



Supplementary
Environmental & Social
Impact Assessment
(ESIA) for Almaty
Railroad Bypass Project,
Kazakhstan

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Resettlement Framework (Addendum to
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Resettlement Framework (Addendum to the Livelihood Restoration
Plan)

0753033



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ACRONYMS AND ABBREVIATIONS

Acronyms	Description
AIIB	Asian Infrastructure Investment Bank
ERM	Environmental Resources Management
ESIA	Environmental and Social Impact Assessment
FGD	Focus Group Discussion
GRM	Grievance Redressal Mechanism
Ha	Hectares
IFC	International Finance Corporation
KII	Key Informant Interview
KTZ	Kazakhstan Temir Zholy Joint Stock Company

Acronyms	Description
LRIT	Livelihood Restoration Implementation Team
LRP	Livelihood Restoration Plan
OHTL	Overhead Transmission Line
PS	Performance Standard
RAP	Resettlement Action Plan
RF	Resettlement Framework
RoW	Right of Way
SEP	Stakeholder Engagement Plan
SIA	Social Impact Assessment
SSI	Semi-Structured Interview
USD	United States Dollar

1. INTRODUCTION

Asian Infrastructure Investment Bank ("AIIB") and International Finance Corporation ("IFC"), collectively referred to as the "Lenders", are considering financing the construction and operation of the Almaty Railroad Bypass (the "Project"), which is under development by the Kazakhstan Temir Zholy Joint Stock Company (the "Developer" or "KTZ").

Environmental Resources Management (S) Pte Ltd ("ERM") has been engaged to conduct a Supplementary Environmental and Social Impact Assessment (ESIA) for this Project. This includes a Livelihood Restoration Plan (LRP) as well as a Resettlement Framework (this document) as an addendum to the LRP which assesses the physical displacement impacts due to the Project's land requirements.

Land acquisition for the project has been underway since 2023 and is expected to be completed in 2025. While the LRP covers economic displacement impacts, as an addendum to the LRP, the Resettlement Framework assesses the project's physical displacement impacts. As of February 2025, the project boundaries for certain components (i.e. Zhetygen station) are under finalization. Therefore, the Resettlement Framework outlines the current understanding of physical displacement impacts, gaps in the national regulations governing the consideration of physical displacement impacts and general principles (in terms of the need for any additional entitlements and/or process elements) to improve living conditions among physically displaced households. It is understood that KTZ will expand the Resettlement Framework into a Resettlement Action Plan (RAP) based on the guidance provided in this document.

1.1 PROJECT DESCRIPTION

KTZ intends to construct a 75km railway line, with a total track length of 130 km, known as the Almaty Railroad Bypass, to alleviate congestion in Almaty City and to connect the existing railway stations of Kazybek bek in Zhambyl District and Zhetygen station in Alatau City¹. As part of this Project, three new railway stations: Sorbulak, Moyinkum and Zhana-Arna will be constructed while the Kazybek bek and Zhetygen stations will be upgraded and expanded.

Refer to Section 1 of the LRP for information on the project location, the key project components, the project footprint and the overall status of land acquisition.

1.1.1 SUMMARY OF PHYSICAL DISPLACEMENT IMPACTS

Five (5) different options in relation to the rail alignment were considered for the Project. Section 2.5.2 of the Supplementary ESIA describes the five (5) options considered in detail. The final alignment considered avoidance and/or optimizations such as:

- Avoidance of residential structures to the extent feasible
- Minimisation of disruption to agricultural land
- Minimisation of earthworks; and
- Alignment with Almaty's General Plan for Suburban Zones to avoid impacts on planned urban expansion or land use policies.

¹ Zhetygen village, where the Zhetygen station is located, was previously a part of Iliy District but was established as part of the newly formed Alatau City in 2024.

Based on the information made available from KTZ to date, physical displacement impacts are limited to the area around Zhetygen Station, and are summarized in **Table 1-1** below.

TABLE 1-1: PHYSICAL DISPLACEMENT IMPACTS PER PROJECT COMPONENT

Component	Extent of Physical Displacement	Source/Trigger	Remarks
Existing alignment and RoW	None identified across a majority of the alignment, except for Alatau City	Satellite imagery review, ERM SSIs and discussions with KTZ/Poligram	It should be noted that ERM had flagged to KTZ the gaps in the boundaries of the updated RoW, absence of georeferenced station footprint/layout and technical issues with the geo-reference system used
Zhetygen Station and incoming RoW	22 affected structures, of which 13 residential structures are impacted (approximately 10 to 15 households)	Site survey, satellite imagery review, consultation with the Alatau City Land Department.	The ERM site team conducted SSIs with affected landowners, of which 8 faced likely physical displacement. The team also conducted an enumeration of affected structures, and determined that approximately 10 to 15 households will likely face physical displacement around Zhetygen station.
Kazybek Bek Station	None identified	KTZ	As of 16 January 2025, KTZ confirmed to IFC/AIIB that no residential structures exist in Kazybek Bek.
Quarries/Borrow Areas	None identified	Satellite imagery review, site visits to quarry locations.	Quarries within the RoW are part of the land acquisition, but those outside the alignment are government-leased lands with no physical or economic displacement identified.
Transmission Lines (for Almaty Bypass Project)	None identified	Satellite imagery review, site visits, consultation with KTZ and Integra.	<ul style="list-style-type: none"> No physical displacement for the 10 KV underground line No physical displacement at the existing KBB substation or the proposed Zhana Arna substation No physical displacement identified along the 1.961km OHTL between PS Alma-500 (existing substation outside the alignment) and the proposed Zhana Arna substation

In addition to the above, based on ERM's impact assessment for noise, certain residential receptors have been identified around Zhetygen Station and Kazybek Bek Station that may be at risk of physical displacement due to the intensity of operational noise impacts.

Approximately 24 structures on the eastern side of Zhetygen station and 12 structures on the northern side of the Kazybek Bek Station will likely be impacted by operational noise impacts². It is understood that KTZ is currently assessing the feasibility of installing certain noise barriers

² Refer to the Noise Assessment (Section 6.3 of the Supplementary ESIA) for further details.

at specific locations as indicated in the impact assessment in order to avoid physical displacement due to operational noise impacts.

Therefore, the Resettlement Framework focuses on addressing physical displacement impacts in Alatau City, particularly around Zhetygen Station. Should physical displacement due to the operational noise impacts be necessary (i.e. it is found that noise barriers are not feasible), this Resettlement Framework will need to be updated to include the noise-affected households.

The information currently available suggests that some of the residential receptors likely to be impacted by operational noise are KTZ employees living in KTZ-provided accommodation. In this scenario, a viable option would be to relocate employees to another accommodation site. However, for other residential receptors, options such as reconstruction or upgrading works to soundproof the affected house, and the facilitation of relocation can be considered. It is important to note that households cannot be compelled to move against their will, and that measures should be taken to ensure compliance with IFC PS5 in the resettlement process.

1.1.2 STATUS OF LAND ACQUISITION IN ALATAU CITY

According to information received by ERM as of 13 January 2025, a total of 49 land plots will be affected around Zhetygen station, under the administration of Alatau City. These include land plots around Zhetygen Station as well as those along the alignment within Alatau City. Of the 49 land plots, 39 were previously under the administration of the Iliy and Talgar Districts, and 10 were newly identified due to KTZ's ongoing efforts to finalize the Project boundaries. The acquisition status of the 49 land plots that are required for the project footprint within Alatau city, including those around the Zhetygen station are described in **Table 1-2**.

TABLE 1-2: STATUS OF LAND ACQUISITION IN ALATAU CITY

Category	No. of land plots	Additional information
Completed acquisition	6	Completed under the administration of Iliy District and Talgar District. Of this, 5 involved court cases. According to the Alatau land department, only court cases which have reached a final decision and were considered resolved were transferred to Alatau City. As they have been transferred to Alatau City, it can be assumed that these land plots have already been acquired by the state.
Pending acquisition	27	Transferred from the administration of Iliy District and Talgar District. Of these 22 are privately owned and 5 are government-owned leased land plots.
No acquisition required	5	Of this, 2 were privately owned land plots and 3 were government-owned leased land plots. According to the semi-structured interviews conducted with affected landowners and the key informant interviews conducted with the land acquisition department of Alatau City and Iliy District, privately owned lands are considered as not requiring acquisition when the affected landowner decides to voluntarily donate ³ the affected portion of their land plots to the state for the purpose of the Project. Reasons cited primarily relate to the small to negligible compensation amount (due to a small to negligible portion of their lands being affected) which is reportedly not

³ No cases have been identified where physically displaced landowners donated their land to the Project.

Category	No. of land plots	Additional information
		commensurate to the time and effort required by the affected landowners to go through the land acquisition process.
Land under encumbrances	1	According to land department representatives, land which is under encumbrances typically refers to cases in which the landowner has financial obligations such as unpaid debts or taxes which prevents the land from being sold or transferred until the debts are settled.
Newly identified pending acquisition	10	A decree ⁴ has been issued in December 2024 for the acquisition of these land plots. As of January 2025, valuation of these land plots and determination of compensation was yet to be completed.

Section 1.3 elaborates on the physical displacement impacts associated with approximately 10 to 15 of the 49 land plots described above⁵.

1.2 NEED FOR A RESETTLEMENT FRAMEWORK

As summarized in Section 1.1.1, the Project's land requirements will result in physical displacement for certain households in Alatau city, particularly around Zhetygen Station (details provided in Section 1.3). While the precise boundaries of the Zhetygen Station footprint are yet to be finalized as of February 2025, it is evident that multiple structures (including residences) will need to be acquired, leading to physical displacement. As an addendum to the LRP, this Resettlement Framework specifically addresses physical displacement impacts and proposed entitlements as well as process elements in consideration of the ongoing status of land acquisition.

1.2.1 OBJECTIVES

The primary objective of this Resettlement Framework is to enable KTZ to align managing physical displacement resulting from the ongoing land acquisition in Alatau City with the principles of IFC PS5 on Land Acquisition and Involuntary Resettlement. This includes:

- **Alignment with IFC PS5** – Ensure that the resettlement process addresses gaps between Kazakhstan's national regulations and IFC PS 5.
- **Avoidance of forced eviction** - This includes safeguards against forced eviction⁶, ensuring that displacement only occurs after fair compensation has been provided, along with adequate notice, meaningful consultation, and legal protections for affected persons.
- **Compensation at Full Replacement Cost** – Suggest additional safeguards to the existing valuation and compensation mechanism in order to provide physically displaced

⁴ A decree issued on 18 December 2024 authorized the expropriation of 112 land plots under the jurisdiction of Alatau City. The Alatau City Land Department suggested that when the Project boundaries are finalized another decree will be issued to notify those whose lands will no longer be acquired due to the optimisation of the Project boundaries, and if applicable, in the same decree notify those whose lands will additionally be acquired.

⁵ As no georeferenced, digitized cadastral map is available, estimates of the number of land plots associated with physical displacement are provided, on the basis of site surveys and SSIs conducted.

⁶ Per IFC PS5, forced evictions refer to the permanent or temporary removal against the will of individuals, families, and/or communities from the homes and/or lands which they occupy without the provision of, and access to, appropriate forms of legal and other protection.

persons with full replacement cost for lost assets, including land, structures, and other affected properties.

- **Assisted Self-Relocation** – Ensure that physically displaced households receive appropriate support to secure alternative housing options.

The Resettlement Framework also includes additional/incremental measures to the LRP on community engagement and consultant, grievance mechanism and monitoring/evaluation.

Note:

- **Livelihood restoration of physically displaced households:** While the LRP comprehensively outlines strategies for restoring livelihoods affected by economic displacement, this framework focuses solely on the loss of primary residences, associated assets, and relocation assistance. Any livelihood restoration measures included in this framework will be limited to addressing impacts directly linked to physical displacement (e.g. assistance for home-based businesses that require relocation), as broader livelihood restoration strategies are already covered in the LRP.
- **Retrospective compensation of completed land acquisition where there were isolated cases of physical displacement:** The scope and application of this Resettlement Framework also includes cases of physical displacement that occurred prior to the administrative transition from Iliy District to Alatau City. While compensation as per regulatory requirements was disbursed before the transition, a retrospective assessment brought out gaps in relocation support, procedural consistency, and grievance mechanisms. To address these, additional measures are included to ensure that affected households who were previously displaced receive adequate compensation. Where necessary, supplementary assistance may be considered to align past compensation with IFC PS5 principles, particularly in cases where relocation costs were not fully accounted for.

