToR for valuator is given in the following statements.

### **Objective and Scope of Work**

The main objective for the assignment Implementation is as follows: To carry out valuations of affected assets, as well as the calculation of applicable allowances under the finalized RAP/RPF to comply with Uzbekistan's legislation and policies and WB's OP 4.12 referring to the prepared draft RAP's provisions. Particularly, the valuator shall ensure that all valuation is done based on "Replacement cost" as it is defined by WB's OP 4.12, namely: Replacement cost is the principle to be complied with in compensating for lost assets. Calculation of which should include: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any. Where market conditions are absent or in a formative stage, PAPs and host populations will be consulted to obtain adequate information about recent land transactions, land value by types, land titles, land use, cropping patterns and crop production, availability of land in the project area and region, and other related information. Baseline data on housing, house types, and construction materials will also be collected. Qualified and experienced experts will undertake the valuation of acquired assets. In applying this method of valuation, depreciation of structures and assets should not be taken into account.

The Valuator will act under the direct supervision of PIU's social specialists. The Valuator shall be familiarized with the provisions of draft RAP prepared for the Project and carry out the valuation of affected assets and calculation of applicable allowances in accordance with defined entitlement matrix in draft RAP. PIU's social specialists will provide the valuator with the training prior to the start of works. The Valuator will provide at least 2 samples of valuation reports for prior review and approval by the Client.

### **Below are presented the main tasks of the Valuator under the assignment:**

To carry out an inventory of affected assets (building, crops, trees, other improvements to be affected by the project) in the presence of PAPs, and if it is impossible to ensure their presence, the works shall be implemented with the participation of the local authorities' representative (hokimiyat). The inventory shall be carried out in a way to ensure that all details are available required by RAP provisions (types of crops, types, and ag of trees, materials of buildings and other improvements etc.). The inventory shall be carried out also for temporary impacts. The inventory data shall be included accurately in the forms agreed with the Client beforehand and shall be analyzed by comparing the information provided by cadaster data and property rights certificate/technical document where available.

All data shall be entered into the consolidated database. The format of the database shall be agreed with the Client. The Valuator shall prepare Valuation Report for each unit (property) with clear separation of each asset/property and losses with final summary particularly:

- Valuation of affected properties/assets (building, crops, trees and other improvements)
- Calculation of compensation for business and affected employees
- Calculation of transportation costs for movable assets.
- Calculation of allowances defined by RAP (allowance for relocation, severe impact, vulnerability etc.).

The list of AHs entitled for allowances will be provided by the Client. The calculation for the applicable allowances (if any) can be included in the Valuation Report or separate Calculation Report can be prepared to be agreed with the Client.

### Deliverables and Reporting

- 1) The Valuator shall submit detailed valuation methodology prior to the start of works (including the form inventory, as well as database format).
- 2) The Valuator shall prepare Valuation Report for each unit (property) with clear separation of each asset/property, as well as Calculation Report for allowances where applicable.
- 3) The Valuator shall submit a consolidated database in Excel with all collected data (inventory, costs etc.) based on format agreed beforehand.

*The scale of Work and Payment*

The final number of needed reports is not known, the Valuator will be paid based on an actual number of submitted Valuation Reports based on acceptance Act to be signed between the Valuator and the Client.

**2.6.3. Compensation for Land**

137. Compensation for land is aimed at providing a farmer whose land is acquired and used for project purposes with compensation for land labor and crop loss. Compensation for agriculture land will be on a “land for land” basis, with land being provided to owners by the District Hokimiyat following assessment by the LARC. Such land will be of equal value/productivity in a nearby location and with comparable associated services/ facilities, or compensation to provide such services.

138. Alternatively, cash compensation for agricultural land at replacement cost will also be provided in case the PAPs refuses land-for-land compensation. The compensation for the permanent loss of land use rights over the affected agricultural land will be compensated equivalent to 4 years net average income of the past 3 years (of the affected annual crop).

139. In cases wherein all or parts of the lease holding become unviable, unaffected portions of a plot will also be compensated.

140. Given that all land in Uzbekistan is state-owned, loss of land is not compensated in cash. Enterprises or businesses that are expropriated will be compensated by a new plot of land and building, thus allowing affected people to pursue their activities.

**2.6.4. Compensation for crops**

141. Loss income from crops planted on the affected land will be compensated in cash at replacement cost based on 1 year of production cost (inputs) plus an allowance equivalent to 1-year average net income computed based on the average income over the past 3 years. Loss income from fruit trees will be compensated in cash based on the average annual income for the past 3 years multiplied by the 4 times to reflect the duration from planting to reach the productive stage. In the case of loss of timber trees, compensation will be based on the market value of their dry wood volume. The compensation for trees will be free of deduction for the value of the wood left to the PAPs.

**Table 9. Sample calculation method to compensate for crops**

Item Compensated	Basis of Value	UZS / ha
Value of Crops	An allowance equivalent to 1-year average net income computed based on the average income over the past 3 years yield.	
Production cost	Input costs preparing a replacement land for 1 year	
Total	Replacement value of crops	

**2.6.5. Compensation for Buildings and Structures.**

142. Following compensations will be given to affected building and Structures:
- Full compensation of the inhabited structures (full replacement cost of affected assets in local markets), adjacent territories and objects in this territory;



- Calculation of compensation is based on the results of the market estimation of the cost of the specified objects, including all the related payments; depreciation and transaction costs. No deductions shall be made for salvage materials.
- Relocation assistance;
- Rental assistance for temporary accommodation (rental allowance sufficient to get accommodation equivalent to their current homes) in the form of 1 to 24 months' rent in cash for those who plan to construct a new house themselves.
- Full compensation of the affected substructures (full replacement cost of affected assets in local markets), adjacent to the house; No deductions shall be made for salvage materials.
- Calculation of compensation is based on the results of the market estimation of the cost of the specified objects.

**Table 10. Sample calculation method to compensate for building & structures**

Item Compensated	Basis of Value	UZS/ha
Building and Structure	Market value	
Relocation Assistance	Relocation of salvage materials	
Rental Assistance	Up to 24 months rental fee	
Total	Replacement value of B & S	

#### 2.6.6. Rebuilding and/ or restoration of community

143. Any impact to the social infrastructures of local communities will be rehabilitated as of pre-project condition. The contractor will restore to the local communities or other agency responsible to maintain any affected social infrastructures.

#### 2.6.7. Compensation for Timber and Fruit Trees

144. In the case of loss of timber trees, compensation will be based on the market value of their dry wood volume of the affected tree. The compensation for trees will be free of deduction for the value of the wood left to the PAPs.

145. Fruit trees will be compensated at replacement cost equivalent to the average yearly net income from last three years plus input costs multiplied by 4 times (years) to reflect the duration from planting to reach the productive stage. Not yet fruit bearing trees will be compensated at replacement cost equivalent to the 1-year net income. The estimate has taken into account view of the affected households through consultation, information from valuers and other relevant authorities. In order to provide a replacement cost, market value for average annual income from fruit trees and input costs per fruit tree will be taken into consideration.

**Table 11. Sample calculation method to compensate Timber Trees**

Item Compensated	Basis of Value	UZS/ha
Timber Tree	Market value	
Total	Replacement value of Timber Trees	

**Table 12. Sample calculation method to compensate Fruit Trees**

Item Compensated	Basis of Value	UZS/ha
Fruit Tree	average yearly net income from last three years multiplied by 4 times (years)	
Input costs	The price of the market value of Trees	
Total	Replacement value of Fruit Trees	

146. Assessment of the affected crops and trees was done at market value. In the determination of total compensation, the principles of WB's OP.4.12 and regulations of CoM Resolution#146 of was taken into account.

### 2.6.8. Compensation for Vulnerable Groups

147. Vulnerable households, including women headed household, Low-Income household, a household headed by elderly with no support and household headed physically challenged people will be provided with a one-time additional allowance equivalent to 3 months minimum wage income in accordance with proof provided by Mahalla. In addition, members of vulnerable households will also be prioritized<sup>18</sup> in project related employment. The Mahallas and district government have a record of all households in the communities and will be tapped in identifying and certifying vulnerable households. Encroachers who are found to be vulnerable group will be provided compensation in the form of replacement cost for affected building and structures.

### 2.6.9. Methods of Compensation

148. Individual and household compensation will be made in cash, in kind, and/or through assistance. The type of compensation will be an individual choice. The table below describes the forms of compensation.

**Table 13. Forms of Compensation**

Cash Payments	Compensation will be calculated in Uzbek sums. Rates will be adjusted for inflation.
In-kind Compensation	Compensation may include items such as land, houses, other buildings, building materials, seedlings, agricultural inputs, and financial credits for equipment.
Assistance	Assistance includes onetime payment, moving allowance, transportation and labor, training.

149. Making compensation payments raises some issues regarding inflation, security, and timing that must be considered. One purpose of providing in-kind compensation is to reduce inflationary pressures on the costs of goods and services. Local inflation may still occur; thus, market prices will be monitored within the period that compensation is being made to allow for adjustments in compensation values. The question of security, especially for people who will be receiving cash compensation payments needs to be addressed by the local administration. Local banks and microfinance institutions should work closely with the local administration at this level to encourage the use of their facilities, which will positively impact the growth of the local economies. The time and place for in-kind compensation payments will be decided upon by each recipient in consultation with the LARC.

### 2.6.10. Procedures for Payment of Compensation

150. Compensation payments will be made before any project use of land, loss of assets or physical resettlement takes place unless those payments are staggered to enable affected people to begin preparation of new sites. The overall responsibility for payments on expropriation claims for the Project is under the Cabinet of Ministers. The Cabinet of Ministers is responsible for issuing the expropriation decision and authorizing the funds required. The land acquisition transfer must be fully completed, and payment made before any Works can be executed on the expropriated property. Each PAP will receive the compensation payable into a bank account opened by the owner for purposes of the expropriation. Such sums will be approved by a DCM and the funds will be passed to the bank account of each PAP(s), according to the banking documentation provided by them. The PAPs will be individually informed by the bank within upon the transfer of compensation into the account. Any cost associated with account opening and maintenance will be covered MSCIUDP and the banking service will be offered free of costs to each PAPs. The transfer of payment will be made after the publication in the Official Gazette of the Decision of Expropriation. The Decision of the Cabinet of Ministers (DCM) for expropriation is effective (enter into power) immediately and is published in the Official Gazette. In the event of an appeal in the Court, when no agreement is reached, if the compensation payable is not agreed upon between the government and the landowner, such compensation shall be determined by the Court. In these conditions, the person gets the money from the bank, but depending on the judicial decision he is entitled to receive an additional benefit.

<sup>18</sup> Applicants should meet eligibility requirements in terms of qualification and skills.

### 3. POTENTIAL IMPACTS OF THE PROJECT

#### 3.1. DEFINITION OF PROJECT AFFECTED PEOPLE

151. This RPF considers project affected person as those who stand to lose, as a consequence of the project, all or part of their physical and non-physical assets, including homes, communities, productive lands, resources such as irrigated lands, forests, rangelands, or important cultural sites, commercial properties, tenancy, income-earning opportunities, and social and cultural networks and activities. Such impacts may be permanent or temporary. This might occur through land expropriation, using eminent domain or other regulatory measures, and include restricted or reduced access to public parks, playgrounds, and protected areas.

152. In General, People directly affected by a project through the loss of land, residences, other structures, business, assets, or access to resources, specifically are:

- Persons whose agricultural land will be affected (permanently or temporarily) by the Project;
- Persons whose residential land/houses will be affected (permanently or temporarily) by the Project;
- Persons whose leased houses will be affected (permanently or temporarily) by the Project;
- Persons whose businesses, farming activities, occupations. or places of work will be affected (permanently or temporarily) by the Project;
- Persons whose crops (annual and perennial)/ trees will be affected in part or in total by the Project;
- Persons whose other assets or access to those assets will be affected in part or in total by the Project; and
- Persons whose livelihoods will be impacted (permanently or temporarily) due to the restriction of access to protected areas by the Project.
- Persons who will be impacted due to stopping irrigation water supply when construction

153. The guidelines of the resettlement policy framework apply to investments by the MSCIUDP. The policy framework applies to all economically and/or physically displaced persons regardless of the total number affected by the severity of impact and whether or not they have legal title to the land Particular attention will be paid to the needs of vulnerable groups among those economically and/or physically displaced especially those women headed household, low income household, household headed by elderly with no support and household headed physically challenged people or other economically and/or physically displaced persons who are not eligible for compensation as of Uzbekistan’s land compensation legislation.

#### 3.2. CATEGORIES OF PAPS

154. Land acquisition for subprojects may result in negative impacts on different categories of PAPS. Because the technical details of the subprojects have not yet been developed, it is not possible to estimate the likely number of people who may be affected. However, the likely displaced (economically or physically) persons based on World Bank polices can be categorized into following groups which are given in Table below.

**Table 14. General Categories of PAPS**

<b>General Typology</b>	<b>Definition</b>
<b>Private Property Owners</b>	Are those who have legal title to land, structure and other assets
<b>Unlawful resident</b>	Are those who have illegally (informal settlements) occupied municipality/commune lands for residential, business and or other purposes?
<b>Encroachers</b>	Encroachers are persons who have extended their building, agricultural lands, business premises or workplaces into municipality/commune lands, safety zones of utility lines.
<b>Tenants</b>	Tenants are those persons having tenancy agreements, written or unwritten, with a private property owner with clear property titles, to occupy a structure or land for residence, business or other purposes.
<b>Street Vendors</b>	Street vendors are those persons who have a permit from the municipality to occupy a public structure or land for the business purpose
<b>Project-Affected Families</b>	Are defined to include each adult displaced person, his/her spouse, minor children and other dependents who habitually reside in one household.
<b>Project-Affected Persons</b>	Are persons who have economic interests or residences within the project impact corridor who may be adversely affected directly by the project. Project-affected

General Typology	Definition
	persons include those displaced, those losing commercial or residential structures in whole or part, <i>those losing agricultural land</i> or homesteads in whole or part, and those losing income sources as a result of project activities.
<b>Project Affected Groups:</b>	Are groups or communities outside the immediate impact of the water supply system to be established, that may be affected by the project with a focus on the more vulnerable or weaker groups in society.
<b>HH living above the Poverty Line</b>	Based on social assistance schemes acquired at the Regional Department of Social Insurances.
<b>Vulnerable groups:</b>	Are those groups such as women-headed households, handicapped/disabled and landless families, who will be dealt with on a case to case basis.

