



“Avtoyulinvest” Agency  
under the Committee for Roads



ASIAN INFRASTRUCTURE  
INVESTMENT BANK

## Resettlement Planning Framework

PROJECT: Bukhara Road Network Improvement Project, Phase 1.

ASSIGNMENT *Preparation of Environmental and Social Management Planning Framework for Karakalpakstan and Khorezm Local Roads Network Reconstruction Project.*

CONTRACT: KCLRNP/LCS/01



in Joint Venture with



**LOCAL ROADS NETWORK RECONSTRUCTION PROJECT  
PREPARATION OF ESMPF FOR KARAKALPAKSTAN AND KHOREZM**

**RESETTLEMENT PLANNING FRAMEWORK**

**Karakalpakstan and Khorezm Local Roads Network Reconstruction Project**

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## GLOSSARY

Affected People (AP)	Individuals affected by Project-related impacts.
Affected Household (AH)	All members of a household residing under one roof and operating as a single economic unit, who are adversely affected by the Project. It may consist of a single nuclear family or an extended family group.
Compensation	Payment in cash or in kind of the replacement cost of the acquired assets.
Cut-off date	Refers to the date set to determine eligibility for compensation and assistance under the project. Any people who settle in the project area after the cut-off date will not be entitled to compensation and assistance under the project.
Detailed measurement survey (DMS)	Field surveys carried out based on the proposed /approved detailed engineering drawings to finalize and/or validate the results of the Inventory of Losses, severity of impacts, and list of APs to be covered under the Resettlement Action Plan (RAP).
Entitlement	Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation which are due to affected people, depending on the nature of their losses, to restore their economic and social base.
Indigenous Peoples	A distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (iv) a distinct language, often different from the official language of Uzbekistan.
Informal Settlers	Affected persons who do not hold the ownership title to land/assets they occupy, neither are eligible to claim for valid title under the current legislation.
Improvements	Structures constructed (dwelling unit, fence, waiting sheds, animal pens, utilities, community facilities, stores, warehouses, etc.), and crops/plants planted by people, households, institutions, or organizations.
Host population	Community residing near the area where the Project beneficiaries are proposed to be voluntarily resettled within the framework of the given project.

Khokimyat	Administration or local state body interacting between local communities and government at the regional and national levels. It has the highest administrative and legal authorities over the residents living in the area within its jurisdiction
Land Acquisition	The process whereby a person is compelled by a government agency to alienate all or part of the land a person owns or possesses to the ownership and possession of the government agency for public purpose in return for a consideration.
Legitimate Possessors	Physical/legal persons who occupy and use land and/or assets without registered title, however, are eligible to claim for valid title under the current legislation.
Mahalla	Local self-government body, society-like organization at the local level, officially recognized in Uzbekistan, acting as a link between the government and society and responsible for social support and cultural interaction to its members. Mahalla chairpersons are elected by the local meetings.
Relocation	The physical relocation of AP/AH from her/his pre-project place of residence.
Rehabilitation	Compensatory measures other than payment of the replacement cost of acquired assets which are provided under this Resettlement Planning Framework aimed at improving, or at least restoring, livelihoods and living conditions of affected households to pre-displacement levels. Such measures must be determined in consultation with affected persons, including those whose rights might not be formally recognized.
Replacement Cost	Method of valuing assets to replace the loss at fair market value, or its nearest equivalent, plus any transitional and restoration costs such as administrative charges, taxes, registration, title costs and any other applicable payments. Where national law doesn't meet this standard the replacement cost will be supplemented as necessary. The value determined to be fair compensation for land based on its productive potential and location. The replacement cost of houses and structures (current fair market price of building materials and labour without depreciation or deductions for salvaged building material), and the market value of residential land, crops, trees, and other commodities, and transaction costs to be able to replace these assets, including taxes for land purchase and moving costs.
Resettlement	All measures taken to mitigate any and all adverse impacts (full or partial, permanent or temporary, physical and/or economic) of the Project on AP's property and/or livelihood (resulting from involuntary acquisition of land, or involuntary restrictions on land use or an access to parks and protected