1.2.2 KEY ACTIVITIES

ERM conducted the following activities to develop this Resettlement Framework:

- **Review of Land Acquisition Data** – The assessment was based on a list of 49 land plots provided by KTZ and verified with the Alatau Land Department. This list was cross-checked with the original list of 274 land plots from the IFC Gaps Analysis report compiled by the previous land consultant. The land plots on these lists refer to affected plots, with no indications as to whether people are physically displaced due to the land acquisition.
- **Process Documentation** -- ERM conducted a key informant interview with the Alatau City Land Department to document the land acquisition and compensation process for physically displaced persons before the administrative transition. To assess retrospective impacts, ERM reviewed prior assessments and incorporated insights from three (3) SSIs conducted in November 2024 with displaced households. Discussions with local taxation and land valuation experts further contextualized potential financial burdens, such as transaction costs for securing replacement land.
- **Stakeholder Consultations** – In relation to physical displacement, ERM conducted one (1) key informant interview with the representative from the Land Department of Alatau City and five (5) SSIs with respondents who are likely to face physical displacement in January 2025. Additionally, three (3) SSIs were conducted in November 2024 with persons who had been previously physically displaced (earlier phase) who had completed the

acquisition process while under the administration of Iliy District. These interviews provided insights into the experiences of persons facing the risk of physical displacement and the administrative processes involved in land acquisition.

- **Physical Site Assessment and Enumeration** – A field survey was undertaken to assess the number and types of structures impacted by land acquisition.

1.2.3 LIMITATIONS

The Resettlement Framework is subject to the following limitations:

- **Final Zhetygen Boundary:** Of the 49 land plots in Alatau City, approximately 15 are located around Zhetygen station. The final boundary around Zhetygen station is currently being determined. This implies that there may be additional plots or even lesser plots that may be eventually impacted.
- **Lack of Asset Data:** As of February 2025, the Alatau Land Department and Akimat was yet to conduct the asset inventory of the new land plots. The extent of assets (i.e. residential structures, other structures and immovable assets) impacted was based on a review of satellite imagery and onsite screening. For land plots that were earlier a part of Talgar and Iliy and where physical displacement had already occurred (as indicated during ERM's SSIs in October 2024), ERM has relied on information and data provided by the relevant Akimats as land access and construction had already been initiated.
- **Lack of Up-to-Date Cadastre Data** – The Alatau Land Department did not have access to a digitised, up-to-date cadastral map making it difficult to validate precise land ownership records provided by KTZ.
- **Challenges in Physical Enumeration** – ERM conducted an enumeration of affected structures, identifying 22 total structures, of which 13 were residential. However, due to ongoing land acquisition activities, it is yet to be determined if the entire structure is impacted. Respondents were uncertain about the extent of impacts.
- **Incomplete Household Participation**⁷ – Some affected persons were unavailable during ERM's on-site visits, resulting in gaps in data collection from door-to-door surveys. Additionally, some respondents were unwilling to answer questions in detail or at all, further limiting the completeness of data collected.
- **Limited Institutional Knowledge** – The Alatau City Administration is newly established and does not have historical insights into the affected persons, making it challenging to validate past land tenure and acquisition processes.

1.3 PHYSICAL DISPLACEMENT AROUND ZHETYGEN STATION

The final boundaries of the Zhetygen station footprint are still being determined. However, initial assessments indicate that residential structures within the affected land plots may require acquisition, leading to displacement. **Figure 1-1** depicts the latest version of the station boundaries received by ERM.

⁷ Of the 22 surveyed structures, ERM was only able to engage five (5) affected households. The remaining were not available at the time of the site survey.



FIGURE 1-2: RED PAINT MARKS ON AFFECTED STRUCTURES AROUND ZHETYGEN STATION



FIGURE 1-3: ENUMERATION OF IMPACTED STRUCTURES AROUND ZHETYGEN STATION



Figure 1-3 depicts the impacted structures surveyed in the physical site assessment and enumeration. The door-to-door survey primarily served to enumerate affected structures, while the semi-structured interviews provided detailed qualitative insights into the experiences of persons likely to be physically displaced. For the remaining structures, information was gathered through visual observations and informal discussions with neighbors.

Table 1-3 summarizes the extent of physical displacement due to the Project and the means of identification undertaken.

TABLE 1-3: SUMMARY OF IMPACTS AND EXTENT OF PHYSICAL DISPLACEMENT

Component	Extent of Physical Displacement	Estimated No. of Households	Means of Identification or Verification
Existing alignment and RoW	Isolated cases	3 households	Identified through SSIs conducted.
Zhetygen station	13 residential structures identified for acquisition due to the station footprint.	10 to 15 households.	Satellite imagery review, on site survey and SSIs conducted with affected persons.

1.4 STRUCTURE OF THE RESETTLEMENT FRAMEWORK

Table 1-4 describes the structure of this document.

TABLE 1-4: STRUCTURE OF THE RESETTLEMENT FRAMEWORK

Section No.	Section Title	Description
1	Introduction (this section)	Provides an overview of the project, the need for a resettlement framework, its objectives, and details about physical displacement around Zhetygen station.
2	Legal and Institutional Framework Covering Physical Displacement	Describes the legal and institutional framework relevant to physical displacement, including an outcome of the process documentation through SSIs.
3	Profile of Physically Displaced Households	Presents a profile of affected households
4	Valuation Methodology	Defines the methodology for assessing compensation values for physically displaced persons and assesses its adequacy in comparison to full replacement cost as defined by IFC PS5.
5	Eligibility and Entitlements	Outlines eligibility criteria and entitlements for compensation, with a focus on principles for fair compensation.
6	Physical Resettlement and Livelihoods Restoration	Details resettlement measures and any specific livelihood restoration strategies that are relevant to physical displacement.
7	Stakeholder Engagement, Disclosure, and Grievance Redressal	Explains how affected stakeholders are engaged, the grievance redress mechanism, and principles for managing grievances.

Section No.	Section Title	Description
8	Implementation Arrangements	Defines roles and responsibilities, the schedule of activities, and considerations for change management.
9	Monitoring of Resettlement Activities	Establishes monitoring and evaluation procedures to track the implementation and effectiveness of resettlement measures.
10	Budgetary Considerations	Summarizes financial requirements and an indication of cost estimates for implementing resettlement measures.

2. LEGAL AND INSTITUTIONAL FRAMEWORK COVERING PHYSICAL DISPLACEMENT

This section provides an overview of Kazakhstan's legal and institutional framework governing land acquisition for state needs, with a specific focus on the expropriation of land leading to physical displacement. It outlines the national legal provisions, the responsible institutions, and any gaps between national laws and IFC PS5.

2.1 NATIONAL LEGAL FRAMEWORK ON LAND ACQUISITION AND EXPROPRIATION

The legal framework governing land acquisition for state needs in Kazakhstan is primarily outlined in the Land Code, the Law on State Property, and associated regulations. These laws define the conditions under which land can be expropriated, the rights of affected landowners, and the procedures for compensation. For further details on the laws governing the land acquisition process in Kazakhstan, please refer to the LRP.

2.1.1 KEY LEGAL INSTRUMENTS

The following legislation governs the land acquisition and expropriation process in Kazakhstan:

- **Land Code of the Republic of Kazakhstan** (2003) – Governs land ownership, land use rights, and expropriation procedures.
- **Law on State Property** (2011) – Regulates the acquisition of private land for state needs, including procedural requirements and compensation principles.
- **Law on Valuation Activity** (2018) – Establishes guidelines for the valuation of land and property.
- **Law on Housing Relations** (1997) – Ensures housing rights for physically displaced persons.
- **Civil Code** (1994) – Defines ownership rights, including the conditions under which land can be voluntarily transferred or acquired by the state.
- **Law on State Administration and Local Self-Government** (2001) – Defines the role of regional and district Akimats (local authorities) in land acquisition.

2.1.2 ENTITLEMENTS FOR PHYSICALLY DISPLACED PERSONS PER KAZAKHSTAN'S NATIONAL REGULATIONS AND ESTABLISHED PRACTICES

Entitlements for physically displaced persons in Kazakhstan under the Land Code, Law on State Property, and Law on Housing Relations vary depending on the legal status of land and structures. Compensation and assistance primarily apply to registered landowners and tenants, while unregistered structures and informal occupants are not legally entitled to any compensation and/or assistance. These laws provide the following rights and entitlements.

2.1.2.1 COMPENSATION FOR RESIDENTIAL STRUCTURES

Registered landowners with legally documented residential structures

If a legally registered residential structure is demolished due to state land acquisition, the property owner can choose between two options:

1. *A well-maintained replacement residence of equivalent value.*

In practice, this is not always a viable option, especially in the context of urban areas.

According to key informants interviewed, it can be difficult to find land plots and residences of equivalent value and characteristics. Additionally, data collected from the SSI respondents demonstrated a preference for cash compensation.

2. *Monetary compensation equal to the market value of the demolished house.*

Under Kazakh national law, property owners opting for cash compensation receive an amount based on market value assessments, which take into account the physical condition of the structure. Depreciation is applied to structures during valuation but not to the land itself. If cash compensation is chosen by the landowner, there is no requirement under Kazakh national laws for any further assistance to be provided (for example, moving allowance).

However, the actual implementation of compensation varies, as valuation outcomes can differ depending on the valuator engaged. While the law mandates compensation at market value, the interpretation and application of valuation principles—including depreciation rates and criteria for determining comparable market values—may lead to inconsistencies in the final compensation amounts received by affected property owners.

Residential structures built on registered land without official registration

The structure itself may not be eligible for compensation unless it was officially registered prior to the publication of the land acquisition decree. However, according to the interviewed Akimats, the Land Department can assist landowners who have yet to register their affected structures. If a landowner can prove that the structure was constructed before the decree was published, they may still register it and qualify for compensation. In some cases, owners may file claims through the judicial process to seek compensation.

Unregistered residential structures on unregistered land

These structures are not eligible for compensation. According to the Alatau Land Department, these residents, if found, may be subject to a fine or administrative penalties. However, the Akimats or local Land Department may provide discretionary assistance on a case-by-case basis.

Unregistered residential structures on land registered for non-residential use

These structures are not eligible for residential compensation under Kazakh law. Compensation is only provided for assets consistent with the registered land use. According to the Alatau Land Department, these residents, if found, may be subject to a fine or administrative penalties. However, the Akimats or local Land Department may provide discretionary assistance on a case-by-case basis, such as by assisting with the registered classification of the land use and the registration of the residential structure.

2.1.2.2 COMPENSATION FOR LAND

The compensation amount for expropriated private land on which the residential structure has been built must be based on market value, including:

- The value of the land or land-use rights⁸.

⁸ The value of the land or land-use rights is determined based on the official cadastral value assigned to the land plot. This cadastral valuation is influenced by factors such as location, zoning, and permitted land use. Land plots with higher-use rights or greater construction allowances generally have higher cadastral values. The valuation is contingent on the owner's official registration with the land department.

- The market value of affected structures, crops, and improvements.
- Any expenditures related to land development, soil fertility improvement, or protective measures.

Market value is determined through the engagement of licensed valuers who appraise the value of the affected land and any structures on it (including residential structures). While this helps ensure that compensation is in line with prevailing market conditions, in practice the appraised value can vary based on the specific valuator engaged.

Notification and Consultation Rights

- Per the land code, official notification of land acquisition must be provided at least three months before the acquisition takes effect.
- The notification must specify the purpose, extent, and timeline of land acquisition.
- Landowners have the right to negotiate compensation and challenge the valuation through independent assessment (borne at their own costs), or through the judicial courts.

Grievance and Dispute Resolution

Landowners who disagree with the acquisition or compensation amount have the right to:

- Commission an independent valuation and challenge the offered amount.
- File a complaint with the local Akimat or relevant government authority.
- Seek legal recourse by challenging the expropriation in court.

Amendments and Key Changes

- Minimum Notice Period: The required notification period was reduced from one year to three months before acquisition in 2014⁹.