155. In Uzbekistan, based on the Land Code following categories of land users are eligible for compensation for losses and damages in connection with land acquisition:

- Land tenants – citizens who were allocated land plots for individual housing construction and/or dehkan farming on the basis of life-long tenure
- Lessees (leaseholders) – farmers, who were allocated land plots for agricultural production purposes, on the basis of a long-term lease
- Landowners – users of land plots occupied by trade and services infrastructure, which are used as private property. Land, occupied by trade and services infrastructure, however, may not be sold separately from the latter
- Land users – all other enterprises, organizations, and institutions, which are entitled to use non-agricultural lands. This is the largest category, which includes enterprises and institutions of all types (private and public). Examples include hospitals, schools, private enterprises, and factories.

### 3.3. APPROXIMATE NUMBERS OF PAPS

156. It is important to underscore that at this stage it is not possible to determine the number of PAPS for several reasons:

- (a) The individual subprojects to support area-based urban upgrading have not yet been identified, since the necessary studies to fully identify the viable investments are either just launched or to be launched soon, but not yet reached the stage of final identification and design of subprojects. Due to this, the locations, nature, and magnitude of these subprojects cannot be determined before implementation. For each subproject, which might require physical and/or economic resettlement (this will be assessed through screening processes), the number of PAPS will be established through a RAP, which will be elaborated before project implementation.
- (b) At appraisal stage, it was assessed that some of the sewerage/water management related subprojects might require the physical and/or economic resettlement of populations to provide space for the rehabilitation and extension of water storage facilities pipelines for a temporary period out of urban areas and for a permanent period out of agricultural farming lands. However, project descriptions do not exist for any of these subprojects that would allow an estimate of the number of PAPS to be made. For each subproject that is considered during screening to require physical and/or economic resettlement, the number of PAPS will be established through a RAP, which will be elaborated before the subproject is approved for inclusion in the work program of the project.

### 3.4. VULNERABLE GROUP, GENDER.

157. The Project realizes that there are certain social groups that have fewer possibilities to restore their living conditions, livelihoods, and income levels and the Project shall integrate these issues in project preparation and implementation activities through the involvement of PAPS in planning and implementation process. Especially, women in districts contribute to the economic development of the family and community livelihood. They will be empowered to become active members in community activities as well as in supporting project implementation and monitoring.

158. During the implementation process, the MSCIUDP will pay special attention to the women and female headed HHs as the project beneficiaries. Women will participate equally in the whole process of project implementation to enhance the project sustainability. Active participation of women and the ethnic minority group will ensure that design of restoration measures suits their specific needs or concerns, e.g. groups of people without land, the poor and female householder, disables, the elders and children who have no assistance sources. In case of having a full resettlement action plan that is suitable and agreed by all relevant parties, a strategy of gender action plans will be incorporated.

159. In accordance with the initial social assessments, the vulnerable groups will generally include the following:
- Low-income households as identified by MSCIU DP’s social assessment and according to local regulations;
  - Low-income landholders that have limited productive land (this will be determined by the minimum amount of farmland needed to be a viable farmer in the project area);
  - Mentally and physically handicapped people or people in poor physical health; infants, children, and women without assistance, elderly people;
  - Low income women-headed households or women-headed households with no other support;
  - Other PAP identified by the project management unit and who may not be protected through national land compensation or land titling; or
  - Any additional groups identified by the socio-economic surveys and by meaningful public consultation.

### **3.5. LIVELIHOOD RESTORATION/SUPPORT**

160. No losses of livelihood as a result of displacement have been anticipated in accordance with preliminary investigations, however, should any be identified during the census or in the implementation of RAP, then measures will be put in place to mitigate the impacts. This section summarizes the approach to livelihood restoration.

161. The livelihood restoration and rehabilitation plan include efforts to assist displaced persons to restore livelihoods at par or better than pre-project conditions when their livelihoods are adversely affected by the project.

162. The following measures will be provided to the PAPs as special assistance over and above the compensation for affected assets in order to ensure that they are able to restore or improve upon their pre-project standard of living. Thus, these measures are provided in order to improve the living conditions of vulnerable affected households in compliance with Entitlement Matrix:

- The land-based assistance would include land to land compensation. In the case of voluntary rejection of such form of compensation by PAPs, it is important to exclude the permanently affected land parcel out of the total balance of private and dekhkan farms. This will help them to avoid being overtaxed and minimization of the State quota for cotton/wheat respectively.
- The farm-based livelihood restoration efforts for households that rely on agriculture for income (farmers/dekhkans) will include the provision of training on better agriculture practices (where necessary), enhancement of agricultural productivity, consultation with various agriculture development programs of the government;
- PAPs losing business will be paid cash compensation for the period of business interruption<sup>19</sup> up to 6 months in case of permanent closure of the business. This will be calculated based on the estimated average monthly income in the past 3 years multiplied by the number of months of business interruption. Workers from the affected businesses will be paid for lost wages for the duration of business interruption up to 6 months in case of permanent closure of the business. In case of agricultural workers losing their employment as a result of land acquisition, cash compensation will correspond to their salary (in cash and in-kind) for the remaining part of the agricultural year or a contractual period whichever is higher.
- Vulnerable households will be provided one-time subsistence allowance equivalent to three months minimum wage income. In addition, members of vulnerable households will also be prioritized in project related employment. The Mahallas and district governments have a record of all households in the communities and will be tapped in identifying and certifying vulnerable households.
- Employment. Project affected households/persons will receive preference for project-related waged employment in case they lost their employment. Contractors will be required to demonstrate they have offered waged employment to such persons, ensuring equal pay for equal work between men and women and that no child labor is employed.
- Encroachers who widened their boundary up to safety zones of utilities will be provided compensation in the form of replacement cost to affected building and structures.
- MIFT will verify at the time of project implementation if any of the residents have ownership claims on the property in a case where this is a public land. If someone has such ownership claims, MIFT must assist them to obtain property titles and compensate them for the expropriated property. To include an expropriation reserve fund of 10% of the total compensation amount, for any unexpected claim on land compensation from PAPs, who may require additional compensation and win the case at the Court.

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<sup>19</sup> Business interruption includes the time for receiving a new land plot and designing/building of a new commercial structure.

#### **4. PROCESS FOR SCREENING, PREPARING AND APPROVING RAPs**

163. This section sets out the step by step process to determine whether the subprojects will result in physical or economic displacements, and therefore whether an ARAP/RAP is required, how to prepare and implement one.

##### **4.1. SCREENING FOR INVOLUNTARY RESETTLEMENT**

164. Screening is a Mandatory Procedure for the identification of possible involuntary resettlement in accordance with 4.12 OP/BP of the World Bank. The Bank undertakes to screen of each proposed subproject for which it will provide funding in order to determine the appropriate extent and type of the involuntary resettlement to be conducted.

165. Each subproject shall be screened for social impacts based on the given designs for the proposed improvements envisaged. Built-up sections will be identified during screening requiring different treatment and accordingly suitable modifications to the design/alignment cross section/detours should be proposed to minimize social impacts. Further the screening exercise should identify all aspects that could lead to adverse environmental and social impacts and involuntary resettlement, regardless of the source of financing; from all activities that are necessary to achieve project objectives as set forth in the project documents; and iii) are carried out, or planned to be carried out, contemporaneously with the project. Identify presence of Indigenous Peoples that meet the four characteristics as outlined in the Operation Policy 4.10 on Indigenous Peoples. In light of the findings, clearly, indicate if there is a need to prepare Indigenous Peoples Development Plan for every location specific investment.

166. The social screening serves to ensure that the process for screening remains simple and concise. A version of the Social Screening Format is attached in Annex 9 attached to ESMF prepared for MSCIUDP. Specific questions based on each activity of the MSCIUDP might be added as seen relevant by external consultants and the PIU Safeguard Specialist. The list of project activities that have potential resettlement issues will then be subjected to a comprehensive sensitization and consultation process with the potentially impacted communities and the outcome of this process would be documented for each subproject.

167. The list and the outcome of the consultative process for each site/project activity on the list would then be sent to the respective implementing agencies in the jurisdiction mandated to confirm, approve, disapprove, refer for further consultation and/or take a final decision on each proposed site/ project activities. Carrying out the screening process in this way is designed to give it the integrity and transparency it needs to allow all stakeholders to have confidence in the process.

168. For project activities that do not have any resettlement issues and do not trigger OP 4.12, the provisions of the RPF /social provisions of the ESMF does not apply. Then the reference is the Environmental Focus of the Environmental and Social Management Framework ESMF.

169. The screening and categorization of impact on involuntary resettlement in subprojects will be initiated by RPCU either with its own social safeguard specialist and other relevant staff or, if there are no such skills, with the help of external consultants. The social screening report will be prepared by the Consultant or RPCU's Social Safeguard Specialist and reviewed by an Authorized person of the Implementing Agency and PIU Director for clearance. The Social Safeguard Specialist and Director at PIU will finally endorse the social screening and safeguard categorization of the proposed subproject

170. Subproject screening is used to identify the types and nature of potential impacts related to the activities proposed under the Project and to provide adequate measures to address the impacts. Screening for resettlement issues shall be part of the environmental and social screening, as is detailed in the ESMF.

171. Measures to address resettlement shall ensure that PAPs are:

- Informed about their options and rights pertaining to resettlement;
- Included in the consultation process and given the opportunity to participate in the selection of technically and economically feasible alternatives;
- Provided prompt and effective compensation at full replacement cost for; and
- Losses of assets and access attributable to the subproject(s).

172. For projects not anticipated to result in displacement, and where loss of assets are anticipated to be negligible, then this information shall also be indicated in the subproject application form along with a request to waive the requirement for a RAP.

#### 4.1.1. Screening Checklist

173. The screening checklist form is shown in Annex 9 attached to ESMF and will be incorporated into the Project's Implementation Manual. The screening checklist will be completed by an SS at RPCU or external consultants and submitted to PIU for a decision. Based on screening results an appropriate social safeguards instrument shall be developed.

174. **Due Diligence Report** explaining the procedures adopted to minimize negative impacts and measures taken to mitigate construction induced impacts will be prepared for subprojects which will result in minor impacts affecting access to residences, improvement of existing properties.

175. **Abbreviated Resettlement Action Plan (ARAP)** is prepared for investments of subprojects of the MSCUIDP which will result in affecting less than 200 people, but not physically displaced and/or less than 10% of their productive assets are lost. Detail outline of ARAP is given in Annex 4 attached to this RPF.

176. **Resettlement Action Plan (RAP)** is prepared for investments of subprojects of the MSCUIDP that may result in more significant impacts, displacement of more than 200 people, and more than 10% of their productive assets are lost. Detail outline of RAP is given in Annex 3 attached to this RPF.

177. In the frame of MSCUIDP type of subprojects are defined and here below in Table 2, resettlement categorization and safeguard instrument are given for further use.

**Table 15. Subprojects categorization and proposed safeguard instrument**

No	PROPOSED TYPES OF SUBPROJECTS	POSSIBLE RESETTLEMENT CATEGORY	PROPOSED SAFEGUARDS INSTRUMENT
1	<b>Street lighting upgrading;</b> <ul style="list-style-type: none"> <li>▪ Repairing of existing pillars;</li> <li>▪ Replace old pillars with new ones;</li> <li>▪ Installing new pillars where needed;</li> <li>▪ Replacements of bulbs;</li> </ul>	• Category 3	✓ DDR ✓ ESMP ✓ ESMF
2	<b>Parks, playgrounds, and other public spaces improvements</b>	• Category 3 OR • Category 2	✓ DDR ✓ ESMP ✓ ESMF ✓ ARAP
3	<b>Intracity transport:</b> <ul style="list-style-type: none"> <li>▪ Construction/rehabilitation of bus terminals and stops;</li> <li>▪ Construction of car parking areas;</li> <li>▪ Installing street lights and road signs</li> </ul>	• Category 3 OR • Category 2	✓ DDR ✓ ESMP ✓ ESMF ✓ ARAP
4	<b>Roads rehabilitation:</b> <ul style="list-style-type: none"> <li>• Widening of existing roads (within the ROW);</li> </ul> <b>Road resurfacing</b> <ul style="list-style-type: none"> <li>• Construction of bicycle trial;</li> <li>• Rehabilitation of walkways</li> </ul>	• Category 3 OR • Category 2	✓ DDR ✓ ESMP ✓ ESMF ✓ ARAP
5	<b>Bridge rehabilitation – an extension of the existing automobile bridge</b> <b>Construction small-scale new bridges, including pedestrian ones</b>	• Category 3 OR • Category 2	✓ DDR ✓ ESMP ✓ ESMF ✓ ARAP
6	<ul style="list-style-type: none"> <li>▪ Drainage extension</li> <li>▪ Widening of existing drains</li> </ul>	• Category 3 OR	✓ DDR ✓ ESMP