	areas), including compensation, relocation (where relevant), and rehabilitation of the damaged/removed infrastructure and installations.
Resettlement Plan	A time-bound action plan with budget setting out resettlement strategy, objectives, entitlement, actions, responsibilities, monitoring and evaluation.
Severely Affected	Households (including informal settlers) that (i) lose 10% and more of their income generating land/assets as a result of project-related land acquisition, (ii) physically displaced HH and (iii) households losing commercial/business establishments.
Vulnerable groups <sup>1</sup>	<p>People who, by virtue of factors (gender, ethnicity, age, physical or mental disability, Economic disadvantage, or social status) beyond their control, may be more likely to be adversely affected by the Project's environmental or social impacts and may be more limited than others in their ability to claim or take advantage of Project benefits.</p> <p>These are; (i) female-headed households with and/or without dependants; (ii) disabled household heads; (iii) poor households as defined by the official poverty line; (iv) elderly households with no means of support; (v) households without security of tenure; (vi) cultural or ethnic minorities; and (vii) refugees or internally displaced people.</p>

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<sup>1</sup> Based on established practise in similar projects these people often are: (i) female-headed households with and/or without dependants; (ii) disabled household heads; (iii) poor households as defined by the official poverty line; (iv) elderly households with no means of support; (v) households without security of tenure; (vi) cultural or ethnic minorities; and (vii) refugees or internally displaced people.

**ABBREVIATIONS**

AIIB	Asian Infrastructure Investment Bank
AH	Affected Household
AP	Affected Person
AYA	Avtoyulinvest Agency
DMS	Detailed Measurement Survey
CR	Committee for Roads
AYA	Avtoyulinvest" Agency
EkoStandart	"Ekostandart Ekspert" LLC
ESS	Environmental and Social Standard
GOU	Government of Uzbekistan
GRC	Grievance Redress Committee
IA	Implementing Agency
IMA	Independent Monitoring Agency
IP	Indigenous People
IVS	International Valuation Standards
LAR	Land Acquisition and Resettlement
LRNRP	Local Roads Network Reconstruction Project
RPF	Resettlement Planning Framework
RAP	Land Acquisition and Resettlement Plan
MEEPCC	Ministry of Ecology, Environmental Protection and Climate Change of the Republic of Uzbekistan
NTS	Non-Technical Summary
PMO	Project Management Office
PS	Performance Standard
RPLUS	Rhythm Plus LLC, Uzbekistan
SANEPID	Sanitary-Epidemiological Peace and Public Health Service
SCLRGCS	State Committee on Land Resources, Geodesy, Cartography and State Cadaster
ROW	Right of Way
SES	Socio-economic survey
SEP	Stakeholder Engagement Plan