2.1.2.3 RESETTLEMENT ASSISTANCE AND ADDITIONAL TIME FOR VACATING THE LAND

- Compensation must be fully paid before the landowner is required to vacate.
- The Akimat may grant additional time for relocation if the household is unable to secure alternative housing immediately.
 - The Law on Housing Relations provides that local executive bodies (Akimats) can offer housing assistance to citizens in need. The law does not specify or define the nature or extent of this assistance, leaving the implementation up to the discretion of the Akimats. In practice, this assistance can vary and may include granting additional time for relocation. In practice, for the project, extensions may be provided based on individual circumstances, the availability of alternative housing options and the construction timeline of the Project as negotiated with KTZ.
- The timeline for vacating the land is subject to negotiation with the Akimat, considering when the land is required for construction.

⁹ The Law No. 269-V ZRK, entitled (in translation) "On Amendments and Additions to Some Legislative Acts of the Republic of Kazakhstan on the Issues of Further Improvement of Legislation in the Sphere of Entrepreneurial Activity adopted on 29 December 2014 amended provisions in the Land Code relating to expropriation, reducing the formal notification period from one year to three months.

2.1.3 PROCESS OF LAND ACQUISITION

The process of land acquisition in Kazakhstan follows a standardised legal framework under the Land Code and other relevant legislation, regardless of whether state expropriation leads to physical displacement. The key steps include:

- Issuance of Decree – The relevant Akimat issues a decree for land acquisition.
- Public Announcement – The decree is publicly announced, notifying affected parties.
- Notification to Affected Persons – Official notification must be provided at least three months before acquisition.
- Valuation and Negotiation – A licensed valuator assesses the land and assets, followed by negotiations with landowners.
- Compensation and Agreement – Compensation is provided based on agreed valuations, and an agreement is signed.
- Court Appeals – If no agreement is reached, expropriation proceedings may be initiated in court.
- Vacating the Land – After compensation is paid, affected persons vacate the acquired land.

For a detailed assessment of the land acquisition process, including stakeholder engagement, compensation mechanisms, and grievance procedures, please refer to LRP.

2.2 CASE EXAMPLE: PHYSICAL DISPLACEMENT - PROCESS DOCUMENTATION

This section outlines the process followed in the physical displacement of three (3) affected households for two land plots, which, at that time were under the jurisdiction of the Iliy District Akimat before the administrative transfer to Alatau City. The information is derived from consultations with the Iliy District Land Department, the Alatau City Land Department and SSIs with the three (3) displaced households who have since been compensated and have also relocated.

Notification and Consultation

- The Iliy District Akimat was responsible for issuing notices to affected households. Some received formal, written notices, while others were informed via phone calls or in-person meetings.
- Key informant interviews indicate that respondents were notified at least six months before land acquisition. However, some respondents reported learning about it more than 12 months in advance.
- The Land Acquisition Officer provided information on the purpose of land acquisition, compensation rates, grievance processes, and project-level impacts (environmental and social).
- Affected persons had opportunities for consultation and negotiations on compensation rates, plot allotments, and reconfiguration.

Valuation and Negotiation

- Compensation was determined based on market value assessments conducted by licensed valuers.

- The majority of displaced persons preferred cash compensation over land-for-land options, due to difficulties in securing comparable replacement properties.
- At least one respondent reported incurring additional transaction costs (e.g. legal and administrative fees) when purchasing a replacement land plot, though the respondent noted that the transaction costs were not very large.

Compensation Disbursement

- Compensation was disbursed through cash payouts or the provision of alternative land plots, although most affected persons chose cash payments.
- In the documented cases, all affected residential structures were registered, and compensation was provided accordingly. While national regulations require structures to be formally registered to qualify for compensation, the Land Department has indicated that retroactive registration is possible for structures proven to have been built before the publication of the land acquisition decree.
- The Akimat did not offer relocation support for persons who had chosen cash payouts, but one respondent received assistance in identifying alternative land options for purchase.
- Two respondents stated they were not offered any additional support through the District Akimat, the Government, or Republic of Kazakhstan entities.
- None of the interviewed respondents were identified

Relocation and Vacating the Land

- Respondents stated that negotiations took place regarding the timeline for vacating structures on the acquired land.
- At least one household was granted a one-year period to find alternative housing after receiving compensation, which exceeded the standard notice period.
- No formal assistance was provided for the reimbursement of moving expenses (e.g. in the form of a moving allowance).

Finalisation and Transfer of Land Administration

- Once compensation and relocation were completed, affected land plots were transferred from Iliy District Akimat to the Alatau City administration due to governance changes.
- No structured post-resettlement monitoring was reported, as national regulations do not require follow-up assessments on the livelihood restoration of displaced persons.

2.2.1 KEY FINDINGS AND CONSIDERATIONS ON COMPENSATION AND RELOCATION OF PHYSICALLY DISPLACED HOUSEHOLDS

The following observations summarise key findings from the review of compensation and relocation processes for physically displaced households under the administration of the Iliy District Akimat.

- **Varied Notification Methods:** While some respondents received written notifications, others were informed via calls or informal discussions, leading to inconsistent awareness.
- **Lack of Self-Relocation Assistance:** No formal relocation assistance was provided, except for one case where the Akimat helped identify available land options for a household who had chosen to self-relocate. No moving allowance was provided.
- **Compensation Sufficiency:** Depreciation was deducted in determining the compensation amount. Additionally, according to local tax and land valuation experts, variations in the

adjustment coefficients applied by individual valuers can result in inconsistencies in final compensation values. In some cases, this may lead to compensation amounts that do not fully reflect the actual market value of affected properties. Some respondents reported additional out-of-pocket expenses, but it is unclear if these were fully covered through compensation.

- **Grievance Mechanism Awareness:** At least one respondent did not access the grievance mechanism, citing it as unreliable. Others were unaware of whether grievances could be pursued.
- **Extended Stay Post-Compensation:** One respondent was allowed to remain in their house for a year after compensation, suggesting some flexibility in timelines for land access by the Project.

2.2.2 GAP ANALYSIS

Table 2-1 presents the gap analysis of the process followed for land acquisition in comparison to IFC PS5.

TABLE 2-1: GAP ANALYSIS

Topic	Legal Requirement	Process Followed	Gap to IFC PS5
Eligibility	Covers registered owners or holders of documented land-use rights.	Affected persons were identified based on land ownership records.	Not aligned with IFC PS5: Does not include occupants or informal users who own the residential structure but not the land who may also be impacted.
Notification and Consultation	Minimum 3-month notice from publication of decree required before acquisition takes effect.	Some were notified formally in writing, others via phone or in-person meetings. Most respondents had at least six months' notice.	Aligned with IFC PS5 as occupants had sufficient time after notification to find replacement housing.
Valuation and Compensation	Compensation for structures and land is determined based on market value assessments by licensed valuers. Depreciation is applied to structures but not to land.	Most affected persons preferred cash compensation over land-for-land options due to difficulties in securing comparable properties. Valuation discrepancies exist, with some affected persons reporting additional costs when purchasing a replacement house that were not covered by compensation.	Not aligned with IFC PS5: IFC PS5 requires full replacement cost (including transaction costs). Actual compensation varied based on valuers' approach in relation to the application of depreciation on structures, as well as the application of adjustment coefficients.
Resettlement Assistance	No broader resettlement assistance such as help with moving costs is considered beyond compensation for the affected land and assets. The land department will help look for an alternate land plot only if the landowner chooses the land-for-land option, unless otherwise agreed with the Akimat.	Provisions for resettlement assistance such as help with moving, transitional support (if needed), and, if people are also economically displaced, livelihood restoration measures so that displaced persons can restore or improve their standards of living.	Non-alignment with IFC PS5: No resettlement assistance is provided beyond compensation for affected land and assets. Any assistance, if provided, is at the discretion of the Akimat.
Security of Tenure	No explicit legal provisions for ensuring secure tenure for displaced households, particularly informal occupants or unregistered tenants. Legal recognition of tenure is typically granted only to landowners.	Displaced persons who were formally registered landowners were provided compensation and legal transfer support. However, informal residents that owned the structure but not the land lacked clear mechanisms for securing tenure in their new locations.	Not aligned with IFC PS5: IFC PS5 requires assistance to ensure security of tenure for formal and informal residents. The process does not provide support for residents that may own the structure but not the land creating risks of secondary displacement.

Topic	Legal Requirement	Process Followed	Gap to IFC PS5
Vulnerability-related considerations (support and processes)	No formal legal provisions specifically address the needs of vulnerable groups (e.g., female-headed households, elderly persons, persons with disabilities, low-income households) in land acquisition and resettlement. Compensation and relocation assistance are standardized, without differentiation based on vulnerability.	IFC PS5 requires that vulnerable groups receive special consideration in the resettlement process. This includes targeted assistance to ensure that they do not face disproportionate impacts and can restore their livelihoods post-relocation. Vulnerable groups should also be prioritized in stakeholder consultations to ensure their needs are understood and addressed.	Not aligned with IFC PS5: No provisions for targeted support to vulnerable groups beyond standard compensation. Lack of specific relocation or livelihood assistance for those with limited adaptive capacity (e.g., elderly, disabled, or single-parent households). No structured approach to identify and consult vulnerable groups separately.
Monitoring and Completion	Once compensation is paid and possession is taken by the state, there is no formal obligation to monitor the displaced person's living situation or livelihood restoration thereafter.	Monitoring and reporting on resettlement implementation to ensure the objectives (restored/improved livelihoods, adequate housing) are met. May require corrective actions if outcomes fall short of benchmarks.	Not aligned with IFC PS5: No oversight after compensation is paid.

3. PROFILE OF PHYSICALLY DISPLACED HOUSEHOLDS

This section outlines the socio-economic characteristics, household vulnerabilities, and relocation preferences of physically displaced households affected by the Project. These findings are based on eight (8) semi-structured interviews with affected households in Alatau City. As mentioned, of the eight (8) households, three (3) had already been compensated and relocated under the jurisdiction of Iliy District and five (5) currently under the administration of Alatau City are at risk of physical displacement.

Zhetygen is a suburban residential settlement located outside Almaty City, with essential public services including two schools and one hospital. The Zhetygen settlement is primarily composed of residential properties.

3.1 HOUSEHOLD COMPOSITION AND RESIDENCY STATUS

The affected households vary in size, with most comprising between three (3) to six (6) permanent residents. While some properties have additional family members registered at the address, these individuals do not reside there permanently.

- Two (2) households have six (6) permanent residents each.
- Three (3) households have three (3) permanent residents each.
- Three (3) of the households have additional registered members who do not live there but occasionally visit.

3.1.1 DEMOGRAPHICS

The demographic composition of affected households in Zhetygen reflects a mix of working-age adults, unemployed individuals, and senior citizens (**Table 3-1**). Among the five (5) households, three (3) have at least one unemployed adult, primarily university students or homemakers, while two (2) households rely solely on employed members. Additionally, two households include senior citizens aged 60 and above, which may indicate potential vulnerabilities related to age, mobility, and access to alternative housing options.

The ethnic composition consists of both Kazakh and Russian households, representing the broader demographic diversity of the area.

TABLE 3-1: SOCIOECONOMIC INFORMATION OF INTERVIEWED HOUSEHOLDS FACING PHYSICAL DISPLACEMENT

No.	Total no. of residents in the household	No. of infants/ children	No. of employed adults	No. of unemployed adults	No. of senior citizens (aged 60+)	Ethnic group
1	6	3	2	1	0	Kazakh
2	6	5	0	1	0	Kazakh
3	3	0	1	2	0	Russian
4	3	0	0	0	3	Russian
5	3	0	2	0	1	Russian
Total	21 (100%)	8(38.10%)	5(23.81%)	4(19.05%)	4(19.05%)	

3.1.2 VULNERABILITY

The affected households exhibit various socio-economic vulnerabilities that may require targeted support during the resettlement process. These include single-parent households, elderly-only households, and cases where household members have disabilities. **Table 3-2** summarizes these key vulnerabilities.

TABLE 3-2: VULNERABLE GROUPS FACING PHYSICAL DISPLACEMENT SAMPLED

Vulnerable Group	No. of Affected Households	Description
Households led by a single woman	1	Headed by a single mother with multiple dependents, increasing financial and caregiving burdens during relocation.
Households comprising of only senior citizens (aged 60+)	1	Composed entirely of senior citizens (aged 60+), making relocation challenging due to limited mobility and reliance on pensions.
Households led by a single woman and with an adult member of working age who is a PWD	1	In addition to being a single-parent household, this family includes an adult member with a physical disability. The household may require additional resettlement assistance to address accessibility needs and ensure a smooth transition.