No	PROPOSED TYPES OF SUBPROJECTS	POSSIBLE RESETTLEMENT CATEGORY	PROPOSED SAFEGUARDS INSTRUMENT
	<ul style="list-style-type: none"> <li>▪ Rehabilitation of existing drains</li> <li>▪ Drilling of new shallow wells/rehabilitation of existing for flood control and reduction with the installation of pumps</li> </ul>	<ul style="list-style-type: none"> <li>• Category 2</li> </ul>	<ul style="list-style-type: none"> <li>✓ ESMF</li> <li>✓ ARAP</li> </ul>
7	<ul style="list-style-type: none"> <li>▪ Extension and rehabilitation of water supply networks</li> <li>▪ Drilling of new deep-water wells</li> <li>▪ Construction/rehabilitation of water reservoirs</li> <li>▪ Overhead water tanks</li> <li>▪ Construction or rehabilitation of pumping stations</li> </ul>	<ul style="list-style-type: none"> <li>• Category 2 OR</li> <li>• Category 1</li> </ul>	<ul style="list-style-type: none"> <li>✓ ARAP OR</li> <li>✓ RAP</li> </ul>
8	<ul style="list-style-type: none"> <li>▪ Sewerage network extension and rehabilitation;</li> <li>▪ Rehabilitation of sewage pumping stations</li> <li>▪ Septic Tanks</li> </ul>	<ul style="list-style-type: none"> <li>• Category 2 OR</li> <li>• Category 1</li> </ul>	<ul style="list-style-type: none"> <li>✓ ARAP OR</li> <li>✓ RAP</li> </ul>
9	<p><b>Solid waste management systems:</b></p> <ul style="list-style-type: none"> <li>▪ Construction of solid waste processing facilities (segregation)</li> <li>▪ Construction of collection points</li> <li>▪ Improvement of solid wastes landfill</li> </ul>	<ul style="list-style-type: none"> <li>• Category 3 OR</li> <li>• Category 2</li> </ul>	<ul style="list-style-type: none"> <li>✓ DDR</li> <li>✓ ESMP</li> <li>✓ ESMF</li> <li>✓ ARAP</li> </ul>
10	<p><b>Social infrastructure upgrading:</b></p> <ul style="list-style-type: none"> <li>▪ Repair/replacement of external doors and windows, window optimization;</li> <li>▪ Insulation of walls, basements, and attics;</li> <li>▪ Small-scale refurbishing activities inside the school premises (e.g. walls repainting, tiling, installation of cable ducts, new water-pipes)</li> <li>▪ Major refurbishing activities involving removal/reconstruction of walls (especially when containing Asbestos isolations or sheets);</li> <li>▪ Replacement of the asbestos roofs</li> </ul>	<ul style="list-style-type: none"> <li>• Category 3</li> </ul>	<ul style="list-style-type: none"> <li>✓ DDR</li> <li>✓ ESMP</li> <li>✓ ESMF</li> </ul>
11	<p><b>Cultural heritage rehabilitation and conservation</b></p>	<ul style="list-style-type: none"> <li>• Category 3 OR</li> <li>• Category 2</li> </ul>	<ul style="list-style-type: none"> <li>✓ DDR</li> <li>✓ ESMP</li> <li>✓ ESMF</li> <li>✓ ARAP</li> </ul>
12	<ul style="list-style-type: none"> <li>▪ Underground electric cabling (for magistral lines)</li> <li>▪ Overhead electric cabling</li> <li>▪ New distribution electrical transformers;</li> <li>▪ Installing of short segments of new distribution lines or replacing of obsolete pillars;</li> </ul>	<ul style="list-style-type: none"> <li>• Category 3</li> </ul>	<ul style="list-style-type: none"> <li>✓ DDR</li> <li>✓ ESMP</li> <li>✓ ESMF</li> </ul>
13	<p><b>Purchasing of public utility equipment; transportation means and etc.</b></p>	<ul style="list-style-type: none"> <li>• <u>No resettlement impact</u></li> </ul>	<ul style="list-style-type: none"> <li>✓ No actions</li> </ul>
14	<ul style="list-style-type: none"> <li>▪ Reconstruction, modernization of heating systems, (replacement or modernization of the heat source such as burner, boiler or external sources);</li> <li>▪ Buildings retrofitting and insulation;</li> <li>▪ Installation of solar panels;</li> <li>▪ Replacement of old heating pipes under roads to be rehabilitated</li> </ul>	<ul style="list-style-type: none"> <li>• Category 3 OR</li> <li>• Category 2</li> </ul>	<ul style="list-style-type: none"> <li>✓ DDR</li> <li>✓ ESMP</li> <li>✓ ESMF</li> <li>✓ ARAP</li> </ul>
15	<p><b>Small scale construction of public facilities (information centers; visitor centers; maintenance facilities; storage facilities)</b></p>	<ul style="list-style-type: none"> <li>• Category 3</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>✓ DDR</li> <li>✓ ESMP</li> <li>✓ ESMF</li> </ul>
16	<p><b>Installing antennas for providing WIFI services</b></p>	<ul style="list-style-type: none"> <li>• <u>No social impact</u></li> </ul>	<ul style="list-style-type: none"> <li>✓ No actions</li> </ul>

#### 4.2. BASELINE AND SOCIO-ECONOMIC DATA

178. An important aspect of preparing a RAP is to establish appropriate socio-economic and census baseline data to identify the persons who will be displaced by the individual subproject, to determine who will be eligible for compensation and assistance, and to discourage inflow of people who are ineligible for these benefits.



179. The PAPs may be classified into three groups:

- Those who have formal legal rights to the land they occupy;
- Those who do not have formal legal rights to land, but have a claim to land that is recognized or recognizable under the national laws including those measures put in place by the draft land policy; or
- Those who have no recognizable legal right or claim to the land they occupy.

180. In summary, the census consolidates information that 1) provides initial information on the scale of resettlement to be undertaken; 2) gives an indication of further socioeconomic research needed to quantify losses to be compensated and, if required, to design appropriate development interventions; and 3) establishes indicators that can/be measured at a later date during monitoring and evaluation.

181. Baseline data for subproject RAPs will include a number of persons; number, type, and area of the houses to be affected; number, category, and area of residential plots and agricultural land to be affected; and productive assets to be affected as a percentage of total productive assets. A Resettlement Consultant or Company based on the data from Land Resources and State Cadaster Department will decide based on a review of this data the scope of the RAP.

#### **4.3. PREPARATION OF A SUBPROJECT RAP/ARAP**

182. Full RAP is prepared if the resettlement impacts are categorized as Significant (Category 1) when about 200 or more people may experience major impacts, that is, being physically displaced from housing, or losing 10% or more of their productive (income-generating) assets.

183. Abbreviated RAP is prepared if the resettlement impacts are categorized as Not Significant (Category 2)<sup>20</sup> when fewer than 200 people will be physically displaced from housing or lose less than 10% of their productive (income- generating) assets.

184. ARAP/RAP shall be prepared by PIU's SS, preferably with the support of consulting service providers or mobile extension teams, for subprojects that have been determined to result in potential involuntary resettlement and/or land acquisition. When an ARAP/RAP is required, the PIU shall submit completed studies along with their RAP's subproject application to the Resettlement Commission for appraisal, and subsequently to the World Bank.

#### **4.4. APPROVAL OF RESETTLEMENT ACTION PLANS**

185. After clearance from the LARC, the compensation, resettlement and rehabilitation activities of the RAP will be satisfactorily completed and verified by the communities before funds can be disbursed for civil works under the subproject.

186. The RAPs will comply with the principles outlined in this RPF adopted for the project. The SIA and RAP for each subproject will be reviewed by MIFT and by the World Bank for review to ensure that they are produced in line with the OP 4.12. RAP shall be approved by MIFT and disclosed on MIFT's portal and the World Bank's portal prior, to the invitation of bids for civil works. Disbursement of compensation payments and entitlements will be made prior to displacement and prior to handing over of the land parcels to civil work contractors. Subsequent RAPs prepared throughout the rest of the project can then be reviewed by the independent review process led by the World Bank.

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<sup>20</sup> Abbreviated RAP is prepared

## **5. IMPLEMENTATION ARRANGEMENTS**

### **5.1. INSTITUTIONAL ARRANGEMENTS – ROLE AND RESPONSIBILITY MATRIX, PREPARATION, AND REVIEW OF SUBPROJECTS.**

#### **5.1.1. Project coordination**

187. The main project implementing the Ministry of Investment and Foreign Trade (MIFT). Furthermore, an Inter-Ministerial Steering Committee has been set-up with key line ministries and government agencies, including the Ministry of Finance, Ministry of Economy, Ministry of Construction, State Committee for Tourism Development, and regional and local government representatives in proposed project areas to coordinate project implementation.

188. This MIFT will guide and support the Project Implementation Unit (PIU) in decision-making and will be chaired by the Deputy First Prime Minister and include high-level representations from all relevant sectors and agencies. The SIC would also validate all tender documents and procurement, presented to them by PIU.

#### **5.1.2. Project Implementation Unit**

189. A Project Implementation Unit (PIU), under the State Committee of Investments, is established at the national level to coordinate and implement the project for the three pilot cities, and subsequently expand its responsibility to implement the proposed National Urban Program for the 28 cities. The PIU is led by a Project Director and has the staff capacity in procurement, financial management, and technical sectors, particularly for planning, transport, water, and energy. The PIU hired a Social Safeguards Specialist (SS) who oversees overall coordination of RAP implementation, reporting to MIFT, and the WB regarding social safeguards issues, as well as integrating social safeguards requirements into bidding and contracting documents. Also, SS is responsible for interacting with the authorities, ensuring an efficient implementation of safeguards documents and will undertake, randomly, field visits and safeguards supervision and monitoring, assessing safeguards compliance at worksites, advising project Regional Project Coordinating Units (RPCUs) on environmental and social safeguards issues. The PIU SS will be, also, responsible for identifying the training needs of all parties involved in RAP implementation. The PIU SS will cooperate with all local institutions to provide successful implementation of the Resettlement Procedure (RAP/ARAP).

#### **5.1.3. Regional Project Coordinating Units**

190. The project would be implemented at the local level through RPCUs which will be working closely with the respective district and city Hokimiyats. The RPCUs will be established for a region overseeing a cluster of cities, emphasizing the importance of integrated urban development across the city boundaries and looking at development at a regional level. For the RPCUs to be effective and consistent, a Regional Level Working Committee representing each city hokimiyats will be established for coordination amongst the cities, along with an inter-agency working group at the city hokimiyat level. The RPCUs will also include a Safeguards Specialist (SS), whose main duties would be to ensure that the project activities are implemented in compliance with the WB safeguards Operational Policies and national EA rules and procedures. Among major responsibilities of the RPCU SS will be the following: (a) ensuring that contractors comply with all ESMPs requirements; (b) coordinating all environmental and social related issues at the city and district level; (c) conducting ESMP supervision and monitoring and assessing environmental and social impacts and efficiency of mitigation measures, as well as identifying non-compliance issues or adverse trends in results, and putting in place programs to correct any identified problems; (d) when needed, providing advises and consulting contractors in RAP implementation; and, (e) reporting to the PIU with regard to implementation of the Resettlement Procedure.

#### **5.1.4. Land Resources and State Cadaster Department (LRSCD)**

191. LRSCD for each District in the Project is responsible for identifying and verifying property boundaries and ownership. They also will clarify land allotment certificates for agricultural land that has been formally registered and transferred to the Immovable Property Registration Offices.

#### **5.1.5. The Local Hokimiyats (Municipalities, Administrative Units)**

192. Hokimiyats are the final beneficiaries of the project implementation. From the institution, it is required continuous assistance and presence during all the progress of the project. The Regions and Municipalities will be

responsible for the coordination of the implementing procedures and execution of the compensation together with MIFT/PIU.

193. In the Table below respective institutional arrangement is presented. The table describes in detail the steps of a Resettlement Action Plan to be implemented.

**Table 16 Institutional Arrangements for Implementation of the Resettlement and/or Land Acquisition Procedure**

Steps	Institution	Description of responsibilities	Remarks
<b>Step 1</b>	PIU Safeguards Unit (or Consultant on behalf of PIU Safeguards Unit)	Identification of PAPs, public information, calculation of RAP value	Information on project effects needs on RAP, evaluation, and verification of PAPs
<b>Step 2</b>	PIU Safeguards Unit (or Consultant on behalf of PIU Safeguards Unit)	PAP Consultation	Explanation on assets to be affected, identification of the best way for compensation, explanation of time of compensation, main actors on the implementation process, procedures to be undertaken, and the rights for Grievances
<b>Step 3</b>	PIU Safeguards Unit (or Consultant on behalf of PIU Safeguards Unit)	Preparation of final RAP report	Preparation of RAP Report considering comments of WB and MIFT
<b>Step 4</b>	PIU Safeguards Unit. WB, MIFT	Submit RAPs to WB Task Team for review and no objection before implementing. Approval of the final report	No objection from World Bank experts for the RAP. Formalizing the RAP report and including at project implementation ToR
<b>Step 5</b>	PIU Safeguards Unit (or Consultant on behalf of PIU Safeguards Unit)	Grievance Committee Creation	The Grievance Committee needs to be formalized and specific contacts need to be given to the PAPs.
<b>Step 6</b>	PIU Safeguards Unit MIFT	Request for expropriation for public interest	Fulfill of criteria provided by law, especially the necessary documents that prove the expropriation needs
<b>Step 7</b>	MIFT	Expropriation Commission at MIFT has to examine the request and documents	Raising of Expropriation Commission, verification of documentation on properties, calculation, and verification of compensation value
		If the legal criteria are fulfilled the MIFT starts the expropriation procedures.	
		If not, the request will be rejected.	
<b>Step 8</b>	PIU Safeguards Unit, Grievance Committee	Ensure that the Expropriation Commission decisions are based on GoU Legislation and WB guidelines and consider PAPs requests	Evaluation of compliance between interested part requests
<b>Step 9</b>	Local Authority/ MIFT /PAPs	Compile the agreement considering pretends of any parts and legislation	Give solution and incite agreements supporting PAPs requests upon legislation
<b>Step 10</b>	MIFT	Agreement with PAP's about expropriation.	Important: the fair evaluation of the properties

		Publication of the notice for the expropriation – Declamation	The procedure must be followed carefully and respecting the right of the third persons to prevent the complaint to the Court
		Examine the suggestions and the complaints of persons affected by the process	The expropriation will be done for the persons who will accept to be compensated with the conditions published.
		Prepare the draft decision for the Cabinet of Ministers.	Preparation of DCM on PAP compensation
<b>Step 11</b>	Cabinet of Ministers	Approve the decision of the expropriation for the public interest;	DCM shall be implemented 1 month after declaiming on the official newspaper
		Or	
		Reject the proposal to MIFT with the suggestion to review, if it is not in conformity with the law. Pay the compensation to persons affected by the project	
<b>Step 12</b>	PIU Safeguards Unit (or Consultant on behalf of PIU Safeguards Unit) /Grievance Committee	Assistance on the relationship between PAPs and Local and Governmental authorities, verifications, and supervision of RAP implementation	Verification of compatibility of the agreement between interested parts.
<b>Step 13</b>	PIU Safeguards Unit (or Consultant on behalf of PIU Safeguards Unit) /Grievance Committee	If needed, the assistance of PAPs on grievance procedures for administrative bodies, RAP procedures, compensation values, etc and support PAPs grievances on the Court	If PAPs will have grievances
<b>Step 14</b>	PAPs	Opening a Bank Account and reporting it at the MIFT	Institutional support of the compensation process
<b>Step 15</b>	MIFT	Pay the compensation to persons affected by the expropriation before the civil works begin	Ensure that compensation is done with respect (amount and time) of agreements signed by interested parties and before starting the project implementation
<b>Step 16</b>	PIU Safeguards Unit (or Consultant on behalf of PIU Safeguards Unit)	Ensure that the process implementation has considered all pretend by both interested parties	Ensure that compensation is done in respect (amount and time) of agreements signed by interested parties
<b>Step 17</b>	PIU Safeguards Unit	Prepare the final report on RAP implementation	Considering that compensations will be finished before starting the project implementation.
<b>Step 18</b>	PIU, PAP, PIU Safeguards Unit	Assignment of the disclosure process according to the interested parties demands and in respect of DCM	Ensure a signed document that shows the RAP is finished and the compensation is done.
			This document also will verify that in the future the expropriate lands are ownership of PIU

194. In consideration of the project activities and of the below-mentioned phases a summarizing table of the preliminary linkages with the resettlement procedures can be found in A preliminary linkage of the activities with the resettlement procedures is presented in Annex 6. This annexed Table and the specifications if a RAP will be undertaken for the project are subject to further updates by the PIU Safeguards Unit, in accordance with the project activities developments.