## EXECUTIVE SUMMARY

1. The Resettlement Planning Framework (RPF) is prepared by Avtoyulinvest" Agency (AYA) with support of RPLUS and EkoStandart JV, the Consultant (Republic of Uzbekistan), engaged by AYA to prepare the full package of Safeguards Reports for the given project. This RPF will be applicable for Karakalpakstan and Khorezm region
2. The hereby RPF applies only to **Republic of Karakalpakstan and Khorezm region Local Roads Network Reconstruction Project** and is prepared in compliance with the relevant legislation of Uzbekistan, and requirements of the Asian Infrastructure Investment Bank (AIIB). <sup>2</sup>The RPF is subject to review and clearance by the GOU and AIIB.
3. The Project is proposed to be supported by the Asian Infrastructure Investment Bank (AIIB, or the Bank). It has been tentatively assigned to Category B under the Bank's Environmental and Social Policy (ESF 2022). The Project will require application of Environmental and Social Standard (ESS) 1 – Environmental and Social Assessment and Management and ESS 2 – Involuntary Resettlement (which includes land acquisition).
4. This RPF builds on the lessons learned from the preparation and implementation of land acquisition and involuntary resettlement instruments associated to numerous projects funded by various IFIs including AIIB and the best examples of practical experience obtained during implementation site-specific RAPs in infrastructure and energy sectors.
5. Therefore, this RPF will serve as the main guiding document for the development of site-specific Social Due-diligence Reports (SDDR) and Resettlement Action Plans (RAP) for each project district proposed within the framework of the given project supported to AIIB.
6. The RPF should be read in conjunction with the AIIB ESS 2 (ESF 2022) on Involuntary Resettlement and effective legislation of Uzbekistan. The RPF provides the guidance on how to prepare and implement RAPs, how to set out project goals and project implementation schedule, census and socio-economic survey, inventory of project affected asset, identification of severely affected and vulnerable AHs, cut-off date and eligibility criteria for project affected persons (APs), legal framework and institutional involvement, determines concepts of valuation methodology and approaches to be exercised during determination of unit rates per each type impact and loss to be compensated to APs, establishes compensation entitlements, which will be employed to compensate, and restore the livelihoods and living standards of APs. In addition, the document provides participation and public consultation procedures, grievance redress mechanism to timely address any inquiry or claim of any aggrieved persons during the entire project cycle.
7. The document outlines the resettlement principles and procedures ensuring that resettlement needs are identified, and the "Avtoyulinvest Agency", the Implementing Agency (EA) of the project adopts and implements the procedures for land acquisition, involuntary resettlement, and potential loss of access to physical and economic livelihoods in compliance with the Government's applicable laws and regulations, requirements of AIIB ESF 2022 and the best international practice.
8. The final RPF will be uploaded to the web sites of AYA and AIIB, and will be made available in electronic and printed format to project stakeholders.
9. The main objective of the RPF is to assist AYA at the phase of RAPs preparation aimed at identifying the types, nature, and magnitude of potential economic and/or physical displacement impacts and providing adequate measures to address these

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<sup>2</sup> <https://www.aiib.org/en/policies-strategies/download/environment-framework/Final-ESF-Mar-14-2019-Final-P.pdf>

impacts to ensure that potential APs are:

- a. Informed about their rights and options pertaining to resettlement;
- b. Involved in meaningful consultation process and given the opportunity to participate in project planning and selection of technically and economically feasible alternatives;  
and
- c. Provided with prompt and effective compensation at full replacement cost for losses of land, assets, or access to assets and livelihoods because of sub-project works.

## 1. PROJECT DESCRIPTION

### 1.1. Project Overview

10. The Government of the Republic of Uzbekistan is preparing for a proposed investment loan from the Asian Infrastructure Investment Bank (AIIB) to finance the project "Reconstruction of the Local Roads Network in Karakalpakstan and Khorezm". The AIIB has provided a loan for project preparation in accordance with the General Procurement Notice issued on September 27, 2019. The Government of the Republic of Uzbekistan intends to use part of the loan funds for consulting services.
11. The Road Committee (RC) is a separate entity under the MOT of the Republic of Uzbekistan and serves as the Project Implementing Entity (PIE). responsible for overall project coordination with government agencies and high-level decision-making authorities to ensure timely implementation, and for liaison with AIIB and other development partners.
12. Avtoyulinvest Agency (AYA) as a department under RC, manages the Project's general management and implementation, including progress monitoring, procurement supervision, and works plan review. RC has established a Project Management Office (PMO) under AYA. The centralized PMO, based in Tashkent, will oversee the implementation and monitoring of ESMPs to ensure compliance with AIIB safeguard requirements and applicable national regulations. The centralized PMO, based in Tashkent, currently includes one dedicated Environmental and Social (E&S) Specialist, who will conduct regular monthly visits to the regions. In addition, the PMO will recruit one Gender Consultant (based in Tashkent with regional travel) and one Occupational Health and Safety (OHS) Consultant (based in the Khorezm region) to strengthen E&S capacity. Additionally, the supervision consultant and contractor will each engage one Environmental Specialist, one Social Specialist, one Road Safety Specialist and one OHS Specialist in each region to ensure robust site-level safeguard oversight and compliance.
13. Uzbekistan is characterized by vast desert and mountainous terrain and is located in Central Asia bordered by Kazakhstan to the north, the Kyrgyz Republic to the east, Tajikistan and Afghanistan to the south, and Turkmenistan to the southwest. Being a doubly land locked country, Uzbekistan relies heavily on its road and rail network for trade and other economic activities. Roads are one of the dominant transport modes in Uzbekistan with railways comprising 4,669 kilometers (km) of which 2,446 are electrified. The Committee for Roads (CR) is the central governing body for Uzbekistan's transport sector with a jurisdiction of some 42,695 kms of the road network comprising international, national, and local roads of which 3,981 km are international highways.
14. The Republic of Karakalpakstan, occupying an area of more than 165.0 thousand km<sup>2</sup>, covers the entire north-western tip of Uzbekistan. Its dispersed population is around 1.8 million and its main economic drivers are agriculture, natural gas, and minerals. The natural environment of the Republic of Karakalpakstan is primarily an arid desert consisting of rare, barren lands subject to severe drought. Thus, the Republic of Karakalpakstan is experiencing an acute shortage of surface water. Although aquifers exist, groundwater is mainly saline solutions and has limited value. Therefore, the water supply conditions are critical.
15. The Khorezm Province is one of 12 provinces of Uzbekistan. It is located in the northwestern part of Uzbekistan along the Amudarya River. The province borders the Republic of Karakalpakstan in the northwest, the Bukhara Province in the east, and Turkmenistan in the south and west. The province comprises eleven districts and two