3.1.3 LIVELIHOODS AND INCOME

The affected households demonstrate a diverse range of income sources, primarily from formal employment, self-employment, and government benefits.

Table 3-3 below summarises the employment patterns and primary income sources at the household level.

TABLE 3-3: EMPLOYMENT CATEGORIES OF SAMPLED HOUSEHOLDS FACING PHYSICAL DISPLACEMENT

Employment Category	No. of Households	Description	Commute Distance and Means of Transport
Formal Employment and Pension-Based Income	1	Household where two adults are formally employed, while one retiree receives a pension as the primary source of income.	Working Adult 1: 1 km by walking or taxi Working Adult 2: 12 km by taxi or car
Formal Employment and Business	1	Household where one adult is formally employed, while another operates a small business. Additionally, they jointly run a small store on their residential property.	Working Adult 1: 60km by public transport Working Adult 2: 50km by private car
Pension-Based Income	1	Household where all residents are retired and depend entirely on government pensions.	Not applicable

Employment Category	No. of Households	Description	Commute Distance and Means of Transport
Government Benefits	1	Household dependent on child and survivor benefits as its sole income source.	Not applicable

The household interviews suggest that most affected persons rely on formal employment or pensions:

- Most working-age adults in the surveyed households are employed in formal jobs (e.g., school teachers, drivers).
- Two households have retirees relying primarily on pensions as their source of income.
- One household is entirely dependent on government child and survivor benefits.

The discrepancy between the broader regional employment pattern (agriculture-based) in Almaty and the household survey findings (formal employment dominance) may be due to the urban context of this settlement (Alatau City). The affected households likely to be facing physical displacement in Alatau City are employed in formal jobs rather than agricultural livelihoods, which was the case in other rural settlements in the Almaty region.

Commuting patterns among affected households indicate varying levels of transport dependency. While some working adults are employed locally in Alatau City and commute short distances by walking or taxi, others travel 50-60 km to Almaty City, primarily using public transport or private cars. Long commuting distances may pose challenges post-relocation, particularly for households reliant on public transport.

3.1.4 HOUSING SECURITY AND TENURE

All five (5) affected households interviewed own their properties, with one respondent having purchased the house recently:

- One household purchased their property in 2023 and constructed a house on the plot in 2024.
- Other households have lived in their homes for extended periods, ranging from four years to over two decades.
- While neighbours shared information that there were two households residing in the area who were leaseholders, they were not available for further interviews. Additionally, no informal occupants were identified in the household interviews. However, further verification is needed to ensure that all affected persons, including potential non-registered tenants or informal residents, are accounted for.

3.2 ACCESS TO SERVICES AND INFRASTRUCTURE

Most affected households reside in areas with access to utilities (gas, water, electricity and telecommunication networks) and transportation (paved roads, access to public transport, local hospital and local schools). Households that work in Alatau City rely on public transport, private cars, or taxis to commute. Some also are employed in Almaty City and commute regularly for work. For households with children of school-going age, proximity to schools was a key factor of consideration in settling in Alatau City. Some respondents noted high winter

fuel costs, indicating that relocation plans may be influenced by accessibility to heating and essential infrastructure.

3.3 RELOCATION PLANS AND CONCERNS

Most households have not yet decided on their relocation plans:

- One household indicated they would purchase a house using the compensation.
- Two households expressed an intent to purchase an alternative property but had not finalised a location.
- One household emphasised the need for a house with a garden, indicating a preference for maintaining a similar living standard.

Of the households who had been compensated under the administration of Iliy District,

- One respondent disclosed that a residential land plot of similar size had been purchased with the compensated amount.
- The other two respondents preferred not to disclose details, but shared that they planned to buy residential land plots.

Challenges raised during consultations include:

- Uncertainty about whether compensation will be sufficient to secure a comparable home.
- Concerns about additional costs associated with relocation, including transaction fees, moving expenses, and home preparation.
- The need for clear information on available options.

3.4 COMPENSATION PREFERENCES

When asked about compensation preferences:

- Some households preferred replacement housing over cash compensation.
- Others were open to financial compensation but expressed concerns about whether the amount would be adequate to secure a comparable property.

4. VALUATION METHODOLOGY

Section 5 of the LRP provides the overarching valuation process in the case of expropriation of land and assets in Kazakhstan as well as the process followed for the Almaty bypass project.

In summary, this process includes issuing a land acquisition decree, appointing licensed valuers and determining compensation based on market valuation methodologies. Compensation assessments consider factors such as standardised cadastral values, land-use designations, geographic location, and physical characteristics of the land and structures. Adjustment coefficients may be applied on the basis of the valuator's judgment, and depreciation is applied to assets appraised, potentially affecting the final compensation amount.

While Kazakhstan's land acquisition framework establishes a structured process for compensation, it does not fully align with IFC PS5 in several critical areas. This section highlights the specific valuation gaps that affect physically displaced persons, particularly in terms of income-generating assets, eligibility issues for non-registered land users, and relocation costs.

4.1 MARKET VALUATION VERSUS FULL REPLACEMENT COST

Key concerns on the gaps between the valuation process for land and assets thereon to the principles of full replacement cost include:

- Compensation for land is based on cadastre values, which may not reflect actual market rates.
- Cadastral values are often not up to date. The most recent revision by the government of Kazakhstan was in 2023. However, the revision pertained only to the basic rates for agricultural lands¹⁰.
 - Cadastral values are based on registered land use rather than actual use. If a property has been used for residential or commercial purposes but is officially classified as agricultural or vacant land, compensation may not reflect its actual use or value.
- Adjustment coefficients applied to both assets and land during valuation may lead to inconsistent compensation levels.
- Depreciation is applied to impacted assets. When applied, compensation does not meet replacement cost.

For physically displaced households, this implies that the total compensation for land and the structures thereon may not be sufficient to replace with an alternate property/house with similar attributes and tenorial status as the affected residential property.

4.2 COMPENSATION FOR INCOME-GENERATING ASSETS ON RESIDENTIAL LAND UNDER KAZAKH LAWS

4.2.1 KAZAKHSTAN'S PROCESS:

- Compensation is based on market value as assessed by a state-licensed valuator
- Only legally recognized residential structures and assets are compensated.

¹⁰ Electronic government of the Republic of Kazakhstan. 2023. 'Basic rates for lands for agricultural purposes', available at: https://egov.kz/cms/en/articles/agriculture/basic_agri, accessed 5 March 2025.

- Income-generating structures (e.g., rental units, small shops, agricultural land) are not compensated unless explicitly registered for commercial use.

4.2.2 IFC PS5 REQUIREMENTS:

- Compensation must be at full replacement cost, regardless of registration status, covering both:
 - Physical assets (houses, structures); and
 - Livelihood restoration for lost income-generating assets
- Households who derive income from small-scale commercial activities or rental properties must be compensated for lost revenue sources and provided with alternative means of income restoration.

4.2.3 GAPS IDENTIFIED

In Kazakhstan, a household operating a small business (e.g., home-based shop, workshop) on residential land will not receive compensation for lost income. These cases were identified in the SSIs conducted, whereby some respondents indicated concern that their lost income and the impacts on their income-generating assets will not be compensated. Displaced households may face permanent income loss without adequate assistance.

4.3 COMPENSATION ELIGIBILITY FOR NON-REGISTERED HOUSEHOLDS AND LAND-USE DISCREPANCIES

4.3.1 KAZAKHSTAN'S PROCESS:

- Only registered landowners receive compensation.
- Households whose land is officially registered under a different use (e.g., commercial rather than residential) are compensated based on the registered purpose, not their actual use.
- Informal occupants (e.g., unregistered tenants) receive no compensation and may be fined.
- Households whose actual land use does not match the registered designation (e.g. residential use on land registered as commercial) may face penalties or be required to rectify the discrepancy before compensation is granted.
- However, interviews with the local Land Departments revealed that when possible, local authorities may offer assistance and advice on registration on a case-by-case basis, which may include helping residents facing physical displacement to avoid being levied fines.

4.3.2 IFC PS5 REQUIREMENTS:

- Compensation should be based on actual land use rather than just formal registration.
- Informal occupants, tenants, and users should receive resettlement assistance, even if they do not hold formal land titles, ensuring they are not left without shelter or means of livelihood.
- The project should establish a cut-off date to prevent opportunistic claims but ensure all eligible persons are accounted for before displacement.

4.3.3 GAPS IDENTIFIED:

- Some households have additional family members registered at the address but do not live there permanently. While this does not affect eligibility for compensation under IFC PS5, it may create inconsistencies in administrative records versus actual residency status. Under Kazakhstan's land acquisition framework, compensation is typically provided based on registered household members, rather than verifying actual place of residence at the time of acquisition. IFC PS5 does not require compensation for individuals who are registered at an address but do not actually reside there. However, if these family members regularly return or depend on the property for temporary shelter, further assessment may be needed to determine if relocation assistance is warranted.
- One household purchased land in 2023 and built a house in 2024, creating concerns about whether recent improvements will be fully compensated. Under national regulations, compensation is only provided for registered structures, meaning that if land registration was not updated to reflect the new construction, the structures may not be formally recognized for compensation.
- To ensure eligibility for compensation, property owners must demonstrate that the construction was undertaken before the official announcement of land acquisition, as determined by the publication of the land acquisition decree. While registration does not need to occur immediately after construction, it should be completed before the valuation process begins to secure full compensation entitlements under Kazakh law.
- No informal occupants were identified during initial surveys, but a full census and land-and-asset survey still need to be conducted to confirm this. If informal occupants are present, they must be included in the resettlement planning process to ensure they receive appropriate assistance.
- Under Kazakhstan's national laws, if an affected household is found to be using land in a manner inconsistent with its registered designation (e.g., a residence built on land registered as agricultural or commercial), they may be subject to fines or administrative penalties. This may create additional financial burdens for affected persons and should be monitored to ensure displaced households do not face undue hardship.

4.4 TRANSACTION COSTS

4.4.1 KAZAKHSTAN'S PROCESS:

- Compensation covers only land and structures based on their appraised value.
- Transaction costs (e.g., legal fees and registration costs) are not covered under national regulations.

4.4.2 IFC PS5 REQUIREMENTS:

Compensation must include all necessary legal and administrative fees associated with securing a replacement property including property registration and transfer fees, notary and legal fees and real estate transaction costs.

4.4.3 GAPS IDENTIFIED

- Households preferring cash compensation must cover transaction costs themselves, reducing the actual compensation amount received.

- One (1) out of three (3) households which had been resettled reported additional out-of-pocket costs when purchasing a replacement home, which were not included in compensation.

4.5 RELOCATION EXPENSES

4.5.1 KAZAKHSTAN'S PROCESS:

- Compensation does not cover relocation expenses (e.g., moving and transportation costs, temporary housing during the transition) are not covered.

4.5.2 IFC PS5 REQUIREMENTS:

Displaced households must receive financial assistance for

- Moving and transport costs;
- Temporary housing or rental support during the transition period if needed;
- Any additional expenses required to facilitate resettlement

If compensation is not sufficient for the physically displaced households to secure a comparable replacement home, supplementary financial support is to be provided.

4.5.3 GAPS IDENTIFIED:

- Households requiring temporary accommodation or rental assistance during relocation are not provided any financial support under national law.
- Households that self-relocate must cover moving expenses themselves, possibly adding financial strain during the transition period.

The findings above highlight gaps in the valuation methodology as well as in transaction costs and relocation expenses which will be addressed in the Eligibility & Entitlements Section (**Section 5**) and Physical Resettlement and Livelihoods Restoration Section (**Section 6**). These sections will outline the compensation principles, additional entitlements, and process improvements needed to align with IFC PS5.

5. ELIGIBILITY AND ENTITLEMENTS

This section establishes eligibility criteria and entitlements for physically displaced persons under Kazakhstan's national expropriation framework and aligns them with IFC Performance Standard 5 (PS5) on Land Acquisition and Involuntary Resettlement.