195. During implementation, the PAPs will need to be informed about their rights and options, at which point they will have their say and discuss matters that need clarification. Cash compensation amount and size of land offered for compensation will be presented to each eligible PAP for consideration and endorsement before cash payment or land compensation can be affected. A committee of peers will be set up for grievance redress.

## 5.2. CONSULTATIONS

196. The involvement of PAPs in planning prior to the move is critical. PIU/MIFT will be responsible for organizing and conducting public consultations with community groups affected by each subproject prior to completion of the site-specific RAP. Usually, these groups consist of people living near the subproject site and any local NGOs. The purpose of the public consultation is to inform affected community groups about the subproject and offer them the opportunity to voice their views of any adverse environmental and social issues they feel may develop during subproject implementation. Any legitimate issue raised through the public consultation should be included in the RAP. In this way, the concerns of PAPs will be taken into account and reflected in subproject implementation.

197. Public consultations will be conducted as a meeting on each subject. The key characteristic of public consultation is that it is a two-way flow of information: subproject originators describe their activities to local communities, and local communities ask questions or raise their concerns in return.

198. It is very important to document public consultation results properly and include them in the RAPs. To obtain cooperation, participation, and feedback, the PAPs will be systematically informed and consulted during the preparation of the resettlement plan about their options and rights. They will also be able to choose from a number of acceptable resettlement alternatives. Particular attention must be given to vulnerable groups to ensure that they are represented adequately in such arrangements.

199. The plan should address and mitigate the resettlement's impact on host populations. Host communities and local governments should be informed and consulted. Any payments due to the hosts for land or other assets provided to displaced persons should be promptly rendered.

200. Successful resettlement requires a timely transfer of responsibility from settlement agencies to the displaced persons themselves. Otherwise, a dependency relationship may arise, and agency resources may become tied up in a limited number of continually supervised schemes. Local leadership must be encouraged to assume responsibility for environmental management and infrastructure maintenance.

- A. **Public Participation with the PAPs** would initiate the compensation process as part of an ongoing process that would have started at the planning stages when the technical designs are being developed and at the land selection/screening stage. This process, therefore, seeks their involvement and wishes to involve PAPs in a participatory approach with the project, from the beginning.
- B. **Notification of land resource holders** – in cases where there is no identified owner/user, the respective local land control boards and the resettlement committee having been involved in identifying the land that the Resettlement committees require will notify the community leaders and representatives who will help to identify and locate the land users. These leaders and representatives will also be charged with the responsibility to notify their members about the established cut-off date and its significance. The PAPs will be informed through a formal notification in writing.
- C. **Documentation of Holdings and Assets** – the Land Acquisition and Resettlement Commission (LARC) will arrange meetings with affected individuals to discuss the compensation process. For each individual or household affected, officials of the LARC completes a compensation dossier containing necessary personal information on, the affected party and those that s/he claims as household members, total land holdings,

inventory of assets affected, and information for monitoring their future situation. This information is confirmed and witnessed by representatives of Mahalla and members of LARC. Dossiers will be kept current and will include documentation of lands surrendered. This is necessary because it is one way in which an individual can be monitored over time. All claims and assets will be documented in writing.

- D. **Agreement on Compensation and Preparation of Contracts** – All types of compensation are to be clearly explained to the individual and households involved. The respective Resettlement Committees draws up a contract listing all property and land being surrendered, and the types of compensation (cash and/or in-kind) selected. A person selecting in-kind compensation has an order form that is signed and witnessed. The compensation contract and the grievance redress mechanisms are read aloud in the presence of the affected party and the members of LARC and representative from the mahalla
- E. **Compensation Payments** – All handing over of property such as land and buildings and compensation payments will be made in the presence of the affected party, the Chairman or members of LARC, and a representative from Mahalla.

### 5.2.1. Disclosure

201. The Resettlement Policy documents including ESMF, RPF, ARAP/RAP (in case there will be any type of Involuntary resettlement) are subject to disclosure to the public through social media, websites. Any type of displacement announcement in regard to the relocation of residence/business structures shall also be disclosed publicly.

202. The first round of Public Consultation on RPF took place on September 6, 2018, in State Investment Committee in Tashkent. Representatives of different organizations involved in the project participated in the meeting. Among them were representatives of project cities' hokimiyats, Ministry of Culture, Land Cadastre and Railway Agency located in Tashkent. The main purpose of that meeting was to introduce participants with information on planning activities in each city, discussed the next steps, and explain the main statement of WB's safeguards policies I case there will be any social and environmental impacts. Among other technical questions, the participants discussed the procedure of site selection and the possibility of including on-going project activities into the program.

203. The second round of public disclosure of draft RPF was conducted in three project sites during October 2-4, 2018 in Chartaq, Yangiyul, and Kagan cities. Representatives of the main stakeholder organizations participated in meetings. Among them were representatives of the educational organization, hokimiyats, land cadastre, architectural department, water supply, and sewage system agencies (Suvoqova and Oqovasuv), state nature committee, and citizen of mahallas. The meetings were held at the premises of administration buildings of local hokimiyats with the participation of 38 people.

204. The third round of public hearings was held during January 18-19, 2021 for beneficiaries in Kashakdarya and Surkhandarya regions.

205. The objectives of the public consultations were: to inform the public and stakeholders about the objectives and project developments and the expected environmental and social impacts; to collect information and data from the public and/or the communities that will be affected by the project and to ensure participation of the public and local communities in a process and support for the project. During the meeting, the main emphasis was given to the explanation of entitlement framework and matrix, GRM and types of eligible PAPs in case there will be anticipated any social impacts in the relation of physical and economic displacement. The consultants explained about album influx, restrictions of forced and child labor in this project. The minutes of the consultation meetings can be found in Annex 1 and the list of participants is attached in Annex 2.

206. In order to make the RAP preparation and implementation process transparent, a series of public consultation meetings with all stakeholders will be carried out in the field for the dissemination of information regarding the rehabilitation process and entitlement framework. The salient features of RPF, RAP, and the R&R policy shall be translated into Russian or Uzbek languages and disclosed through the MIFT and the local hokimiyats website. The documents available in the public domain will include Entitlement Matrix and RAP (summary in local language) and the list of eligible PAPs for various R&R benefits. All documents will be kept in the PIU of MIFT. As per the Access

to Information Policy of the WB, all safeguard documents will also be available at the World Bank Portal. The MIFT will assist Consultants in community-level disclosure and information dissemination work, which will include a community display, meetings, and consultations.

### **5.3. MANAGEMENT INFORMATION SYSTEM**

207. A management information system (MIS) is an information system used for decision-making, and the coordination, control, analysis, and visualization of information in the project. In MSCIUDP MIS can help to provide relevant information to the appropriate persons in the enterprise at the right time. The information so provided should help managers at all levels of the organization: (i) plan its activities in the short- and long-term; (ii) organize the tasks necessary for the plan; (iii) monitor the execution of the tasks and activities to compare and control actual results with the plan; and (iv) take any necessary corrective measures or re-plan the activities. In this way, the MIS helps the enterprise manage its various activities and coordinate the goods and activities of the finance, manpower, marketing, and manufacturing functions so that the overall enterprise objectives are met.

208. In general, a management information system is designed to (i) collect data; (ii) record and store data; (iii) provide for retrieval of the data; (iv) process the data, and (v) transmit and present relevant information. In the context of a business enterprise, the MIS may comprise a number of sub-systems, each providing a different type of information. Regardless of the concept used to define the boundaries of an MIS, the use of the information may be categorized in terms of the business processes of (i) strategic planning; (ii) tactical planning; (iii) management control; and (iv) transaction recording system.

209. There are several types of MIS software based on proposed tasks. In the implementation of the Resettlement policy, a decision support system (DSS) software can help PIU to make choices and take decisions, typically by ranking, prioritizing or choosing from a number of options. The information system is designed to store, search for and process entered data and serves as a tool for monitoring the actual project implementation.

210. An effective MIS also has a number of cross-cutting requirements:

- Governance and institutional coordination—institutional arrangements and procedures that indicate clear roles and responsibilities for program staff and institutions to ensure solid oversight
- Infrastructure and human resources—hardware and software equipment as well as human resource requirements to develop, operate, update, and maintain the MIS
- Application management—tools such as a user’s manual, training sessions, and user-friendly interfaces that facilitate the intuitive application of the MIS

211. The information system is used to provide proper data to relevant staff in a timely manner to meet project-specific information needs. MIS outputs are information-based products, such as reports, files, databases, information services, and other documents. In this work, MIS will be used to collect and process the grievances. MIS Routine:

- The data directly input at central and local levels by staff responsible for specific activities.
- Senior staff of the vertical chain of command shall control and be responsible for data input.
- Specialists will have access to MIS within the limits of their competence.
- Senior staff of units also has access to the financial section and procurement section.
- Project coordinators and an M&E specialist will have full access to MIS without authorization for changes.

212. The data will be processed and consolidated in different reports. The project indicators are calculated by means of a data summary.

### **5.4. MONITORING AND EVALUATION**

213. Monitoring Indicators on the Social Impacts attached (Annex 8) to this RPF. The responsibilities for monitoring and evaluation are shared between the PIU Safeguards Unit and the MIFT. The PIU Safeguards Unit is responsible for record-keeping, management and internal monitoring of the GRM as the committee will report directly to the Head of the PIU Safeguards Unit or an assigned specialist. The MIFT is responsible for coordinating external monitoring and evaluation of the project implementation. The PAPs representatives will participate in the project completion workshops, to give their evaluation of the impacts of the effects of the project. They are also to suggest corrective measures, which may be used to improve the implementation of other subprojects. After completion of all

expropriation/compensation operations, the PAPs will be consulted in a household survey to be undertaken as a monitoring and evaluation exercise.

#### **5.4.1. Internal and external monitoring**

214. Consulting company (CC) would be contracted to undertake concurrent M&E of RAP implementation. CC shall be mobilized within a month of commencement of work by MIFT. CC team will comprise very experienced professionals in the field of resettlement and livelihood. Besides it will also include a Cadastral and civil engineer who can assess the provided land and in case provision of suitable houses, quality of houses built and the common properties that are being rebuilt/relocated. The M&E CC shall undertake monitoring and verification of processes and activities in RAP implementation and would submit quarterly reports. It would also undertake an end-term evaluation post RAP implementation to ascertain if the RAP objectives have been achieved. The CC shall identify gaps based on desk reviews and field visits and provide timely inputs for course-correction to MIFT to improve implementation and outcomes. Besides, it will recommend measures necessary to build capacity and provide requisite training to implementation staff and other stakeholders such as civil works contractor. Some of the key activities would include monitoring and verification of:

- a) timely payment of compensation and assistance and prior to the commencement of civil works;
- b) processes followed in the dissemination of information on the project and eligible entitlements as well as the quality of consultations;
- c) processes followed in the relocation of PAPs as per relocation plan, if displaced;
- d) provision of replacement cost (towards the cost of structures, shifting and replacement house);
- e) relocation of all common properties such as toilets, temples, etc.
- f) the provision on livelihood support measures, training towards rehabilitation;
- g) provision of work opportunities to PAPs and other community members during civil works; and
- h) grievances received and redressed by level;

#### **5.4.2. Impact Evaluation**

215. While monitoring shall be a concurrent activity, impact evaluation of the project shall be taken up twice – during the project’s midterm and again as an end term at the end of MSCIUDP. End term impact evaluation exercise will be carried out within two months of completion of RAP implementation. It will evaluate the RAP implementation – activities, processes, and outcomes; ascertain if there are any pending issues and make recommendations towards the improvement of outcomes, if any. The exercise will be based on the key socio-economic indicators developed during SIA and as presented in the RAP. Prior to commencing the evaluation exercise, these indicators will be further refined and improved upon by the agency in consultation with MIFT



## **6. IMPLEMENTATION FRAMEWORK**

### **6.1. OVERVIEW**

216. Before any project activity is implemented, PAPs will need to be compensated in accordance with the resettlement policy framework. For activities involving the land acquisition or loss, denial or restriction to access, it is further required that these measures include the provision of compensation and of other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, the taking of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to displaced persons. For project activities requiring relocation or loss of shelter, the policy further requires that measures to assist the displaced persons are implemented in accordance with the individual RAPs.

217. The measures to ensure compliance with this RPF would be included in the RAPs that would be prepared for each subproject involving resettlement or compensation.

218. The schedule for the implementation of activities must be agreed to between the LARC and the PAPs, such as target dates for the start and completion of civil works, timetables for transfers of completed civil works to PAPs, dates of possession of land that PAPs are using (this date must be after the transfer date for completed civil works to PAPs and payments of all compensation), and how these activities are linked to the implementation of the overall subproject.

219. The screening process must ensure that RAPs contain acceptable measures that link resettlement activity to civil works in compliance with this policy. The timing mechanism of these measures would ensure that no individual or affected household would be displaced (economically or physically) due to civil works activity before compensation is paid and resettlement sites with adequate facilities are prepared and provided for to the individual or homestead affected. Once the RAP is approved by the local and national authorities, the RAP should be sent to the World Bank for final review and approval.