cities (Urgench and Khiva) with a population of 1,924,163 as of 2024.

16. The Project aims to improve connectivity between communities by integrating selected local roads into the international and state road networks, thereby providing better access to markets, schools, healthcare, and social services for local residents. This initiative will significantly contribute to the development of an efficient and secure transportation network within the regions.
17. The primary beneficiaries of this project are the citizens living in the twenty three project districts. In Karakalpakstan Republic in the Kanlykul, Kegeyli, Takhtakupyr, Shumanai, Khujayli, Amurdarya, Beruniy, Turtkul, Ellikkala, Chimbay, Nukus, Karauzak, Kungrad, Muynak districts and Bagat, Gurlan, Koshkupir, Urgench, Khiva, Khazarasp, Shavat, Yangiarik, Yangibazar districts in Khorezm region, therefore the number of project stakeholders is large and includes all project impacted settlements and organizations located in the above mentioned project districts. Primary beneficiaries (both male and female inhabitants), who will directly benefit from improvement of local roads conditions; Road Committee, "Avtoyulinvest" Agency, the Ministry of Ecology, Environmental Protection and Climate Change of the Republic of Karakalpakstan, Department of Ecology, Environmental Protection and Climate Change of Khorezm region, the Ministry of Transport.

## 1.2. Project Description

18. Project implementation will be carried out over 5 years through two phases, 1 and 2. The financing for the Project is proposed to be committed via two separate loan tranches, each with its own Loan agreement, in line with the Project's implementation readiness and allowing for operational viability and efficient resource allocation.
19. Phase 1: Reconstruction of up to 188 km of local roads across 9 districts in Khorezm Region, together with Institutional Strengthening and Capacity Building as well as Development of Digital Geospatial Platform and Women and Youth Empowerment Program with a proposed AIIB financing amount of USD 71.163 million.
20. Phase 2: Reconstruction of up to 328.1 km of local roads across 14 districts in the Republic of Karakalpakstan, with an expected AIIB financing amount of USD 102.312 million. This Phase will be prepared and submitted for AIIB management's verification once agreed conditions for Tranche 2 readiness are met.
21. Phase 1 of the Project is slated for a three-year construction period, spanning from 2026 to 2028, followed by a two-year Defect Liability Period and Phase 2 will start by end of 2026.