5.1 PRINCIPLES FOR COMPENSATION

In addition to the principles outlined in **Section 6.1** of the LRP, the following considerations apply specifically to entitlements for physically displaced persons:

1. Eligibility must extend to all displaced persons, including:

- Legally recognized landowners and tenants
- Informal occupants and unregistered users of land or structures
- Tenants of rental properties (both registered and unregistered), for certain entitlements only
- Persons whose livelihood activities are tied to the affected property

2. Compensation must be at full replacement cost, covering:

- Residential structures and associated immovable assets
- Transaction costs and legal fees.
- Depreciation should not be deducted

3. Assisted self-relocation support for physical resettlement must be provided to all displaced households to ensure that they can secure suitable alternative housing of their choice. This includes:

- Financial reimbursement for transaction costs, legal and administrative fees incurred, and moving expenses;
- Logistical support to facilitate relocation and access to secure tenure arrangements; and
- Temporary housing support if required, ensuring no household faces housing insecurity during the transition.

4. Stakeholder engagement should be undertaken to finalize safeguards that are proposed for assisted self-relocation with access to a functional GRM, throughout the resettlement process.

- Special attention should be given to vulnerable groups, such as women-headed households, elderly persons, and persons with disabilities to ensure that their specific needs are met through tailored measures.

5.2 ELIGIBILITY CRITERIA

IFC PS5 defines displaced persons as individuals or groups involuntarily displaced by land acquisition or restrictions on land use. This includes:

- Persons with formal legal rights to land (landowners, leaseholders)

- Persons who do not have formal legal rights but have recognizable claims under national law (not identified thus far in the Project, but can refer to users with legitimate use rights acknowledged by local authorities)
- Persons who have no recognizable legal right or claim to the land they occupy (not identified thus far in the Project, but can refer to informal occupants and unregistered tenants)

The eligibility and entitlements of the identified groups are described in **Table 5-1**.

TABLE 5-1: ELIGIBILITY OF PHYSICALLY DISPLACED PERSONS

Category	Entitlements Per PS5
Landowners	<ul style="list-style-type: none"> • Eligible for compensation at full replacement cost for land, structures, and immovable assets. • Entitled to resettlement assistance and transitional support (if economically displaced or vulnerable).
Leaseholders	<ul style="list-style-type: none"> • Eligible for compensation at full replacement cost for structures, any improvements made to the leased land and immovable assets. • Entitled to resettlement assistance and transitional allowance (if economically displaced or vulnerable). • Not eligible for compensation for land
Informal occupants and unregistered tenants	<ul style="list-style-type: none"> • Eligible for compensation for structures they legally own. • Not eligible for compensation for land.

5.3 CUT-OFF DATE FOR ELIGIBILITY

5.3.1 KAZAKHSTAN'S PROCESS

- The cut-off date is officially determined by the issuance of the land acquisition decree, though this is only applicable to formally registered landowners and tenants.
- Persons occupying land after the decree is issued may not be eligible for compensation.

5.3.2 IFC PS5 REQUIREMENTS

- The cut-off date should align with the completion of the asset inventory and census of affected persons to ensure all displaced persons are accounted for.
- It must be publicly disclosed to prevent confusion or opportunistic claims.
- It is recommended that the cut-off date be set for when all the affected households have been informed of the exact land requirements, and their assets inventoried for valuation.

5.4 TYPES OF ENTITLEMENTS

The assisted self-relocation approach has been adopted based on household preferences, legal constraints, and practical feasibility. Consultations indicate that most affected households prefer cash compensation over government-provided housing, as it allows them greater flexibility in securing suitable accommodation near employment and services. Additionally, Kazakhstan's legal framework does not mandate resettlement housing, making government-led relocation impractical. Given the urban and peri-urban context, viable housing options exist within the local market, enabling households to relocate independently with targeted support.

The following section details the entitlements and support measures under the assisted self-relocation framework, which are then presented in the entitlement matrix in **Section 5.5**.

Entitlements for physically displaced persons are categorized into two main types: in-kind assistance and cash-based allowances (**Table 5-2**). In-kind assistance refers to non-cash support aimed at facilitating relocation and resettlement, while cash-based allowances provide direct financial support to cover specific costs associated with displacement.

TABLE 5-2: TYPES OF ENTITLEMENTS

Type of Entitlement	Entitled Stakeholders	Description
<i>Cash-based Entitlements</i>		
Compensation	At full replacement cost for owners of all affected land and structures ¹¹	<ul style="list-style-type: none"> Cash compensation for land and structures must include market value without depreciation deductions and include transaction costs such as legal, tax and administrative fees for property registration and ownership transfer (where applicable).
Moving allowance	Only for physically displaced; may include rental allowance for particular cases	<ul style="list-style-type: none"> A one-time financial allowance to cover moving costs and transportation. Rental allowance may be provided on a case-by-case basis, only for houses that need rental assistance while they are securing alternative housing, for a period of up to three (3) months.
Transition allowance	For those facing economic displacement due to physical displacement and physically displaced vulnerable groups, on a case-by-case basis.	<ul style="list-style-type: none"> A temporary allowance, on the basis of lost income for those facing economic displacement, for the time period in which livelihoods are impacted, for up to a period of three (3) months. For vulnerable groups, the transition allowance is to be determined on a case-by-case basis, for a period of up to six (6) months.
<i>Resettlement Assistance (In-Kind Support)</i>		
Support for vulnerable households	Vulnerable households facing physical displacement	<ul style="list-style-type: none"> Periodic post-relocation check-ins to ensure vulnerable, physically displaced households have secured stable housing and restored basic living conditions. Assistance with legal and administrative procedures related to relocation, land tenure, and accessing social benefits.
Support for informal users and unregistered tenants	Informal users and (registered and unregistered) tenants facing physical displacement	<ul style="list-style-type: none"> KTZ to negotiate with the local Akimats and Land Department to waive fines or administrative penalties (if applicable).
Other in-kind support	For physically displaced vulnerable groups and informal occupants or unregistered tenants only	<ul style="list-style-type: none"> Limited material support to informal occupants or unregistered residents and vulnerable groups to reduce the financial burden of rebuilding structures where compensation is not applicable.

¹¹ Impacted structures which are non-residential in nature (e.g. businesses and shops) and which lead to economic displacement are discussed more fully in the LRP.

5.5 ENTITLEMENT MATRIX FOR PHYSICALLY DISPLACED PERSONS

Entitlements have been developed based on the principles of full replacement cost, security of tenure, and targeted support for vulnerable groups. Compensation measures include both cash-based entitlements and in-kind resettlement assistance to facilitate a smooth transition for affected households.

The entitlement matrix described in **Table 5-3** outlines the specific types of support available, eligibility criteria, and the nature of assistance to be provided¹².

¹² Impacted structures which are non-residential in nature (e.g. businesses and shops) and which lead to economic displacement are discussed more fully in the LRP.

TABLE 5-3: ENTITLEMENT MATRIX FOR PHYSICALLY DISPLACED PERSONS

Category of Affected Persons	Type of Impact ¹³	Estimate of Number of Entities/ Households	Entitlements Under Kazakh Law	Additional Measures (assisted self-relocation) to align with IFC PS5
Legal Landowners (Registered private landowners)	Loss of residential structures and land plots	11 households	Compensation at market value based on state valuation, which may include adjustment coefficients and depreciation.	Compensation at full replacement cost: Compensation must reflect market value (without deducting depreciation) with the addition of transaction costs and a moving allowance. If valuation is below market rates, KTZ is to top up the difference.
Leaseholders/Tenants (Registered tenants of affected properties)	Loss of rental property	2 households	No compensation under Kazakh law. However, tenants will be reimbursed for any impacted assets or improvements made to the land.	If tenants have built structures or planted trees, they will be compensated for those assets at full replacement cost.
Informal Occupants/Unregistered Land Users (People residing on land without formal title)	Loss of residence and structures (if any).	1 to 5 households	Not entitled to compensation; may be fined for unauthorized land use.	Assistance in the form of identification of alternative housing with security of tenure in coordination with the local land department KTZ to negotiate with local authorities to waive fines on residents (if applicable).
Residents using the land for unregistered, income-generating purposes.	Loss of income-generating assets (e.g., workshops, small shops)	2 to 10 households	Not entitled to compensation; may be fined for unauthorized land use.	Transition allowance: A temporary allowance to compensate for lost business revenue during the transition (especially for home-based businesses). KTZ to negotiate with local authorities to waive fines on residents (if applicable).

¹³ Impacted structures which are non-residential in nature (e.g. businesses and shops) and which lead to economic displacement are discussed more fully in the LRP.

Category of Affected Persons	Type of Impact ¹³	Estimate of Number of Entities/ Households	Entitlements Under Kazakh Law	Additional Measures (assisted self-relocation) to align with IFC PS5
All facing physical displacement	Relocation and moving costs	13 households due to Project footprint; 10 to 25 households due to noise impacts (pending confirmation)	Not entitled to compensation.	<p>Moving allowance: All physically displaced persons, including informal occupants, must receive assistance for relocation, in the form of a moving allowance (covering transportation and temporary accommodation (if required), and moving costs.</p> <p>Transition allowance: Disbursed only if relocation leads to temporary economic displacement (e.g. for the period covering the job search for those whose livelihoods are impacted due to difficulties in commuting to the workplace)</p>
Vulnerable households	Loss of residence and other physical displacement impacts as applicable (see above)	4 to 10 households	Standard compensation only.	<p>Moving and transition allowances may be increased to accommodate special needs.</p> <p>Support for vulnerable households</p> <ul style="list-style-type: none"> • Periodic post-relocation check-ins to ensure vulnerable, physically displaced households have secured stable housing and restored basic living conditions. • Assistance with legal and administrative procedures related to relocation, land tenure, and accessing social benefits.

6. PHYSICAL RESETTLEMENT AND LIVELIHOODS RESTORATION

Physical displacement can disrupt various livelihood activities, including home-based businesses, small-scale farming, and wage employment. The key impacts identified are:

- **Loss of non-land-based livelihoods:** Home-based businesses that rely on residential premises (e.g., food production, tutoring, informal trade).
- **Wage-based livelihood disruptions:** Increased commuting costs and time for those employed in nearby workplaces.

6.1 LIVELIHOOD RESTORATION MEASURES

In addition to measures proposed in **Section 7** of the LRP, the following will need to be provided as part of the assisted self-relocation package:

6.1.1 RESTORATION OF HOME-BASED LIVELIHOODS

The **transition support allowance** is a temporary allowance to compensate for lost business revenue during the relocation period (especially for home-based businesses).

The key variables in determining the transition support allowance include the baseline monthly business revenue, the relocation disruption period and any associated costs with relocating the business (e.g. registration fees for the business).

- The baseline monthly revenue should be derived from the average monthly or daily income of the affected business based on past records in the six (6) to 12 months prior to land acquisition. If formal records are unavailable, self-reported earnings should be benchmarked against local standards.
- The relocation disruption period refers to the time period required for the business to resume operations in the new location. Small home-based businesses usually take 1 to 3 months to restart operations.
- Any other additional transition costs related to relocating the home-based business also can be considered. This is usually a one-time fee. For instance, there may be costs incurred in the registration of the business at the new residential site.

6.1.2 RESTORATION OF WAGE-BASED LIVELIHOODS

The **transition allowance** for those who are economically displaced due to resettlement considers the temporary income loss and associated costs for re-establishment during the relocation period. The affected households primarily rely on formal wage-based employment, with some commuting significant distances for work. Given the reliance on stable salaries, the displacement process may disrupt their employment continuity, particularly if relocation affects commuting feasibility.

For households with long-distance commutes (e.g. 50–60 km from Alatau City to Almaty City), transportation disruptions during the transition period may temporarily impact attendance and earnings. Additionally, relocation may result in a need for alternative employment due to an impractical commute.

The transition support allowance for wage earners should compensate for the temporary income gap during relocation and any job-seeking period and is based on a consideration of the monthly salary reported and the time period required to secure alternative employment.

6.2 GENDER AND VULNERABILITY CONSIDERATIONS

Female-headed households

- Priority access to livelihood restoration programs, particularly for home-based businesses and child-friendly employment opportunities.

Elderly and Persons with Disabilities

- Assistance in securing accessible housing and adapting home-based income activities.
- Support for pension-related administrative transitions if relocation impacts benefit access.

Lower-Income Families

- Additional financial support for relocation and resettlement expenses, ensuring that they are not disproportionately affected.
- Food and household support during transition periods, if needed.