### **6.2. IMPLEMENTATION SCHEDULE**

220. The timing of the resettlement will be coordinated with the implementation of the main investment component of the project requiring resettlement. All RAPs will include an implementation schedule for each activity covering initial baseline and preparation, actual relocation, and post-relocation economic and social activities. The plan should include a target date when the expected benefits for displaced persons and hosts would be achieved. Arrangements for monitoring the implementation of resettlement and evaluating its impact will be developed during project preparation and used during supervision. Monitoring provides both a warning system for project managers and a channel for the displaced persons to make known their needs and their reactions to resettlement execution.

221. Environmental and social impact assessments, if deemed necessary through the application of the ESMF, will be conducted parallel with the design of the subprojects, and will determine the number of PAPs and to assess demand of needs of the displaced persons. The needs are such as housing, water, health facilities, and sanitation.

222. Target dates for achievements of expected benefits to resettled persons and hosts are to be set. Disseminating various forms of assistance to them will be done. Planning and coordination of the tasks of the various actors is key to successful implementation. To achieve this goal, workshops will be organized with the stakeholders and other relevant government agencies, at project launching and at the commencement of every subproject identified to have adverse social impacts.

223. The stakeholders will be requested to participate in the decision-making process and provide inputs in the area of their expertise in order to establish a coherent work plan or schedule. PAPs will also be consulted with the aim of obtaining their positions on issues at stake. The requirements of their work/programs/business activities will be incorporated in the expropriation/ compensatory plans.

224. The workshops will focus on:

- Taking stock of the legal framework for compensation.
- Settling institutional arrangements and mechanisms for payment of compensation.

- Defining the tasks and responsibilities of each stakeholder and
- Establishing a work plan.

### **6.3. COORDINATION WITH CIVIL WORKS**

225. The land acquisition and resettlement implementation will be co-coordinated with the timing of procurement and commencement of civil works. The required co-ordination has contractual implications and will be linked to procurement and bidding schedules, the award of contracts, and release of cleared COI sections to the contractors. The project will provide adequate notification, counseling, and assistance to affected people so that they are able to move or give up their assets without undue hardship before the commencement of civil works and after receiving the compensation. The bid documents will specify the extent of unencumbered land to be handed over at the time of commencement of works and subsequent milestones and this will be strictly followed to ensure that land is provided on a timely basis to the contractors and also plan the implementation of land acquisition and resettlement in line with procurement and civil work timetable.

226. The bidders are required to submit the following as part of their technical bid: ESHS strategy and implementation plan; code of conduct; and declaration of past ESHS performance. Prior to starting construction, the contractor will prepare and submit the ESMP to the PIU for acceptance. The ESMP will include a detailed explanation of how the contractor will comply with the project's safeguard documents and demonstrate that sufficient funds are budgeted for that purpose. The ESMP shall be approved prior to the commencement of construction activities. The approved ESMP shall be reviewed, periodically (but not less than every six (6) months), and updated in a timely manner, as required, by the Contractor to ensure that it contains measures appropriate to the w civil works activities to be undertaken

## **7. GRIEVANCES REDRESS MECHANISM (GRM)**

227. Grievances may arise from members of communities who are dissatisfied with: (a) the eligibility criteria, (b) community planning measures, or (c) actual implementation.

### **7.1. OVERVIEW**

228. The proposed Grievance redress mechanism (figure 1) helps the complaint handling system to be functional, transparent and responsive, and where appropriate, strengthen government systems. In this mechanism, beneficiaries and citizens can turn to register any grievances on all issues that tackle within any infrastructure subprojects of MSCIU DP.

229. The GRM for the current project takes into account the national legislation, the specificity of the project sites and the results of public consultations. According to Resolution 97 (29 May 2006) the Hokimiyats of the respective districts (cities) are obliged to notify owners of residential, production and other buildings, constructions and plantings on the made decision in writing for signature not later than six months prior to demolition, attaching to the notice copies of the relevant decisions of the hokims of districts (cities) and regions on the basis of the decision of the Cabinet of Ministers of the Republic of Uzbekistan on any land acquisition, demolition of residential, production and other buildings, constructions and plantings located in the land.

230. In order to deal with the grievance that may rise during the implementation of the RAP, there is need to incorporate a grievance redress process with Implementing agencies, mahallas, and with PAPs representatives committee to hear the complaints and provide solutions, and reduce unnecessary litigation by resolving disputes through mediations.

### **7.2. GRIEVANCE REDRESS PROCESS**

231. The PAPs will have the right to file complaints and queries on any aspect of land acquisition compensation and resettlement. PIU will be responsible for the establishment of GRM during the project affectivity and act as the GRM secretary to make sure that the GRM is operational to effectively handle environmental and social concerns of project affected persons. PIU will ensure that grievances and complaints on any aspect of the land acquisition, compensation, and resettlement are addressed in a timely and satisfactory manner. All possible avenues are made available to the PAPs to resolve their grievances at the project level. Under the proposed project-level grievance mechanism, affected households may appeal any decision, practice or activity connected with the assessment or valuation of land or other assets, acquisition and compensation.

232. PAPs will submit their grievances first of all to the local mahalla or working office established in the frame of MSCIU DP. If the Grievance not resolved or PAP did not get a satisfactory answer then he/she may submit the grievance to RPCU in regional offices. SS at RPCU collects the grievances. This will be done through the application of multiple uptake channels such as mail, e-mail, telephone, project website, handing personally. Nowadays the citizens are active in using mobile internets and therefore, the project will open special groups in the Telegram app and on Facebook if possible.

233. In addition, the GRM was discussed with PIU and updated into the format applicable to both aspects – environmental and social in terms of environmental impact and mitigation measures. After discussion with all parties, the following multi-level GRM was proposed for the project and is described below in the Table.

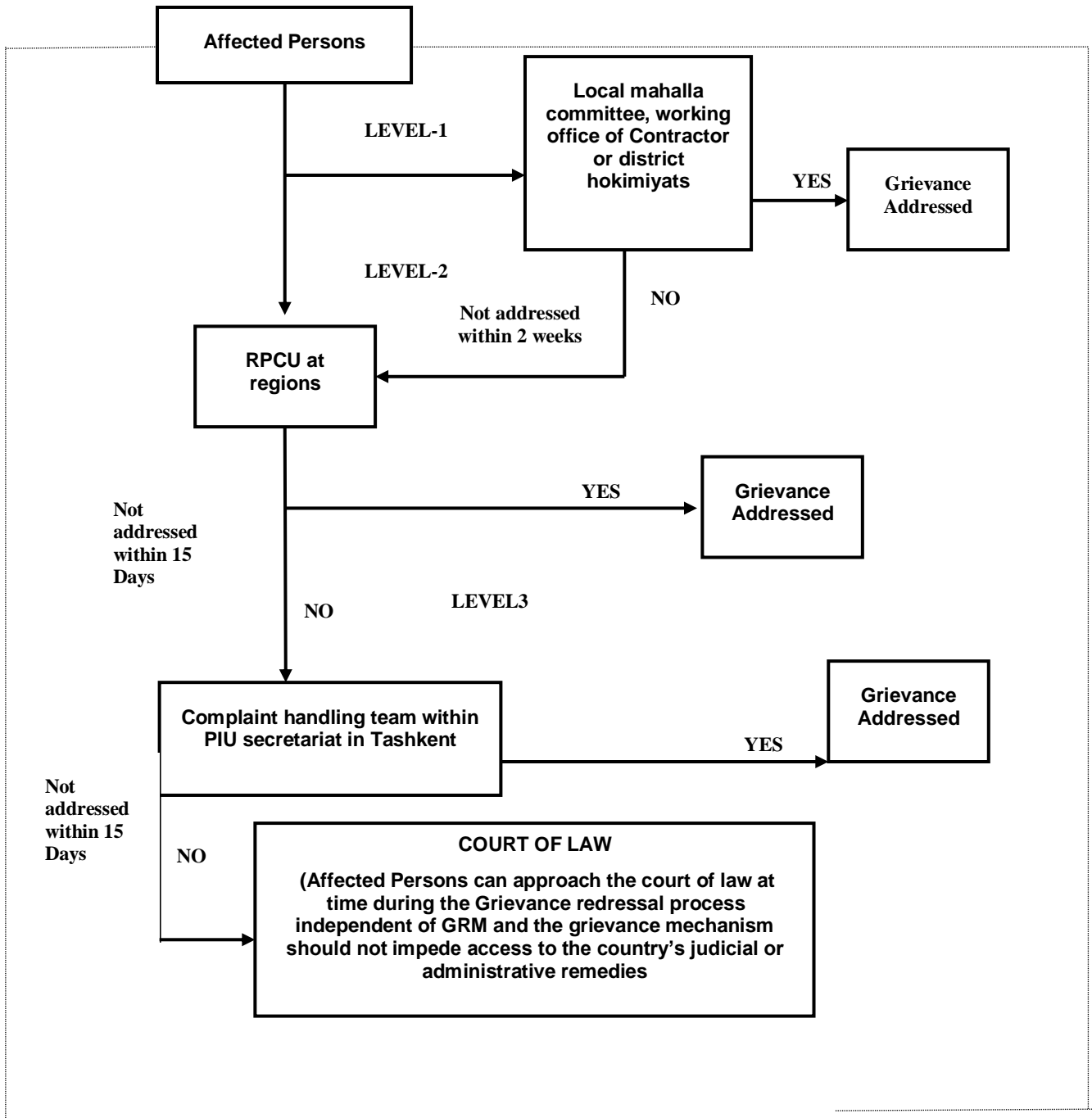
**Table 17. Grievance Redress Mechanism and Levels**

Level/Steps	Process
<p><b>Level 1 - local mahalla committee, working office of Contractor and district / city Hokimiyats respectively</b></p>	<p>The aggrieved person applies directly to local mahalla committee or working office of Contractor. PIU WB safeguard specialist will be in charge for receiving and registration complaints and PIU WB will collect information about received complaints from mahalla committee and working Contractor offices on a weekly base.</p> <p>The alternative entry point for complaints will be also Hokimiyats due to their obligations defined by national legislation: (i) Hokimiyats of the respective districts (cities) are obliged to notify owners of residential, production and other buildings, constructions and plantings on the made decision in writing for signature not later than six months prior to demolition, (ii) there is a 1<sup>st</sup> deputy of hokim responsible for industry, capital construction communications and utilities, who is usually responsible for any issues/complaints regarding the construction and land allocation; After registration of received complaints, PIU WB safeguard specialist will review nature/specificity of the complaint and will forward it to relevant party for resolving. In parallel, district Hokimiyats representatives will inform PIU in Tashkent about the received complaint and further actions undertaken for its solution. Depending on nature of complaint it may go to Contractor, Land Resources and State Cadaster Department (LRSCD), Mahalla or district branch of Nature Protection Committee. For example, complaints related to resettlement issues may be forwarded to LRSCDs, hokimiyat and mahallas. In case of environmental issue, complaint will be forwarded to the Contractor or District Nature Protection Committee. At this level, the complaint should be resolved during 2 weeks.</p>
<p><b>Level 2 – Regional Project Coordinating Units (RPCU) and secretariat of PIU</b></p>	<p>In case the grievance was not redressed on the first stage or an applicant is not satisfied with the decision made/solution, s/he can submit the grievance directly to RPCU. In accordance with established procedure, the RPCU will review the complaint and will forward complaints to the secretariat of PIU and the respective department to a made decision on its redress. In case the grievance is not related directly to the project, the further instance will be recommended to the applicant where s/he should apply for the decision making.</p> <p>In case, if the complaint is required more time and resources for resolution, the PIU may establish complaint handling a team with following members such as representatives from secretariat PIU WB, district hokimiyat: LRSCD and Mahalla or village assembly of Citizens or/and farmer’s councils, or/and women’s association. All complaints will be resolved in 15 days, and in case additional details are required, a maximum of 30 days will be used to resolve and close the complaint with prior notification of the complainant.</p>
<p><b>Level 3- Economic Court</b></p>	<p>If the issue was not solved or the applicant is dissatisfied with the decision/resolution, the aggrieved person may submit the grievance to the Economic Court (Court of Law) where a decision will be made in accordance with relevant national legislation. However, PAPs can approach the court of law at a time during the grievance redressal process independent of GRM and the grievance mechanism should not impede access to the country’s judicial or administrative remedies</p>

**7.3. GRM RECORDS AND DOCUMENTATION**

234. Most of the grievances on land acquisition and resettlement issues are redressed at 1-2 levels. All grievances received from the population will be registered in a log book (Annex 7 attached in this RPF) which should be available at levels 1 and 2: at the site office of the Contractor, each mahalla committee of project area districts and PIU Tashkent office. Besides, there are also logbooks in the Hokimiyats where the grievances of the population are usually registered. Even so, the information on received by Contractor grievances and applications from the aggregated persons and undertook measures should be submitted to the representatives of PIU on the project site for the accounting all grievances. Thereafter the information on all received grievances will be collected at the PIU.

**Figure 2: Flow of GRM**



## 8. BUDGET

235. At this stage of project preparation, no resettlement impacts of the project are revealed. Subprojects will be additionally screened during the detailed design process for any impacts to determine whether RAPs are necessary. The specific impacts and compensation amounts will be determined during the detailed design stage as part of the preparation of the RAP. Thus, it is not possible to calculate the approximate cost of withdrawing/impacted assets at this stage.

236. In order to implement the Resettlement Policy measures suggested below budgetary provisions will be made available, in terms of each subproject. Budgetary estimates for a subproject where resettlement implementation is necessary, including resettlement management will be incorporated into the cost estimates. Accordingly, land acquisition and resettlement expenses for consultation and participation, grievances redress, the cost for relocation, Income restoration, transitional allowance, livelihood program, monitoring and evaluation, administration, contingencies etc. will be included as cost estimates for social management.

237. MIFT will provide an adequate budget for all land acquisition compensation and R&R assistance from the counterpart funding (local budget, or by Special Fund under Cabinet of Ministries). The budget estimates and its sources will be reflected in RAPs. The World Bank loan will not be available for land acquisition, compensation and R&R assistance paid in cash. The World Bank's loan will be available for costs such as works, purchase of goods and services if required.

238. The budget includes costs for preparing and administering the RAP(s), for the compensations as well as for monitoring and evaluating the RAP(s). The order of financing to the borrower will be assigned by the terms of loan agreements. Each RAP prepared by EA shall include a detailed budget.