### 1.2.1. Components

22. The Project consists of three components:  
**Component 1.** Reconstruction of the Local Roads in Karakalpakstan and Khorezm. This component focuses on the reconstruction of local roads in the Republic of Karakalpakstan and the Khorezm region. The reconstruction works include pavement reconstruction, bridge repair and construction, drainage improvements, and the installation of road safety measures such as signs, barriers, pedestrian crossings, and bus stops. Where necessary, sidewalks will be added to improve pedestrian safety. Climate resilience measures, such as the use of durable pavement materials and enhanced drainage systems to cope with higher temperatures and seasonal flooding, will be integrated. No capacity expansion is planned, and road reconstruction will remain within the existing corridors.  
The Project also includes two years of road maintenance to ensure sustainability and

aligns with the Government's strategy to involve the public sector in road maintenance. Timely maintenance will help mitigate damage from extreme weather due to climate change, enhancing the climate resiliency of the roads.

Additionally, the component will fund the hiring of a Construction Supervision Consultant to oversee the entire construction process, including the review of climate-resilient measures to ensure proper adaptation and mitigation efforts are in place, as well as the Road Safety Audit (RSA) in overseeing compliance with contractual obligations and ensuring quality and safety standards. There are three sub-components:

*Sub-component 1.1.* Reconstruction Works of the Local Road Network in the Republic of Karakalpakstan

*Sub-component 1.2.* Reconstruction Works of the Local Road Network in Khorezm Region

*Sub-component 1.3.* Construction Supervision Consultancy

**Component 2.** Institutional Strengthening and Capacity Building. This component will support RC's efforts to operationalize the PMO to ensure the quality implementation of the Project. This component will also support institutional strengthening and capacity building for PMO, financial audit and other operational costs of the PMO.

**Component 3.** Development of Digital Geospatial Platform and Women and Youth Empowerment Program. There are two sub-components:

*Sub-component 3.1.* Development of Digital Geospatial Platform

The objective of this sub-component is to create a sophisticated, web-based Geographic Information System (GIS) platform that serves multiple purposes:

Provide an interactive, online tool for construction supervision, enabling real-time monitoring of project implementation, and generating progress and financial reports with visualizations.

Support the evaluation of social and economic benefits derived from improved connectivity, including enhanced access to healthcare, education, and tourism facilities, and the increase in public facilities accessible to the community.

Visualize climate vulnerability and risks affecting each road section to be rehabilitated, while tracking the implementation of climate resilience measures.

Streamline grievance registration and monitoring, allowing PMO, supervision consultants, and RC to manage incoming complaints, generate alerts, and track responses in real-time.

*Sub-component 3.2.* Women and Youth Empowerment Program

This sub-component focuses on fostering social and economic inclusion, particularly for women and youth, by leveraging the Project's interventions. Key activities to be implemented by the PMO include:

- Conducting a scoping study and skills needs assessment to identify potential business and livelihood opportunities for women in the surrounding areas.
- Developing a women's entrepreneurship program based on the needs assessment, along with participant selection criteria and a list of potential participants.
- Identifying potential sources of grant financing for women entrepreneurs.
- Providing training on climate resilience and road maintenance, targeting residents in Project-affected areas, with a special focus on women and youth.
- Organizing engaging road safety awareness programs for young people, incorporating educational materials and campaigns on traffic rules and pedestrian safety.

### 1.3. Project Location

23. The overall lengths of the sections for the major repair 328.1 km long, road sections are into 11 districts in Karakalpakstan as follows:

- Road sections Amurdarya - 23 km
- Road sections Beruniy - 32 km
- Road sections Chimbay- 20 km
- Road sections Turtkul- 5 km
- Road sections Kegeyli - 12 km
- Road sections Nukus- 16 km
- Road sections Taxtako'pir- 15 km
- Road sections Ellikkala- 36 km
- Road sections Shumanay-10 km
- Road sections Karauzyak-20 km
- Road sections Kanlikul – 57 km
- Road sections Kungrad - 57.1 km
- Road sections Muynak - 15 km
- Road sections Khojayli- 10 km

24. The overall lengths of the sections for the major repair 188 km long, road sections were divided into 9 lots in Khorezm region as follows:

- Road sections Bagat - 14 km
- Road sections Gurlan - 19 km
- Road sections Koshkupir - 35 km
- Road sections Urgench – 41.5 km
- Road sections Khiva – 21 km
- Road sections Khazarasp - 14 km
- Road sections Shavat – 13.5 km
- Road sections Yangjarik - 19 km
- Road sections Yangibazar - 11 km