7. STAKEHOLDER ENGAGEMENT, DISCLOSURE, AND GRIEVANCE REDRESSAL

This section outlines the stakeholder engagement approach specifically related to physical displacement impacts, ensuring that affected persons have been consulted on resettlement options, compensation, and livelihood restoration. For general stakeholder engagement related to economic displacement and broader land acquisition processes, refer to **Section 9** of the LRP.

7.1 STAKEHOLDERS RELEVANT TO PHYSICAL DISPLACEMENT

For detailed stakeholder mapping, refer to **Section 9** of the LRP. The following stakeholders are particularly relevant to physical displacement:

- Physically Displaced Households – Directly impacted by resettlement, requiring consultation on compensation and relocation.
- Alatau City Land Department and District Akimat – Responsible for issuing expropriation decrees and managing compensation.
- KTZ (Developer) – Responsible for aligning resettlement processes with IFC PS5.

7.2 CONSULTATION AND ENGAGEMENT EFFORTS

Land acquisition and resettlement-related consultations have been conducted as part of the broader land acquisition process (refer to **Section 8** of the LRP). The consultation and engagement efforts include in relation to physical displacement include:

Consultations with Physically Displaced Households

- ERM conducted 45 semi-structured (SSIs) with affected households in total, of which 8 SSIs were with households likely to experience physical displacement.
- Consultations conducted by ERM with those in the physically displaced category focused on housing preferences (replacement housing vs. cash compensation), relocation assistance, and concerns about compensation adequacy.
- Key issues raised included (1) adequacy of compensation, (2) relocation timelines, (3) availability of alternative housing, and (4) additional costs not covered under national legislation.

Engagement with Local Authorities (Akimats and Land Departments)

- Meetings were held with the Land Departments of Alatau City, Iliy District and Talgar District to clarify compensation processes, grievance handling, and physical relocation assistance.
- Authorities acknowledged administrative challenges due to conflicts in Talgar and the transition from Iliy to Alatau jurisdiction.

7.3 OUTSTANDING ENGAGEMENT NEEDS

Continued engagement is required to ensure that physically displaced persons receive adequate information, support, and compensation aligned with IFC PS5. As part of finalizing the assisted self-relocation package, stakeholder engagement efforts should focus on:

- **Clarity on assistance for resettlement** – Ensuring that physically displaced persons are informed of available support beyond financial compensation, including in-kind assistance

such as the facilitation of security of tenure, the provision of second-hand building materials and post-relocation follow-ups.

- **Clarity on eligibility for and quantum of moving allowance** -- Clearly defining moving allowances as a one-time financial provision (on a reimbursement basis) to cover transportation and immediate relocation costs.
- **Clarity on eligibility for and quantum of transition support allowance** – Ensuring that physically displaced households are informed about the short-term financial support available for households experiencing delayed access to permanent housing, a temporary loss of livelihood or revenue losses for home-based businesses.
- **Support for vulnerable groups** – Focused engagement with female-headed households, elderly persons, and lower-income families to identify and address specific relocation challenges such as accessibility modifications, food security and extended follow-up support.
- **Continued grievance handling** – Establishing a mechanism for ongoing consultation and monitoring to address concerns regarding the progress of self-relocation and the adequacy of compensation.

Additionally, to ensure continued consultation during the resettlement process, the following strategies are suggested:

- Biannual Consultation Meetings to be held between KTZ, local authorities, and physically displaced persons to review progress on self-relocation and to discuss any emerging concerns.
- Affected persons to receive clear, updated written information on compensation timelines, moving allowances, transition support, access to legal/administrative support for tenure security and grievance redress mechanisms.
- Community outreach sessions to be conducted to ensure women-headed households, elderly persons, and vulnerable groups are aware of their eligibility and entitlements for assistance in relation to resettlement, as well as food security stipends and support in navigating bureaucratic processes.

7.4 PRINCIPLES FOR GRIEVANCE MANAGEMENT

A Grievance Redress Mechanism (GRM) is already established as part of the supplementary ESIA. However, the following key principles apply specifically to physically displaced persons:

- **Accessibility:** Affected persons should be able to submit grievances free of cost, via multiple channels (in-person, phone, written submission).
- **Transparency and Timeliness:** Grievances related to resettlement housing, compensation adequacy, and relocation must be addressed in a timely manner, with clear timelines for responses. Status updates should be provided to complainants at each stage of resolution.
- **Confidentiality and Survivor-Centered Approach:** The Community Liaison Officer handling grievances is to be trained in handling GBV-sensitive complaints. Survivor confidentiality and non-retaliation are to be guaranteed.
- **Monitoring and Feedback:** All resettlement-related grievances have to be tracked and reported, with anonymised reports and quarterly updates provided to affected persons and relevant authorities to ensure consistent grievance resolution.

Given the sensitivity of resettlement grievances and potential implications for the construction schedule, KTZ should designate a Resettlement Liaison Officer (RLO) to act as the primary contact between physically displaced residents and the Akimat. The RLO will provide additional support in resolving disputes, facilitating resettlement agreements, and ensuring timely responses to grievances. This role is critical to minimizing delays in land acquisition and relocation while addressing community concerns effectively.

For full grievance procedures, refer to the **Stakeholder Engagement Plan**.

8. IMPLEMENTATION ARRANGEMENTS

This section outlines the roles and responsibilities of key stakeholders involved in developing the Resettlement Action Plan or RAP (based on the Resettlement Framework) including the process for delivering compensation and assistance. This section focuses on the implementation of assisted self-relocation, in addition to the other LRP implementation arrangements. Given that land acquisition is already underway, the RAP development and implementation process must ensure that all physical displacement-related measures are completed prior to Project access to the land and the commencement of civil works in affected areas.

8.1 ROLES AND RESPONSIBILITIES FOR RESETTLEMENT

The roles and responsibilities of the implementing parties are described below in **Table 8-1**.

TABLE 8-1: ROLES AND RESPONSIBILITIES FOR RESETTLEMENT IMPLEMENTATION

Institution/Entity	Roles and Responsibilities
Akimat (District & City Administration)	<ul style="list-style-type: none"> Leads land acquisition process, including issuance of expropriation decrees and valuation of land and assets. Ensures compliance with Kazakhstan's land acquisition laws and administrative procedures. Engages with affected households to negotiate compensation offers. Facilitates the legal transfer of acquired land to KTZ.
KTZ (Project Developer)	<ul style="list-style-type: none"> Ensures compliance with IFC PS5 and other lender requirements, including the development of the Resettlement Action Plan (RAP) and the contracting of a local third party entity for its undertaking. Coordinates with Akimat to address gaps in compensation and relocation assistance. Provides additional financial top-ups, resettlement assistance, and livelihood restoration measures for physically displaced persons. Manages stakeholder engagement, grievance handling, and monitoring of resettlement outcomes.
Independent Valuers	<ul style="list-style-type: none"> Conducts property valuation assessments to determine compensation levels based on market rates. Provides valuation reports that inform compensation negotiations with affected person
Affected Households	<ul style="list-style-type: none"> Engage in compensation negotiations and submit grievances if concerns arise. Participate in resettlement consultations and decision-making regarding cash vs. resettlement assistance.

8.2 ORGANISATIONAL RESPONSIBILITIES INTERNAL TO KTZ

Currently, KTZ does not have a dedicated resettlement team, and land acquisition responsibilities are handled by a single member of the construction team on-site. However, interviews with affected persons and key informants indicate that this individual does not actively fulfil resettlement responsibilities, particularly in ensuring smooth land acquisition, valuation oversight, and grievance resolution.

To align with IFC PS5 and best practice resettlement management, KTZ should designate a dedicated resettlement implementation team with clear functions and responsibilities). Further to the suggested implementation arrangements for the LRP, the RAP development and implementation will also need to be included in their scope (refer to **Section 11** of the LRP).

TABLE 8-2: FUNCTIONS AND RESPONSIBILITIES OF THE KTZ RESETTLEMENT IMPLEMENTATION TEAM

Resettlement Function	Current Arrangement	Required Action for RAP Development	Required Action for Implementation of the RAP (alongside the LRP)
Land Acquisition and Compensation	Handled by a single KTZ construction team member on-site who serves as a contact point between KTZ and the District Akimats.	<ul style="list-style-type: none"> • Appoint a Resettlement and Land Acquisition Manager within the Livelihood Restoration Implementation Team (refer to the LRP) to lead RAP preparation. • Conduct a census to identify all eligible persons who face physical displacement, including unregistered users and informal occupants. • Ensure that valuation methodology aligns with full replacement cost. Define compensation top-ups for depreciation adjustments and undervaluation. 	<ul style="list-style-type: none"> • Ensure that full compensation is provided before displacement occurs. • Address valuation gaps through financial top-ups. • Facilitate ownership transfer and documentation for compensated properties. • Address disputes via independent valuation & grievance handling.
Assisted Self-relocation Support	No such role currently exists.	<ul style="list-style-type: none"> • Define eligibility criteria for resettlement assistance measures. • Budget for moving allowances and transition allowances (including rental support where applicable). • Coordinate with the local authorities to assist affected vulnerable groups with legal and administrative processes (if applicable). • Coordinate with local authorities on security of tenure for unregistered occupants and users (if applicable). 	<ul style="list-style-type: none"> • Disburse moving allowances and transition support allowances. • Implement facilitation of security of tenure for unregistered tenants and informal occupants.
Stakeholder Engagement and Grievance Handling	No dedicated resettlement team, grievances are raised informally or through local authorities.	<ul style="list-style-type: none"> • Establish a formal grievance mechanism, ensuring confidentiality and non-retaliation. • Disclose RAP details to affected persons. 	<ul style="list-style-type: none"> • Ensure accessibility of GBV-sensitive grievance channels. • Facilitate consultation on compensation, relocation, and entitlements. • Track grievances systematically, ensuring timely responses.
Monitoring and Compliance	No structured internal monitoring	<ul style="list-style-type: none"> • Engage a third-party monitor to track RAP implementation. • Define completion audit requirements. 	<ul style="list-style-type: none"> • Conduct mid-term and final resettlement completion audits. • Verify all entitlements and support measures are delivered.

8.3 DEVELOPMENT OF THE RESETTLEMENT ACTION PLAN

The RAP will be developed based on this Resettlement Framework to provide a detailed, time-bound, and actionable plan for implementing resettlement measures in line with IFC PS5 requirements. The RAP will outline the specific entitlements, financial and in-kind assistance, institutional responsibilities, and monitoring mechanisms to ensure that physically displaced persons receive full support during the transition process.

The RAP will serve as an operational document to guide the resettlement process. KTZ is to develop the RAP in close coordination with the relevant District Akimats and affected communities. The following steps are to be undertaken in the development of the RAP:

1. Align with Akimats on the entitlements and process

The Resettlement Framework (RF) will need to be discussed and aligned with both KTZ and the District Akimats to ensure a coordinated approach to land acquisition and resettlement. The process must integrate an assisted self-relocation approach, ensuring that eligible displaced persons receive support in securing housing independently. Additionally, the identification of all affected persons, including those not eligible for compensation under national laws—such as unregistered land users or informal residents—will be necessary to assess potential gaps in assistance. Clear procedural coordination between KTZ and the Akimats will be required for compensation disbursement, relocation timelines, and grievance management to facilitate a structured and transparent resettlement process.

2. Census of affected persons

All eligible displaced persons, including unregistered land users, tenants, and informal occupants are to be identified. To ensure the identification of all eligible displaced persons, the census will be conducted alongside the valuation process, integrating both household enumeration and asset documentation. This will involve door-to-door surveys and site assessments to confirm occupancy status, land use, and structure ownership. Since unregistered land users, tenants, and informal occupants may not be reflected in official records, their identification will rely on direct engagement with affected households, consultations with community representatives, and visual confirmation of residential structures.

A cut-off date is to be established only after all affected households have been informed of the exact land requirements and their assets have been inventoried for valuation to ensure all eligible persons are included. Land and structure ownership records are to be verified to assess eligibility for compensation, entitlements and livelihood restoration measures. To verify land and structure ownership, assessments will be conducted in coordination with the Land Department and the valuers, supported by additional information provided by the affected persons themselves. Where necessary, further validation will be sought through community leaders or neighbouring property owners to confirm occupancy history and use.