**Table 18: Sample Budget for RAP**

Description	Cost Estimate	
	UZS	USD
<b>Direct Cost (A)</b>		
Building and Structures (transaction costs, relocations cost etc.)		
Crop loss (Permanent and Temporary)		
Orchards and Trees Loss (Permanent)		
<b>Subtotal (A)</b>		
<b>Indirect Cost (B)</b>		
Allowances for Vulnerable PAPS		
<b>Subtotal (B)</b>		
<b>Indirect Cost (C)</b>		
The inflation rate, Increase of the minimum wage (XYZ%)		
<b>Subtotal (C)</b>		
<b>Administrative Costs (D)</b>		
Resettlement Consultants (including social-economic and census surveys, implementation and internal monitoring)		
Valuation company costs		
Administrative costs		
Internal and External Monitoring costs		
<b>Subtotal (D)</b>		
<b>Total (A) + (B) + (C) + (D) costs:</b>		
Contingency XYZ %		
<b>TOTAL: Land Acquisition and Resettlement Budget</b>		

239. In General costs for the implementation of the RAP include three categories: (a) technical support, (b) expropriation procedure, and (c) land acquisition.

- a) *Technical assistance* on the RAP implementation covers the monitoring and preparation of the expropriation case application file. For the implementation of these projects will be will use World Bank loans to cover the costs of technical assistance.
- b) The overall responsibility for *resettlement and expropriation* for the Project is under the Cabinet of Ministers and MIFT. The financial responsibility for the expropriation procedures, including the compensation to be paid, resettlement costs, etc., lies with the State Investment Committee. Costs for the expropriation procedures are managed by the MIFT budget for the functioning of the special expropriation commission for covering the costs of any fees for the registration of new ownership titles and issuing of Certificates of Ownership for all PAPs.
- c) The *land acquisition* will be financed by the Government of Uzbekistan's budget. The Cabinet of Ministers (CoM) is responsible for issuing the expropriation decision and authorizing the funds required, which will be delivered to owners as soon as the CoM Decision is published publicly. The land acquisition, transfer must be fully completed, and compensation payment made before any Civil works can be executed on the expropriated property.

240. The estimate of the overall cost of resettlement and compensation will be determined during the socio-economic and census study. Disbursements based on budgetary requirements, established by the RAPs in consultation with PAPs and local stakeholders, will be made through PIU in support of relevant District Hokimiyats, mahallas.

## ANNEXES

### Annex 1. Minutes of Public consultations

**1. Venue:** Chartak city hokimiyat's administrative building, Namangan Province

**Date:** October 02, 2018

**Medium-Sized Cities Integrated Urban Development Project (MSCIUDP)**

**PUBLIC CONSULTATION: Environment and Land Acquisition and Resettlement Aspects Within MSCIUDP**

**Prepared by:** NBT Environment and Social Safeguard specialists: Madina Khalmirzaeva, Tolmasbek Boltaev, Sergey Kim and Mamanbek Reimov

**Presented by:** Madina Khalmirzaeva, Mamanbek Reimov

**Target audience:** Representatives from Chartak city hokimiyat, Regional and local authorities involved in environmental performance and land acquisition and resettlement activities with the project (specialists from Land resources and state cadaster department, a committee of ecology and environment protection, regional architectural departments, financial specialists, hokimiyat representatives, civil construction department, etc.)

**Discussed main topics on the PC:**

Project description and its components; potential planning project activities, national environmental, social legislation (about Land acquisition and resettlement) and relevant WB OP's requirements, identified social and environmental impacts and mitigation measures, safeguards documents needed to be developed under the MSCIUDP for each subproject, type of land acquisition and resettlement impacts, the content of RPF and RAP; eligible for compensation people, impacts and losses subject for compensation; GRM; assistance to vulnerable and severally affected households; further stages of the final RAP preparation if any impact; evaluation of compensation; further stages of the Project implementation;

**After the presentation the participants raised the following questions:**

#	Questions	Answers
1	Is there any final design (list) of planned subproject activities? What types of exact subprojects will be done in Chartak?	At present there no exact final design prepared for these subprojects – only a list of proposed activities. Currently, the PIU under the State Investment Committee of the Republic of Uzbekistan, local hokimiyat and World Bank's team are working on these matters. Therefore, this ESMF was developed which covers all social and environmental impacts.
2	Legislation part is clear, but based on what documentation the impacts will be identified and compensated?	The main documents of identification of exact impact will be the final design which will be prepared by design institutes (PIU responsibility), Land Allocation document ( <i>Zemelniy otvod</i> ) which will be prepared by local land resources and state cadaster departments based on final design (PIU responsibility) and for compensation will be based RPF or RAPs Entitlement Matrixes.
3	What organization will be responsible for project impact compensation, if any during the project?	Various ways of compensation sources could be used for the project – it could be through local hokimiyats, from the loan or another possibility. Currently, this topic is under the consideration between the State Investment Committee of the Uzbekistan and the World Bank
4	As we understood harvest lost will be calculated based on both - legislation of the Republic of Uzbekistan and WB Safeguard Policy?	Yes, you harvest lost will be calculated on the basis of legislation of the Republic of Uzbekistan and WB Safeguard Policy.



**Suggestions Raised:**

N/A

**Photos from public consultation meetings**



1. **Venue: Yangiyul city hokimiyat’s administrative building, Tashkent Province**

**Date:** October 02, 2018

**Medium-Sized Cities Integrated Urban Development Project (MSCIUDP)**

**PUBLIC CONSULTATION: Environment and Land Acquisition and Resettlement Aspects Within MSCIUDP**

**Prepared by:** NBT Environment and Social Safeguard specialists: Madina Khalmirzaeva, Tolmas Boltaev, Sergey Kim and Mamanbek Reimov

**Presented by:** Madina Khalmirzaeva, Mamanbek Reimov

**Target audience:** Representatives from Yangiyul city hokimiyat, Regional and local authorities involved in environmental performance and land acquisition and resettlement activities with the project (specialists from Land resources and state cadaster department, a committee of ecology and environment protection, regional architectures departments, financial specialists, hokimiyat representatives, civil construction department, etc.)

**Discussed main topics on the PC:**

Project description and its components; potential planning project activities, national environmental, social legislation (about Land acquisition and resettlement) and relevant WB OP’s requirements, identified social and environmental impacts and mitigation measures, safeguards documents needed to be developed under the MSCIUDP for each subproject, type of land acquisition and resettlement impacts, the content of RPF and RAP; eligible for compensation people, impacts and losses subject for compensation; GRM; assistance to vulnerable and severally affected households; further stages of the final RAP preparation if any impact; evaluation of compensation; further stages of the Project implementation;

**After the presentation the participants raised the following questions:**

#	Questions	Answers
1	What does replacement cost mean?	“Replacement cost” is the method of valuation of assets that help determine the amount sufficient to replace lost assets and cover transaction costs. In applying this method of valuation, depreciation of structures and assets should not be taken into account.
2	What organization is responsible for covering the independent valuator's services cost?	As stated, before the valuation will be carried out based on the defined entitlement matrix in accordance with requirements of OP 4.12 and Uzbek legislation. PIU will involve independent licensed appraisal company for the valuation of compensation and allowances for all type of losses, and the cost of appraisal will be covered by the Project. In case, if PAP is not agreed with the evaluation results of appraisal company suggested by PIU, he/she shall inform PIU about it in a written manner and present the results of his/her appraisal company by his/her own cost.
3	Is there any final design of planned subproject activities? What types of exact subprojects will be done in Yangiyul?	At present there no exact final design prepared for these subprojects. Currently, the PIU under the State Investment Committee of the Republic of Uzbekistan, local hokimiyat and World Bank’s team are working on these matters.

**Suggestions Raised:**

1. It will be good that all RPCU's specialists work on fully base (not part-time base job) and focus more site visit activities in project areas. By that way, they can increase the project progress and avoid the problems in further stages of the project.
2. We propose to include in the project conservation of landfill which is not functioning now. We would like to create a recreation zone in that area.

**Photos from public consultations**



### 3. Venue: Kagan district hokimiyat main hall, Bukhara Province

**Date:** October 03, 2018

#### Medium-Sized Cities Integrated Urban Development Project (MSCIUDP)

#### **PUBLIC CONSULTATION: Environment and Land Acquisition and Resettlement Aspects within MSCIUDP**

**Prepared by:** NBT Environment and Social Safeguard specialists: Madina Khalmirzaeva, Tolmasbek Boltaev, Sergey Kim and Mamanbek Reimov

**Presented by:** Madina Khalmirzaeva, Mamanbek Reimov

**Target audience:** Representatives from Kagan city hokimiyat, Regional and local authorities involved in environmental performance and land acquisition and resettlement activities with the project (specialists from Land resources and state cadaster department, committee of ecology and environment protection, regional architectural departments, financial specialists, hokimiyat representatives, civil construction department, water supply and waste water organization, district branches of Ministry of Culture etc.)

#### **Discussed main topics on the PC:**

Project description and its components; potential planning project activities, national environmental, social legislation (about Land acquisition and resettlement) and relevant WB OP's requirements, identified social and environmental impacts and mitigation measures, safeguards documents needed to be developed under the MSCIUDP for each subproject, type of land acquisition and resettlement impacts, the content of RPF and RAP; eligible for compensation people, impacts and losses subject for compensation; GRM; assistance to vulnerable and severally affected households; further stages of the final RAP preparation if any impact; evaluation of compensation; further stages of the Project implementation;

#### **After the presentation the participants raised the following questions:**

#	Questions	Answers
1	What is the severely affected and vulnerable households?	Severely affected households are those who lose 10% or more of their productive asset (income generating productive land) and or physically displaced. Low-income households, female-headed households, the elderly headed household, households headed by physically challenged persons.
2	Will the presented WB OPs requirements are applied for all ongoing project in our city	No, WB OPs will be applied only for the subprojects which will be included in this project
3	When will the project start?	It is expecting that the project will start next year

#### **Suggestions Raised:**

It will be really good that all sewerage network extension and rehabilitation and Rehabilitation of sewage pumping stations works will be done before the Roads rehabilitation works for avoiding the demolishment of the already constructed road again.

Photos from public consultations



#### 4. Protocol of public consultation (Kashkadarya region).

### ПРОТОКОЛ

#### консультации с общественностью проекта дополнительного финансирования «Комплексное развитие средних городов»

**Цель:** Обсуждение Рамочных документов проекта Аспекты окружающей среды, отвода земель и переселения.

**Место проведения:** зал областного управления по экологии и охраны по окружающей среде Кашкадарьинской области, город Карши.

**Дата:** 18 января 2021 года.

**Время:** 10.30- 11.30

**Подготовлено и представлено:** Специалисты по экологическим и социальным защитным мерам проекта: Гадаевым Жахонгиром, Поповой Татьяной.

**Целевая аудитория:** Жители Кашкадарьинской области, представители хокимията, региональные и местные органы власти, участвующие в мероприятиях по охране окружающей среды по проекту (комитета по экологии и охране окружающей среды). Присутствовало 14 человек. Председателем собрания был заместитель начальника управления по экологии и охраны окружающей среды Турдиев Нурбек Давронович.

#### **Обсуждались основные темы на ПК:**

Описание проекта и его компонентов; дополнительное финансирование проекта АБРР, потенциальные мероприятия по планированию проекта, национальное экологическое, социальное законодательство (об отводе земель и переселению) и соответствующие требования ОП ВБ, выявленные социальные и экологические последствия и меры по смягчению, документы по защитным мерам, которые необходимо разработать в рамках ПКРГС для каждого подпроекта, тип отвода земель и последствия переселения, содержание РПП и ПДП; имеющие право на компенсацию людей, последствия и убытки, подлежащие компенсации; МРЖ; оказание помощи уязвимым и сильно затронутым домашним хозяйствам; дальнейшие этапы окончательной подготовки ПДП, если они окажут какое-либо воздействие; оценка компенсации; дальнейшие этапы реализации Проекта;

#### **После презентации участники подняли следующие вопросы:**

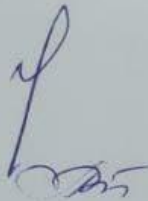
№	Вопросы	Ответы
1	Когда начнется проект? И сколько будет длиться проект	Проект уже идет, но Кашкадарьинскую область только выключают. Ожидается, что деятельность начнется в этом или следующем году. Длительность проекта будет зависеть от запланированной деятельности.
2	Кто и по каким критериям будет выбирать город? Один ли город?	Эксперты банка будут выбирать города. Планируется выбрать несколько городов в Кашкадарьинской области
3	Если при реализации проекта (строительстве)	Компенсация будет подсчитываться и выплачиваться согласно законодательству

	будет приостановлен бизнес? Будет ли компенсация?	
4	Будет ли в рамках проекта улучшить водоснабжение?	На данный момент не известно, проблемы каждого выбранного города будут рассмотрены для составления планов работ.
5	Мы против вырубке деревьев. Как в рамках проекта будут защищены наши деревья?	Вопросы по вырубке деревьев будут решаться в соответствии ПКМ №43 от 17.01.2021г. и №255 от 31.03.2021 г., а также соответствующие политики Всемирного Банка

**Поднятые предложения:**

Было бы очень хорошо, чтобы работы по расширению и восстановлению всех водопроводных и канализационных сетей. Так как проблема питьевой воды – самая главная проблема. И важно также рассмотреть вопрос газификации.

Председатель собрания



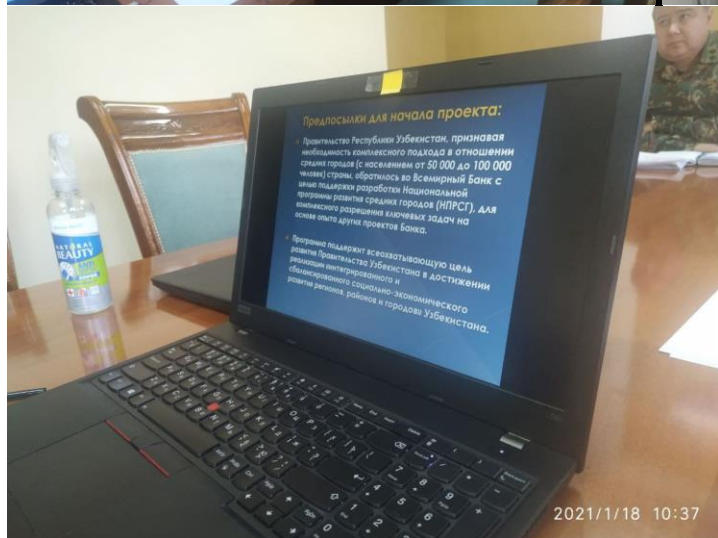
Турдиев Н.Д.

Секретарь



Попова Т.Н.

# Photos from public consultation meetings





## 5. Public consultation protocol (Surkhandarya region).

### ПРОТОКОЛ

#### консультации с общественностью проекта дополнительного финансирования «Комплексное развитие средних городов»

**Цель:** Обсуждение Рамочных документов проекта Аспекты окружающей среды, отвода земель и переселения.

**Место проведения:** зал областного хокимията Сурхандарьинской области, г. Термез.

**Дата:** 19 января 2021 года.

**Время:** 11.30- 12.30

**Подготовлено и представлено:** Специалисты по экологическим и социальным защитным мерам проекта: Гадаевым Жахонгиром, Поповой Татьяной.

**Целевая аудитория:** Жители Сурхандарьинской, представители хокимията, региональные и местные органы власти, участвующие в мероприятиях по охране окружающей среды по проекту (комитета по экологии и охране окружающей среды). Присутствовало 10 человек. Председателем собрания был заместитель начальника управления по экономике областного хокимията Урозов Абдуназар Жабборович.

#### Обсуждались основные темы на ПК:

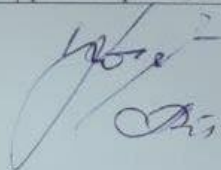
Описание проекта и его компонентов; дополнительное финансирование проекта АБИИ, потенциальные мероприятия по планированию проекта, национальное экологическое, социальное законодательство (об отводе земель и переселению) и соответствующие требования ОП ВБ, выявленные социальные и экологические последствия и меры по смягчению, документы по защитным мерам, которые необходимо разработать в рамках ПКРСГ для каждого подпроекта, тип отвода земель и последствия переселения, содержание РПП и ПДП; имеющие право на компенсацию людей, последствия и убытки, подлежащие компенсации; МРЖ; оказание помощи уязвимым и сильно затронутым домашним хозяйствам; дальнейшие этапы окончательной подготовки ПДП, если они окажут какое-либо воздействие; оценка компенсации; дальнейшие этапы реализации Проекта.

#### После презентации участники подняли следующие вопросы:

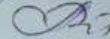
№	Вопросы	Ответы
1	Будет ли направлен на улучшение сферы туризма в областях?	По результатам глубокого анализа будут.
2	Можно узнать сумма проекта?	В настоящий момент пока не известно, ведутся переговоры между правительством и Всемирным банком.
3	Это кредит или грант?	Были даны разъяснения по поводу кредита.
4	Проблема чистой воды. Будет ли в рамках проекта улучшать водоснабжение?	На данный момент не известно, проблемы каждого выбранного города будут рассмотрены для составления планов работ.

Председатель собрания

Секретарь



Урозов А.Ж



Попова Т.Н.

Photos from public consultation meetings



Annex 2. List of participants of public consultation meetings

Place: Namangan. Chartak subproject.

Medium-Sized Cities Integrated Urban development Project  
 Environmental and Social Management Framework  
 Public Consultation  
 Chartak, Uzbekistan  
 2 October 3, 2018  
 Registration List

Place: Khokimiyat chartak

#	Organization	Name	Position	Email/phone number	Signature
1	Chartak Tuman ER Tuzumi Boshqarmasi	Sharifjonov Muxommad	DAQT muxtasasi	93 9156031	[Signature]
2	Namangan viloyati Davlat boshqarmasi	Yunusov Baxtiyoz	zabitor muxtasasi		[Signature]
3	Hamjamiyat boshqarmasi	Yunusov Muxommad	Hamjamiyat muxtasasi	99 3915758	[Signature]
4	Chartak tumanidagi mahalliy hokimiyat boshqarmasi	Shaymurotov Shukurjon	Erkin harakat monitoringi boshqarmasi	93 725 10 74	[Signature]
5	Chartak tumanidagi IFA boshqarmasi	Sodiqov Baxtiyoz	M. P. U. boshqarmasi	94 509 7008	[Signature]
6	Chartak tumanidagi mahalliy hokimiyat boshqarmasi	Sattorov Shukurjon	Hamjamiyat muxtasasi	94 426 80 80	[Signature]
7	Chartak tumanidagi mahalliy hokimiyat boshqarmasi	Sodiqov Shukurjon	Chartak tumanidagi mahalliy hokimiyat boshqarmasi	94 10 25	[Signature]
8	Chartak tumanidagi mahalliy hokimiyat boshqarmasi	Tashbaev Ravshan	Muxtasasi	94 151 37 84	[Signature]

#	Organization	Name	Position	Email/phone number	Signature
9	Chartak tumanidagi statistika boshqarmasi	Tashbaev Davlat	Statistika muxtasasi	94 509 66 63	[Signature]
10	Chartak tumanidagi arxitektura va qurilish boshqarmasi	Maslamov Davlat	Muxtasasi	94 151 13 17	[Signature]
11	Tumanidagi mahalliy hokimiyat boshqarmasi	Foxtov Mavliddin	Bulim boshqarmasi	99 321 01 23	[Signature]
12	Chartak tumanidagi mahalliy hokimiyat boshqarmasi	Kutubov Mavliddin	Bulim boshqarmasi	94 500 12 10	[Signature]
13					
14					
15					
16					
17					
18					

Place: Tashkent region - Yangiyul subproject

Medium-Sized Cities Integrated Urban development Project  
 Environmental and Social Management Framework  
 Public Consultation  
 Yangiyul, Uzbekistan  
 October 2, September 29, 2018  
 Registration List

Place: Yangiyul Khokimiyat

#	Organization	Name	Position	Email/phone number	Signature
1	Tashkent viloyati Dax. tashk. va kish. mas. mulo. madosti, O'z. vabotasi, mah. 2, 10/11	Boydorxonov Sunnat	mutaxassis	+99899 4071808	
2	Sam. xokimiyati 2. Yangiyul va Yangiyul mahalliyati Kotibxona	Akobarov Qurbon	Sam. xokimiyati		
3	Tashkent viloyati Dax. tashk. va kish. mas. mulo. madosti, O'z. vabotasi, mah. 2, 10/11	Xorramnazarov Baxodir Kunjaboev	rolsoz	97 261-27 00	
4	Tashkent viloyati Dax. tashk. va kish. mas. mulo. madosti, O'z. vabotasi, mah. 2, 10/11	Kamilovlar Saidrasul	rolsoz		
5	Tashkent viloyati Dax. tashk. va kish. mas. mulo. madosti, O'z. vabotasi, mah. 2, 10/11	Makhatova Dilobar	mutaxassis	99-481-90-05	
6	Tashkent viloyati Dax. tashk. va kish. mas. mulo. madosti, O'z. vabotasi, mah. 2, 10/11	Ermatovlar Otabek	mutaxassis	97 754-77-76	
7	Tashkent viloyati Dax. tashk. va kish. mas. mulo. madosti, O'z. vabotasi, mah. 2, 10/11	Alimovlar Baxodir		94. 410-88-12	
8	Tashkent viloyati Dax. tashk. va kish. mas. mulo. madosti, O'z. vabotasi, mah. 2, 10/11	Kamoliddinovlar Fayziddin Kamoliddinovlar	Sam. xokimiyati		

#	Organization	Name	Position	Email/phone number	Signature
9	Tashkent viloyati Dax. tashk. va kish. mas. mulo. madosti, O'z. vabotasi, mah. 2, 10/11	Sodikovlar Sodikov	rolsoz	99-481-12-10	
10	Tashkent viloyati Dax. tashk. va kish. mas. mulo. madosti, O'z. vabotasi, mah. 2, 10/11	Kudayberdiyevlar Kudayberdiyevlar	Shirak mahalliy mexanik muroti xizmatdosh (SHMT)	94-698-82-24	
11					
12					
13					
14					
15					
16					
17					
18					

Place: Bukhara. Kogon subproject

Medium-Sized Cities Integrated Urban development Project  
 Environmental and Social Management Framework  
 Public Consultation  
 Kogon, Uzbekistan  
 October 2, 2018  
 Registration List

Place: Kogon Khokimiyati

#	Organization	Name	Position	Email/phone number	Signature
1	Торговский комитет	Алимов Алимжон Саидович	зам. главы	91.3111442	
		Исходов Тухтамурод Курбанович	отдел ИКО	93.4533850	
2	отдел архитектуры	Юлдашева Иброҳим Рахмоновна	специалист	91.612.4140	
3	отдел земельного кадастра	Абдуллаев Аруз Курманович	зам. начальника	97.302.09.02	
4	отдел гос. регистрации	Жалолов Фарук	зам. начальника	93.659.61.16	
5	ГУП „Суворава“	Мавлонов Исроил	зам. начальника	91.2472565	
6	ГУП „Махоратранс“	Мусенов Мурод	начальник отдела	91-107-55-60	
7	Отдел культуры	Шеира Мирова	зам. отделе культуры, в/и	90.712.78-57	
8	„Ижтисодиёт“ МФУ	Илмурад Дилрабо	начальник кабинета	90-718-09-38	

#	Organization	Name	Position	Email/phone number	Signature
9	Фазилей айр.и	Джамалов Дилмурод Камолевич	начальник кабинета	93.626.50.13	
10	Фаруший МФУ	Рашидова Дилрабо Дилмуратовна	начальник кабинета	99.408.68-45	
11	14-ИТМ	Марината Шахрова Тасановна	мушара	97-304-55-72	
12	Когон шаҳар маҳаллий ҳокимияти МФУ	Абдураҳманов Ишрақ Дилмуродович	Бўлим бошлиқи		
13	Когон шаҳар Ободот ва қишлоқ ҳужайралини ривожлантириш бўлими	Томагов Широз Абдулович	бошлиқ	90.614-04-64	
14	Когон шаҳар ҳокимияти МФУ	Алимов Алимжон Саидович	Хатини йўқловчи	91-311-14-42	
15	Тўрғай МФУ	Наманов Саймон Рахмонов	вазир кабинет	93-965-15-25	
16	Когон шаҳар ХТБ	Каримов Хамзаидин Фаруқович	Бўлим бошлиқи	94.246.9469	
17					
18					
19					

Place: Kashkadarya region

**Ўрта шаҳарларни комплекс ривожлантириши лойиҳасининг қўшимча  
молиялаштириши дастури доирасида ўтказилган жамоатчилик учрашуви  
қатнашчиларининг руйхати.**

Ўтказиш жойи : Қашқадарё вилояти, Экология ва табиатни муҳофаза қилиш бошқармаси биноси,  
Ўтказиш куни: 18.01.2021й

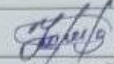

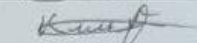
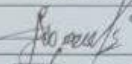




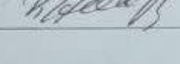

№	Исми, фамилияси	Алоқа телефони	Имзо
1	Турдиев Умид	+998996608610	
2	Османов Булвар	+9989731377-74	
3	Полатов Туркид	+998981981979	
4	Захромов Аббос	+916351177	
5	Маммажароҳов Умузбек	+91636-53-12	
6	Абдиевлов Лошмиде	838004488	
7	Ахмедов Иқом	996661104	
8	Носиров Ферро	896661105	
9	Мўминова Сайеда	91962.76.60	
10	Эдгарова Фотима	91947-17-18.	
11	Раззоқова Фотима	99360-23-02	
12	Ҳориева Феруза	91263-98-98	
13	Ҳосирова Қарима	91227-38-38	
14	Эдгарова Қарима	91-640-87-04	
15			

Place: Surhandarya region

Ўрта шаҳарларни комплекс ривожлантириш лойиҳасининг қўшимча  
молиялаштириш дастури доирасида ўтказилган жамоатчилик учрашуви  
қатнашчиларининг рўйхати

Ўтказиш жойи: Сурхондарё вилояти ҳокимияти биноси

Ўтказиш куни: 19.01.2021 й.

№	Исми, фамилияси	Алоқа телефони	Имзо
1	Юлдашев Маттиёр	93-377-55-11	
2	Раҳмонов Шобурак	94776 28 38	
3	Касимов Қадир	81 585 00 04	
4	Тожиёв Ёшубека	94-208-22-78	
5	Болтаев Зорир	97-840-84-48	
6	Султонов В.А.	91-515-21-95	
7	Рустамов Бекмур	93-639-18-78	
8	Борисов Шобурак	91982-40-40	
9	Боймуродов Шобурак	90 909 70 47	
10	Қўлқоров Акбар	91 968-1555	
11			
12			

### **Annex 3. Outline for Abbreviated Resettlement Action Plan**

This is a Template for an Abbreviated RAP (ARAP):

**1. Census survey of displaced persons and valuation of assets;**

(List of affected people and how they are affected. What are they losing concretely and valuation?)

**2. Description of compensation and other resettlement assistance to be provided;**

(self-explanatory: what is being given and how they are helped)

**3. Consultations with project affected persons (PAP) about acceptable alternatives;**

(report on consultation)

**4. Institutional responsibility for implementation and procedures for grievance redress**

(who does what? and when?)

**5. Arrangements for monitoring and implementation**

**6. Timetable and budget**

(timing for each step and the costs)

**7. Simple socio-economic study**

(In addition to the census of the individual PAPs, the survey would list all their assets and livelihood factors in order to be able to assess the magnitude of impact.)

It is important to emphasize that according to OP 4.12 “On Involuntary Resettlement”, Annex A, Article 22<sup>21</sup> an abbreviated plan covers the following minimum elements:

- a. a census survey of displaced persons and valuation of assets;
- b. description of compensation and other resettlement assistance to be provided;
- c. consultations with displaced people about acceptable alternatives;
- d. institutional responsibility for implementation and procedures for grievance redress;
- e. arrangements for monitoring and implementation; and
- f. a timetable and budget.

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<sup>21</sup> OP 4.12, Annex A:

<http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/EXTPOLICIES/EXTOPMANUAL/0,,contentMDK:20066696~menuPK:64701637~pagePK:64709096~piPK:64709108~theSitePK:502184,00.html>



## **Annex 4. Outline of Resettlement Action Plan (RAP)**

A Resettlement Action Plan will include as by the *Handbook for Preparing a Resettlement Action Plan* the below-listed chapters and subchapters. Along with the main structure is explained the content needed in each chapter.