3. Valuation and compensation planning

Ensure market value assessments for land and structures exclude depreciation deductions and account for any discrepancies in adjustment coefficients applied. Identify compensation top-ups required for to align compensation with full replacement cost. Enable affected persons to review and dispute valuations before finalisation.

4. Finalisation of the assisted self-relocation package

Define the cash-based entitlements to be provided, including:

- Moving allowance (to cover costs associated with moving such as transportation and packing).
- Transition support allowance for those facing economic displacement due to resettlement, with a provision of up to six months for vulnerable groups.

Finalise the in-kind support measures, such as:

- Provision of second-hand building materials for informal occupants and vulnerable groups to reduce financial burden where applicable.
- Support in navigating bureaucratic procedures for vulnerable groups, including legal assistance for property registration and social benefits access.

5. Stakeholder consultation and disclosure

Conduct public consultations to disclose RAP details and provide clarity on eligibility, entitlements, and grievance procedures. Engage vulnerable households (e.g., female-headed households, elderly persons) to ensure their specific needs are considered. Ensure that the GRM is fully operational and accessible to all physically displaced persons, and that it includes safeguards for GBV complaints.

6. Implementation and monitoring

Establish a resettlement monitoring system to track the disbursement of entitlements and assess post-relocation conditions, especially for vulnerable households. Conduct mid-term and completion audits to verify compliance with IFC PS5 and Kazakhstan's legal requirements. Ensure ongoing support for vulnerable households to facilitate long-term resettlement sustainability.

8.4 IMPLEMENTATION PROCESS

Under Kazakhstan's legal framework, resettlement procedures are primarily led by the District Akimat, with KTZ as the project proponent. However, gaps exist between national legal provisions and the requirements of IFC PS5, particularly concerning compensation adequacy, relocation assistance, and monitoring.

Table 8-3 below outlines the existing land acquisition and resettlement process under Kazakhstan's framework, alongside additional measures KTZ must implement to align with IFC PS5 standards. These measures ensure that physically displaced persons receive full replacement cost compensation, moving allowances, a transition allowance (if needed), and resettlement assistance.

TABLE 8-3: RESETTLEMENT IMPLEMENTATION PROCESS

Stage	Current Process (Per Kazakhstan's National Laws)	Measures to be Implemented by KTZ to Align with IFC PS5
Issuance of Decrees and Public Disclosure	<ul style="list-style-type: none"> Akimat issues official land acquisition decree, notifying affected persons of expropriation. Public announcements in local media. Affected persons receive written notification (minimum 3 months before acquisition). 	<ul style="list-style-type: none"> Early and continuous engagement beyond legal notification to allow affected persons more time for planning relocation. Disclosure of entitlements, grievance mechanisms and relocation assistance options as well as eligibility criteria for the aforementioned. Stakeholder meetings and community consultations to clarify the process of land acquisition, compensation and channels for grievance redressal.
Identification of Eligible Households	<ul style="list-style-type: none"> No land and asset survey (census of affected persons, including unregistered users, tenants, and informal residents) has been conducted 	<ul style="list-style-type: none"> KTZ to conduct a comprehensive census of affected households to identify all affected persons, including unregistered land users, informal residents, and tenants who may be eligible under IFC PS5. A socioeconomic household survey to set the baseline for affected households must be undertaken, along with asset data from the valuator's report for affected assets Cut-off date must be based on this survey, rather than the expropriation decree, to ensure all affected persons are properly accounted for and informed in a timely manner. KTZ to negotiate with the local Akimats and Land Department to waive fines or administrative penalties on informal users or unregistered occupants (if applicable)
Valuation and Compensation Negotiations	<ul style="list-style-type: none"> Licensed valuers assess land and structures. Compensation is determined based on cadastral values and adjustment coefficients. Negotiations take place between the landowner and Akimat. If no agreement is reached, the case may go to court. 	<ul style="list-style-type: none"> KTZ to provide top-ups where valuation is below full replacement cost, including compensation for depreciation reductions, the use of unfair adjustment coefficients that arbitrarily reduce compensation (if identified) and for transaction costs incurred. Retain independent valuation experts to verify fair compensation. Provision of other in-kind support such as second-hand building materials to reduce the financial burden of rebuilding structures on informal users and unregistered occupants. Allow affected persons to review and dispute valuations before finalisation.
Compensation Disbursement	<ul style="list-style-type: none"> Compensation is disbursed after agreement is reached or court ruling is finalized. Cash payments are made to the affected landowner via bank transfer. 	<ul style="list-style-type: none"> No relocation should take place until full compensation is paid. If cash compensation is chosen, ensure households have identified and secured alternative housing before vacating.

Stage	Current Process (Per Kazakhstan's National Laws)	Measures to be Implemented by KTZ to Align with IFC PS5
	<ul style="list-style-type: none"> Replacement housing is not legally required but may be offered where feasible. 	<p>Compensation</p> <ul style="list-style-type: none"> Ensure that transaction costs are reimbursed to prevent financial burdens on displaced persons who self-relocated. <p>Moving Allowance</p> <ul style="list-style-type: none"> Disburse a moving allowance based on considerations of the distance of the move and the size of the house. Disburse a rental allowance only for physically displaced households that are unable to secure alternate housing in the intermediary. <p>Transition Allowance</p> <ul style="list-style-type: none"> Disburse a transition allowance on the basis of lost income for those that are economically displaced due to relocation for a maximum of three (3) months, and to vulnerable groups on a case-by-case basis, for a period of up to six (6) months.
Resettlement Assistance	<ul style="list-style-type: none"> No formal resettlement assistance. The Akimat may grant additional time for relocation, but this is discretionary. No compensation for moving costs incurred. 	<ul style="list-style-type: none"> Consider increased transition allowances and/or moving allowances for vulnerable households (elderly, disabled, female-headed) as needed. <p>Facilitation of security of tenure:</p> <ul style="list-style-type: none"> Coordinate with the local land department to identify alternative housing options with security of tenure for tenants and informal occupants facing physical displacement. <p>Support for vulnerable households:</p> <ul style="list-style-type: none"> Provide assistance with legal and administrative procedures related to relocation, land tenure and accessing social benefits (as applicable). Provision of other in-kind support such as second-hand building materials to reduce the financial burden of rebuilding structures.
Post-Resettlement Monitoring	<p>No legal requirement for post-resettlement monitoring.</p> <p>Once compensation is disbursed, the land is transferred to KTZ and the case is closed.</p>	<ul style="list-style-type: none"> Conduct post-resettlement follow-ups to ensure affected persons have successfully relocated securely and safely to adequate housing, with security of tenure. Implement a livelihood restoration program for physically displaced persons losing income sources. Continue stakeholder engagement and grievance resolution for any issues arising post-resettlement.
Start of Civil Works	<p>Civil works may begin once land is transferred to KTZ, and the land plots have been vacated.</p>	<p>No construction should commence until:</p> <ul style="list-style-type: none"> All physically displaced persons have vacated voluntarily as per the agreed timeline. All compensation and assistance have been disbursed.

Stage	Current Process (Per Kazakhstan’s National Laws)	Measures to be Implemented by KTZ to Align with IFC PS5
		<ul style="list-style-type: none">• Vulnerable groups have received required support and have safely relocated. A resettlement completion audit confirms alignment with IFC PS5.

8.5 CONSIDERATIONS FOR CHANGE MANAGEMENT

Given that land acquisition for the Project is already underway, the resettlement process must account for evolving circumstances, administrative transitions, and emerging challenges related to displacement impacts. Change management considerations ensure that physically displaced persons receive entitlements aligned with IFC PS5, even as new information emerges or unforeseen challenges arise during implementation.

Key considerations for effective change management in resettlement include:

- **Adaptive Planning for Compensation Adjustments**
 - Some compensation agreements have already been finalized, but KTZ must ensure that compensation aligns with full replacement cost. If depreciation, unfair adjustment coefficients, or other deductions have been applied, KTZ must top up compensation to ensure adequacy.
 - Any newly identified physically displaced persons due to final project boundary refinements must be included in updated compensation and resettlement plans.
- **Verification of Unregistered Users and Asset Surveys**
 - KTZ is to conduct a comprehensive census of affected households to ensure that all affected persons are identified, including unregistered land users, informal residents, and tenants who may be eligible for assistance under IFC PS5.
 - Asset data must be derived directly from the valuator's report, ensuring that all affected land, structures, and improvements are properly documented and valued for compensation. Given that discrepancies in valuation have already been identified, all valuation reports must undergo independent verification by a third-party valuator engaged by KTZ.
 - The cut-off date must be determined based on this census and valuation rather than the expropriation decree, ensuring that all affected persons are properly accounted for and informed in a timely manner before displacement occurs.
 - KTZ must negotiate with the local Akimats and Land Department to waive any fines or administrative penalties imposed on informal users or unregistered occupants (if applicable), to prevent unnecessary financial burdens on displaced persons.
- **Flexibility in Relocation Assistance Based on Affected Households' Needs**
 - Some displaced persons may require extended relocation timelines due to age, health conditions, or financial constraints. KTZ must work with the Akimat to accommodate flexible relocation schedules where feasible.
 - If additional transitional support is required, KTZ should allocate resources accordingly.
- **Noise Impact Mitigation and Housing Alternatives**
 - If mitigation measures for noise impacts cannot be effectively implemented due to economic or technical feasibility constraints, KTZ will explore options for house reconstruction for those affected by operational noise (for e.g. to improve soundproofing to mitigate against the operational noise impacts).
 - If reconstruction is not possible, residents will be consulted about potential relocation; however, it is critical to note that KTZ cannot force residents to move against their will.

9. MONITORING OF RESETTLEMENT ACTIVITIES

The implementation of resettlement measures will be subject to ongoing monitoring and evaluation to ensure compliance with IFC PS5 and the commitments outlined in this Resettlement Framework. KTZ will be responsible for internal monitoring, with third-party verification conducted where required. The monitoring framework will incorporate specific Key Performance Indicators (KPIs) to track the effectiveness of compensation, relocation assistance, and livelihood restoration measures.

A Resettlement Completion Audit will be conducted 12–18 months post-relocation by an independent third-party auditor to assess whether all commitments have been met and whether displaced households have successfully restored their living conditions and livelihoods.

Table 9-1 describes the KPIs which will be used to evaluate the success of resettlement implementation.

TABLE 9-1: KEY PERFORMANCE INDICATORS FOR MONITORING RESETTLEMENT IMPLEMENTATION

Indicator	Target	Frequency	Responsible Entity
Percentage of physically displaced persons compensated before relocation	100%	At compensation payout	KTZ in collaboration with Akimats.
% of affected households receiving compensation top-ups to meet full replacement cost	100% where applicable	At compensation payout	KTZ.
Percentage of affected households reporting satisfaction with compensation and relocation support	>80%	At compensation payout, 3 months, and 6 months post-relocation	External Monitor.
Percentage of physically displaced households successfully relocated to adequate housing	100%	At relocation & 6 months post-relocation	KTZ; External Monitor.
Percentage of vulnerable households receiving targeted assistance (financial support, relocation aid)	100% of identified vulnerable households	At relocation & follow-up 6 months later	KTZ in collaboration with Akimats; External Monitor.
Resolution of grievances received in relation to resettlement	100% resolution rate within agreed timelines	Monthly	KTZ.
Percentage of affected persons aware of the Grievance Redress Mechanism (GRM) and how to access it	>90%	Prior to land acquisition, at relocation, and 3 months post-relocation	KTZ.
Percentage of affected households reporting they have re-established pre-displacement living conditions	>80%	12 months post-relocation (Final Resettlement)	Independent Third-Party Auditor.

Indicator	Target	Frequency	Responsible Entity
		Completion Audit)	
Percentage of physically displaced persons reporting sustainable livelihoods post-relocation	>80%	12–18 months post-relocation	Independent Third-Party Auditor.

10. BUDGETARY CONSIDERATIONS

Given that a land and asset survey has not yet been conducted, a full resettlement budget cannot be determined at this stage. However, key cost areas related to resettlement implementation and compliance with IFC PS5 are identified below. These elements will need to be budgeted as part of the RAP once more detailed assessments are available.