### **Introduction**

- Briefly describe the project.
- List project components including associated facilities (if any).
- Describe project components requiring land acquisition and resettlement; give overall estimates of land acquisition and resettlement.

### **Minimizing Resettlement**

- Describe efforts made to minimize displacement.
- Describe the results of these efforts.
- Describe mechanisms used to minimize displacement during implementation.

### **Census and Socioeconomic Surveys**

- Provide the results of the census, assets inventories, natural resource assessments, and socio-economic surveys.
- Identify all categories of impacts and people affected.
- Summarize consultations on the results of the various surveys with affected people.
- Describe the need for updates to the census, assets inventories, resource assessments, and socioeconomic surveys, if necessary, as part of RAP monitoring and evaluation.

### **Legal Framework**

- Describe all relevant local laws and customs that apply to resettlement.
- Identify gaps between local laws and World Bank Group policies and describe project-specific mechanisms to address conflicts.
- Describe entitlement policies for each category of impact and specify that resettlement implementation will be based on specific provisions of agreed RAP.
- Describe the method of valuation used for affected structures, land, trees, and other assets.
- Prepare the entitlement matrix.

### **Resettlement Sites**

- Does the project require community relocation sites? Have affected people been involved in a participatory process to identify sites, assess the advantages and disadvantages of each site, and select preferred sites?
- Have the affected people been involved in developing an acceptable strategy for housing replacement? Will new housing be constructed/allocated?
- Does the project involve allocation of agricultural land or pasture/rangeland? Have the individual households that will be allocated lands been involved in identifying potential new sites, and have they explicitly accepted the selected sites?
- Describe the specific process of involving affected populations in identifying potential housing sites, assessing advantages and disadvantages, and selecting sites.
- Describe the feasibility studies conducted to determine the suitability of the proposed sites, including natural resource assessments (soils and land use capability, vegetation and livestock carrying capacity, water resource surveys) and environmental and social impact assessments of the sites.
- Demonstrate that the land quality and area are adequate for allocation to all of the people eligible for allocation of agricultural land. Provide data on land quality and capability, productive potential, and quantity.
- Give calculations relating to site requirements and availability.
- Describe mechanisms for 1) procuring, 2) developing and 3) allotting resettlement sites, including the awarding of title or use rights to allotted lands.
- Provide a detailed description of the arrangements for site development for agriculture, including funding of development costs.
- Have the host communities been consulted about the RAP? Have they participated in the identification of likely impacts on their communities, appropriate mitigation measures, and preparation of the RAP? Do the host communities have a share of the resettlement benefits?

### **Income Restoration**

- Are the compensation entitlements sufficient to restore income streams for each category of impact? What additional economic rehabilitation measures are necessary?

- Briefly spell out the restoration strategies for each category of impact and describe their institutional, financial, and technical aspects.
- Describe the process of consultation with affected populations and their participation in finalizing strategies for income restoration.
- How do these strategies vary with the area of impact?
- Does income restoration require a change in livelihoods, development of alternative farmlands or some other activities that require a substantial amount of training, time for preparation, and implementation?
- How are the risks of impoverishment to be addressed?
- What are the main institutional and other risks for the smooth implementation of the resettlement programs?
- Describe the process for monitoring the effectiveness of the income restoration measures.
- Describe any social or community development programs currently operating in or around the project area. If programs exist, do they meet the development priorities of their target communities? Are there opportunities for the project proponent to support new programs or expand existing programs to meet the development priorities of communities in the project area?

### **Institutional Arrangements**

- Describe the institution(s) responsible for delivery of each item/activity in the entitlement policy; implementation of income restoration programs; and coordination of the activities associated with and described in the resettlement action plan.
- State how coordination issues will be addressed in cases where resettlement is spread over a number of jurisdictions or where resettlement will be implemented in stages over a long period of time.
- Identify the agency that will coordinate all implementing agencies. Does it have the necessary mandate and resources?
- Describe the external (no project) institutions involved in the process of income restoration (land development, land allocation, credit, training) and the mechanisms to ensure adequate performance of these institutions.
- Discuss institutional capacity for and commitment to resettlement.
- Describe mechanisms for ensuring independent monitoring, evaluation, and financial audit of the RAP and for ensuring that corrective measures are carried out in a timely fashion.

### **Implementation Schedule**

- List the chronological steps in the implementation of the RAP, including identification of agencies responsible for each activity and with a brief explanation of each activity.
- Prepare a month-by-month implementation schedule (using a Gantt chart, for example) of activities to be undertaken as part of resettlement implementation.
- Describe the linkage between resettlement implementation and initiation of civil works for each of the project components.

### **Participation and Consultation**

- Describe the various stakeholders.
- Describe the process of promoting consultation/participation of affected populations and stakeholders in resettlement preparation and planning.
- Describe the process of involving affected populations and other stakeholders in implementation and monitoring.
- Describe the plan for disseminating RAP information to affected populations and stakeholders, including information about compensation for lost assets, eligibility for compensation, resettlement assistance, and grievance redress.

### **Grievance Redress**

- Describe the step-by-step process for registering and addressing grievances and provide specific details regarding a cost-free process for registering complaints, response time, and communication modes.
- Describe the mechanism for appeal.
- Describe the provisions for approaching civil courts if other options fail.

### **Monitoring and Evaluation**

- Describe the internal/performance monitoring process.
- Define key monitoring indicators derived from the baseline survey. Provide a list of monitoring indicators that will be used for internal monitoring.

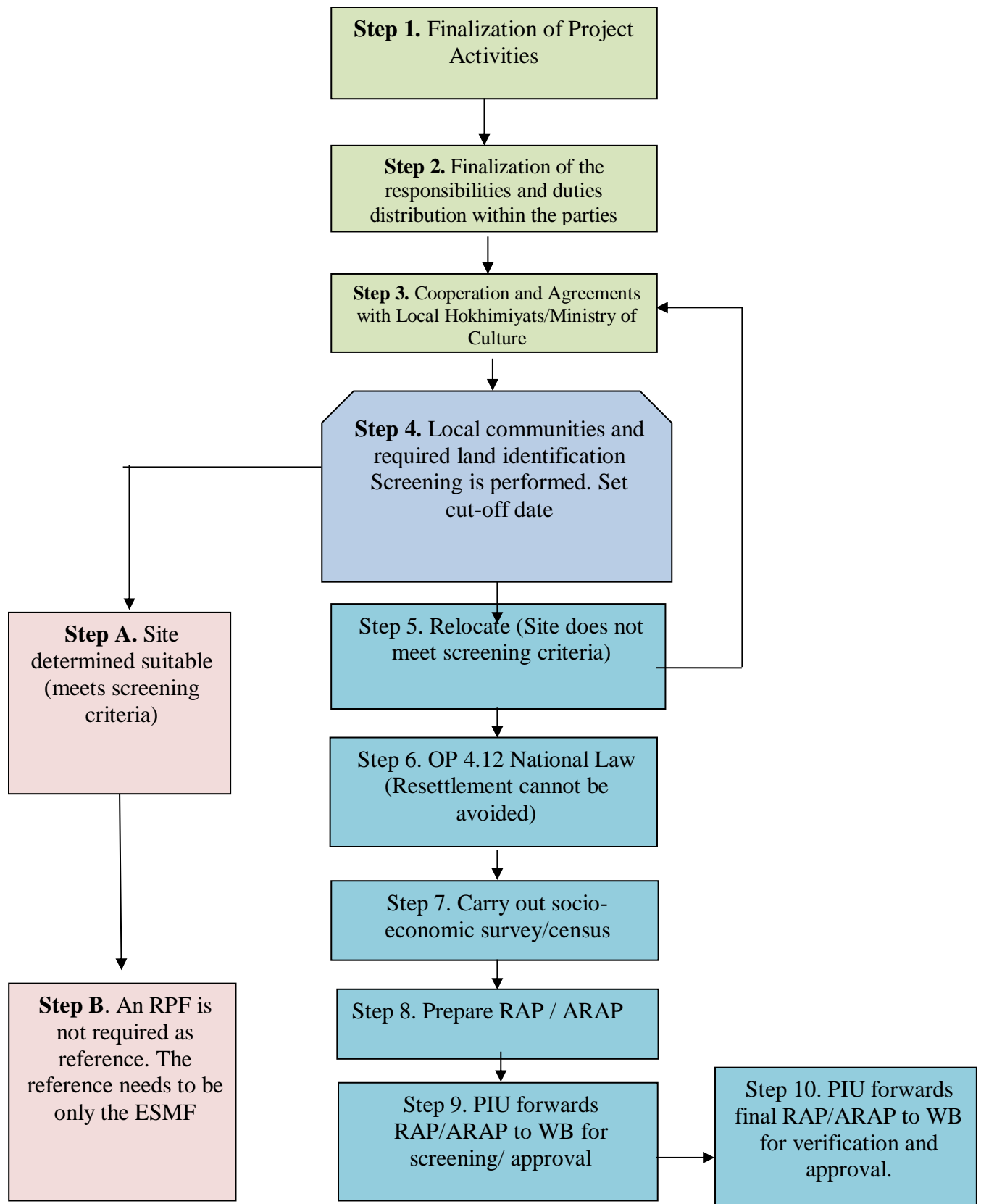
- Describe institutional (including financial) arrangements.
- Describe the frequency of reporting and content for internal monitoring.
- Describe the process for integrating feedback from internal monitoring into implementation.
- Define methodology for external monitoring.
- Define key indicators for external monitoring.
- Describe the frequency of reporting and content for external monitoring.
- Describe the process for integrating feedback from external monitoring into implementation.
- Describe arrangements for final external evaluation.

### **Costs and Budgets**

- Provide a clear statement of financial responsibility and authority.
- List the sources of funds for resettlement and describe the flow of funds.
- Ensure that the budget for resettlement is sufficient and included in the overall project budget.
- Identify resettlement costs, if any, to be funded by the government and the mechanisms that will be established to ensure coordination of disbursements with the RAP and the project schedule.
- Prepare an estimated budget, by cost and by item, for all resettlement costs including planning and implementation, management and administration, monitoring and evaluation, and contingencies.
- Describe the specific mechanisms to adjust cost estimates and compensation payments for inflation and currency fluctuations.
- Describe the provisions to account for physical and price contingencies.
- Describe the financial arrangements for external monitoring and evaluation including the process for awarding and maintenance of contracts for the entire duration of resettlement.

### **Annexes**

- Copies of the census and survey instruments, interview formats, and any other research tools
- Information on all public consultation including announcements and schedules of public meetings, meeting minutes, and lists of attendees.
- Examples of formats to be used in monitoring and reporting on RAP implementation.



**Annex 6. Resettlement Linkage with Specific Activities of MSCIUDP**

Pre-RAP and RAP Activity	Rehabilitation of streets/walkways	Access road/upgrading of bridges"	Rehabilitation of the city center	Street lighting city-center	Rehabilitation of basic services
Project Planning	✓	✓	✓	✓	✓
Pre-Involvement of Communities	✓	✓	✓	✓	✓
Census of project affected persons and the valuation of assets.		✓			
Consultations with not affected people in the area of the activity / or consultation with PAPs about acceptable alternatives	✓	✓	✓		
RAP Preparation		✓			
Compensation/Resettlement		✓			
Post RAP Activities		✓			

Note: This table and the specifications if a rap will be undertaken for the project are subject to further updates.

**Annex 7. The Logbook of GRM**

**Cover page:**

**GRIEVANCE REDRESS MECHANISM  
THE LOG BOOK OF COMPLAINTS, SUGGESTIONS, AND GRATITUDE**

N	Date	The content of Grievances /Complaint /Suggestions /Gratitude	Applicant /Aggrieved Person (Full Name)	Contact details	Signature/ Note	Accepted by	<b>Continuation:</b> 1) Answer orally / date 2) Replied in writing/date 3) Forwarded to another authority (to be indicated) / date 4) Other action (to be indicated) / date	<b>The short content of the status of response and reimbursement</b> (1-satisfactory, 2-partially satisfactory, 3-unsatisfactory.)
1								
2								
3								

**For the implementation of :**

**MEDIUM-SIZED CITIES INTEGRATED URBAN DEVELOPMENT PROJECT  
Subproject Name**

**Name Mahalla committee/ Contractor working office/Hokimiyat and PIU WB Tashkent office/  
District, Province:**

**Notice:** The grievance book should sequentially be numbered and pages have been bound securely

### Annex 8. Proposed Indicators for Social Monitoring Plan

No	Issues/activities to be monitored	Indicators
1	General success/acceptability of the compensation/resettlement process	Outstanding (unsigned) individual compensations/resettlement contracts as a percentage of total compensation/resettlement contracts
		The ratio of PAPs remaining supportive of the project against those not supportive
		Level of public consultation measured as the ratio of those that acknowledge having been
		Consulted vs. those that were not consulted. This ratio can be determined by random sampling.
		Actual time of completing resettlement compared to the planned time
2	Project acceptance (or not) by the community	Number of complaints as a percentage of total PAPs
		Number of grievances successfully resolved as a percentage of the total number of grievances
3	Acceptance (or not), of PAPs by the host community	Number of conflicts between PAPs and host community
4	Restoration of areas temporarily disrupted by construction	Area of land restored to cultivation as a percentage of total area of land disrupted
5	Replacement of grazing land permanently displaced by access roads and building construction	Area of new land opened up for cultivation/grazing as a percentage of total original land area cultivated/grazed
6	Quality of life compared with that before compensation/resettlement	Number of larger houses of better quality provided as a percentage of total number of houses in the original settlement
		Number of individuals and families able to re-establish their pre-displacement activities, land, and crops or other alternative incomes, as a percentage of total PAPs
		Pre-project income of vulnerable affected individuals/groups versus their present income
		Number of people participating in project activities compared to total PAPs
		Trends in environmental diseases such as malaria, diarrhea, coughs etc
		Trends in respiratory diseases
		The trend in HIV/AIDS statistics in comparison with pre-settlement statistics
		Mortality rates after resettlement compared with pre-settlement rates
Number of PAPs with access to potable water compared with total PAPs		
7	Productivity	Pre-project production versus present production (crop for crop, land for land).
		Post-project production per affected household/homestead compared with pre-project income.
		Wildlife conservation and eco-tourism activity on acquired land as per plan,