10.1 KEY COST COMPONENTS FOR THE RESETTLEMENT ACTION PLAN

The RAP will outline the specific financial and in-kind entitlements, institutional responsibilities, and cost estimates to ensure that physically displaced persons receive full support during the transition. Key budgetary components include:

- Compensation at full replacement cost, including financial top-ups where valuation discrepancies exist.
- Moving and transition allowances for eligible displaced persons.
- Costs related to stakeholder engagement, grievance management, and legal assistance.
- Support for vulnerable groups, including targeted assistance.
- Post-relocation monitoring and livelihood restoration support.

These elements will be further refined upon completion of the census, valuation, and eligibility determination process. *Estimates are provided in the following sections: they are intended to provide indicative information and should not be considered definitive values.*

10.1.1 BUDGETING FOR COMPENSATION AND ALLOWANCES

The following factors should be considered when determining budget allocations for cash-based entitlements and resettlement assistance.

10.1.1.1 COMPENSATION AT FULL REPLACEMENT COST

Compensation for affected land and structures must reflect market value without depreciation deductions. The budget should account for:

- Independent valuation verification to ensure fair compensation, including cross-checking with independent experts where discrepancies are found.
- Top-ups for discrepancies, particularly where depreciation, adjustment coefficients or outdated cadastral values result in undervaluation.
- Transaction costs, including legal fees, property registration, and transfer costs to prevent financial burdens on displaced households.

TABLE 10-1: BUDGET ESTIMATION FOR COMPENSATION AT FULL REPLACEMENT COST

Budget Estimation Item ¹⁴	Estimation
No. of physically displaced households ¹⁵	15

¹⁴ No depreciation is expected to have been applied to the residential houses impacted by land acquisition, considering that the affected structures around Zhetygen station are urban in nature and are likely to have been valued using market comparables. This is based on the observation that valuation reports do not apply depreciation to structures when a comparative approach to valuation is used.

¹⁵ The number of affected residential structures enumerated by ERM was 13. A range of 10 to 15 households is estimated to be affected by physical displacement. The upper limit of 15 is used for this estimation.

Budget Estimation Item ¹⁴	Estimation
Average market value of a finished house and land ¹⁶	55,000,000 tenge
Top-up factor for transaction costs ¹⁷	1%
Approximate budget required	8,250,000 tenge (USD \$16,500¹⁸)

10.1.1.2 MOVING ALLOWANCE

For all households which are physically displaced, a one-time cash-based allowance is to be provided for the purposes of covering moving costs such as for transportation and packing. Factors to consider include:

- Distance of relocation: Households moving within the same district may require a lower allowance, while those relocating long distances will incur higher transportation costs.
- Household size: Larger households may need additional logistical support, including transportation of belongings and temporary storage (as required).
- Type of dwelling: Larger structures or households with significant assets (e.g., furniture, livestock) may require additional costs for packing and logistics.

The minimum amount of the moving allowance should cover transportation, loading/unloading costs, and temporary storage (if applicable). In cases where households require rental assistance, an additional rental support component should be included, covering up to three (3) months of rent if suitable alternative housing is not immediately available.

TABLE 10-2: BUDGET ESTIMATION FOR MOVING ALLOWANCE

Budget Estimation Item	Estimation
No. of physically displaced households ¹⁹	15
Average household size ²⁰	3 to 6
Allowance estimation factors ²¹	
Short distance moves (<10km)	50,000 to 100,000 tenge
Medium distance moves (10km to 50km)	100,000 to 200,000 tenge
Long distance moves (>50km)	200,000 to 400,000 tenge

¹⁶ The average market value of a finished house and land is estimated on a basis of ERM's visual assessment of house sizes during site visits and local knowledge of average house sizes and prices in the area as of January 2025.

¹⁷ Transaction costs: estimated to be a small percentage on the basis of information provided by semi-structured interview respondents and local key informants. Estimated

¹⁸ Based on exchange rates as of 4 April 2025, available at: <https://wise.com/gb/currency-converter/kzt-to-usd-rate>

¹⁹ The number of affected residential structures enumerated by ERM was 13. A range of 10 to 15 households is estimated to be affected by physical displacement. The upper limit of 15 is used for this estimation.

²⁰ Estimated based on semi-structured interview data on household size.

²¹ Based on a public domain search of moving costs, assuming that houses are approximately 60 m²

Budget Estimation Item	Estimation
Approximate budget required²²	3,000,000 tenge (USD \$6,000)

10.1.1.3 TRANSITION ALLOWANCE

The transition allowance is designed to provide short-term financial support for households facing economic displacement due to resettlement. Budgeting for this allowance should consider:

- Income loss assessment: The amount should be based on the household's pre-displacement earnings, ensuring that lost income due to relocation is temporarily covered.
- Household vulnerability: Vulnerable groups (e.g., elderly persons, single woman-headed households) may require an extended transition allowance of up to six (6) months.

TABLE 10-3: BUDGET ESTIMATION FOR TRANSITION ALLOWANCE

Budget Estimation Item	Estimation
Average income loss per month ²³	250,000 tenge
Standard transition allowance (3 months)	750,000 tenge
Transition allowance for vulnerable groups (6 months) ²⁴	1,500,000 tenge
No. of non-vulnerable households facing income loss due to resettlement ²⁵	4
No. of vulnerable households facing income loss due to resettlement ²⁶	3
Approximate budget required²⁷	7,500,000 tenge (USD \$15,000)²⁸

10.1.2 INSTITUTIONAL AND ADMINISTRATIVE COSTS

Beyond direct entitlements, resettlement implementation will require institutional capacity and administrative oversight. Given that assisted self-relocation necessitates significant monitoring and supervision to ensure that affected households are adequately supported throughout the process, it is crucial to consider additional costs associated with these efforts. As a ballpark estimate, it is recommended to allocate approximately **10% of the total budget** for resettlement activities to cover these necessary oversight and administrative expenses. This allocation will help ensure that there is adequate support for affected households during their transition and that the resettlement objectives are effectively met.

²² Assumption of an average allowance of 200,000 tenge per household, considering that people tend to move short to medium distances, due to a preference for staying in the vicinity of where they currently are living; and that larger households may require a larger moving allowance to account for the greater number of belongings.

²³ Based on semi-structured interview data on household income where available, assuming loss of entire monthly income.

²⁴ Process Support for Vulnerable Households: To be determined by KTZ and the LRIT after mapping out the vulnerable households and assessing the relevant entitlements depending upon the nature of impacts

²⁵ Estimated based on semi-structured interview data on income sources.

²⁶ Estimated based on semi-structured interview data on the presence of vulnerable households.

²⁷ Assuming 15 physically displaced.

²⁸ Based on rates as of 4 April 2025, available at <https://wise.com/gb/currency-converter/kzt-to-usd-rate>

10.1.2.1 RESETTLEMENT IMPLEMENTATION TEAM AT KTZ

KTZ will need to establish a dedicated team to oversee land acquisition, resettlement assistance, and grievance management within the Livelihood Restoration Implementation Team (as designated in the LRP). The key responsibilities for the team include:

- Land acquisition and compensation oversight, ensuring that valuations align with full replacement cost, addressing any discrepancies found;
- Resettlement assistance to facilitate self-relocation, tenure security and provide support for vulnerable households; and
- Stakeholder engagement and grievance management to ensure affected households are fully informed and can raise concerns;

The primary cost element associated with this team includes **personnel salaries and operational expenses**, rather than direct entitlement costs. Refer to the LRP for the budget estimate for the personnel salaries.

10.1.2.2 INDEPENDENT MONITORING & COMPLIANCE

An external monitor will be required to track compensation adequacy, verify the disbursement of entitlements, and conduct a Resettlement Completion Audit to assess whether displaced persons have successfully transitioned.

To optimise resources, the same independent third-party monitor engaged for the LRP can also be responsible for monitoring resettlement implementation under the Resettlement Framework, ensuring continuity and efficiency across both processes.

TABLE 10-4: BUDGET ESTIMATION FOR INDEPENDENT MONITORING AND COMPLIANCE

Budget Estimation Item	Price Estimation
Baseline monitoring and verification of compensation adequacy for an initial assessment and review of compliance with IFC PS5.	USD \$20,000 to \$40,000
Ongoing monitoring (quarterly or biannual site visits and stakeholder consultations) ²⁹	USD \$20,000 to \$60,000
Final resettlement completion audit	USD \$15,000
Administrative and reporting costs (for documentation, engagement with KTZ and submission of reports)	USD \$5,000 to \$10,000
Approximate budget required	USD \$60,000 to \$125,000

10.1.2.3 VALUATION & COMPENSATION VERIFICATION

Independent valuation experts should be engaged to verify that compensation meets full replacement cost. Cases of undervaluation should be identified. The independent valuation experts are also required to assess any discrepancies in the valuation reports caused by depreciation, outdated cadastral values or adjustment coefficients and ensure that transaction costs are accounted for.

²⁹ Assuming four (4) to six (6) site visits over a 12-to-18-month period.

TABLE 10-5: BUDGET ESTIMATION FOR VALUATION AND COMPENSATION VERIFICATION

Budget Estimation Item	Price Estimation
Independent review of valuation methodologies and reports	USD \$15,000 to \$30,000
Field verification of asset valuations ³⁰	USD \$15,000 to \$25,000
Compensation recalculations and recommendations for top-ups ³¹	USD \$10,000 to \$20,000
Engagement with affected persons for transparency in valuation disputes	USD \$5,000 to \$10,000
Approximate budget required	USD \$45,000 to \$85,000

10.2 SUMMARY OF COST CONSIDERATIONS FOR THE RESETTLEMENT ACTION PLAN

Table 10-6 summarises the cost considerations and budget estimations for the resettlement activities to be undertaken. The final RAP will provide a full cost breakdown, including:

- Compensation and top-ups to meet replacement cost where required.
- Moving allowances;
- Transition allowances;
- Resettlement assistance tailored to the physically displaced households;
- Livelihood restoration measures for physically displaced households facing economic displacement; and
- Stakeholder engagement and legal support, including the operation of the GRM and post-relocation monitoring

While the full cost structure will be finalized in the RAP, KTZ must proactively account for these resettlement-related expenses to ensure adequate institutional capacity and compliance with IFC PS5 requirements.

TABLE 10-6: SUMMARY OF COST ESTIMATIONS AND BUDGET

Budget Estimation Item	Unit Price (tenge)	No. of Units	Estimated Price (tenge)	Estimated Price (USD)
Compensation top-up to meet full replacement cost	550,000 ³²	15	8,250,000	16,500
Moving allowance	200,000	15	3,000,000	6,000
Standard transition allowance (3 months)	750,000	4	3,000,000	6,000
Transition allowance for vulnerable groups (6 months)	1,500,000	3	4,500,000	9,000

³⁰ Estimated at USD \$3,000 to \$5,000 per site visit, assuming up to 5 site visits over the resettlement period.

³¹ Dependent on the number of cases requiring additional review.

³² Only transaction costs are considered; estimated to be 1% of the cost of a finished house.

Budget Estimation Item	Unit Price (tenge)	No. of Units	Estimated Price (tenge)	Estimated Price (USD)
Institutional and administrative costs ³³	10% of the above costs	1	1,875,000	3,750
Subtotal	20,625,000 tenge or US\$41,250			
Independent monitoring and compliance	NA	1	NA ³⁴	60,000 to 125,000
Valuation and compensation verification	NA	1	NA ³⁵	45,000 to 85,000
Total	USD \$146,250 to \$251,250			

³³ Only the contingency budget is accounted for here as costs relating to the personnel salaries and operational expenses are accounted for in the LRP.

³⁴ Estimated in USD per international standards

³⁵ Estimated in USD per international standards



APPENDIX A RESULTS OF STRUCTURAL ENUMERATION AROUND ZHETYGEN STATION



APPENDIX B HOUSEHOLD COMPENSATION FORM



APPENDIX C

TERMS OF REFERENCE FOR EXTERNAL EVALUATION AND COMPLETION AUDIT



ERM HAS OVER 140 OFFICES ACROSS THE FOLLOWING
COUNTRIES AND TERRITORIES WORLDWIDE

Argentina	Mozambique
Australia	Netherlands
Belgium	New Zealand
Brazil	Panama
Canada	Peru
China	Poland
Colombia	Portugal
Denmark	Romania
France	Singapore
Germany	South Africa
Hong Kong	South Korea
India	Spain
Indonesia	Switzerland
Ireland	Taiwan
Italy	Thailand
Japan	UAE
Kazakhstan	UK
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