25. The location of project districts is provided in Figure 1 and 2 below.

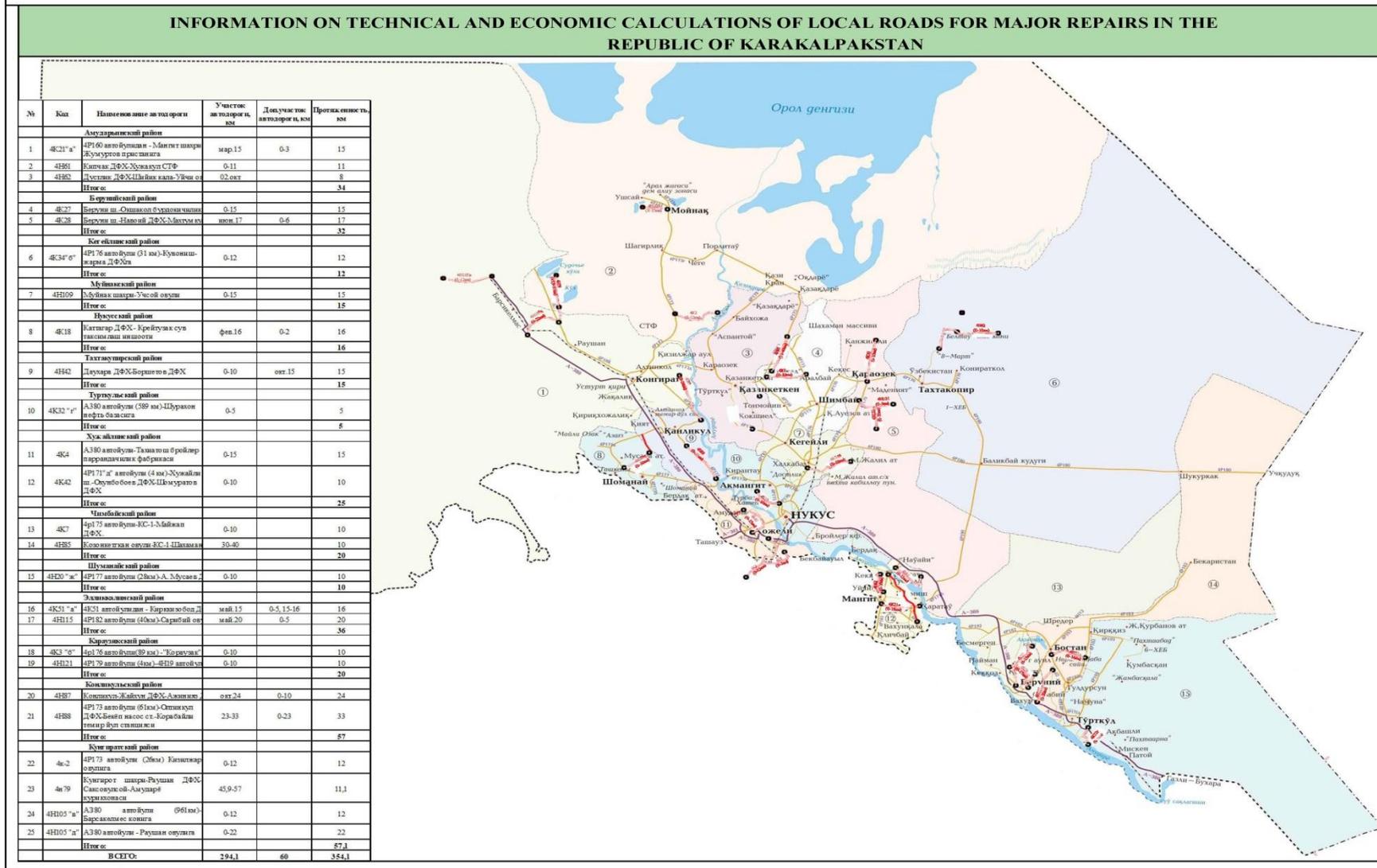


Figure 1 Location of Project Districts in Karakalpakstan

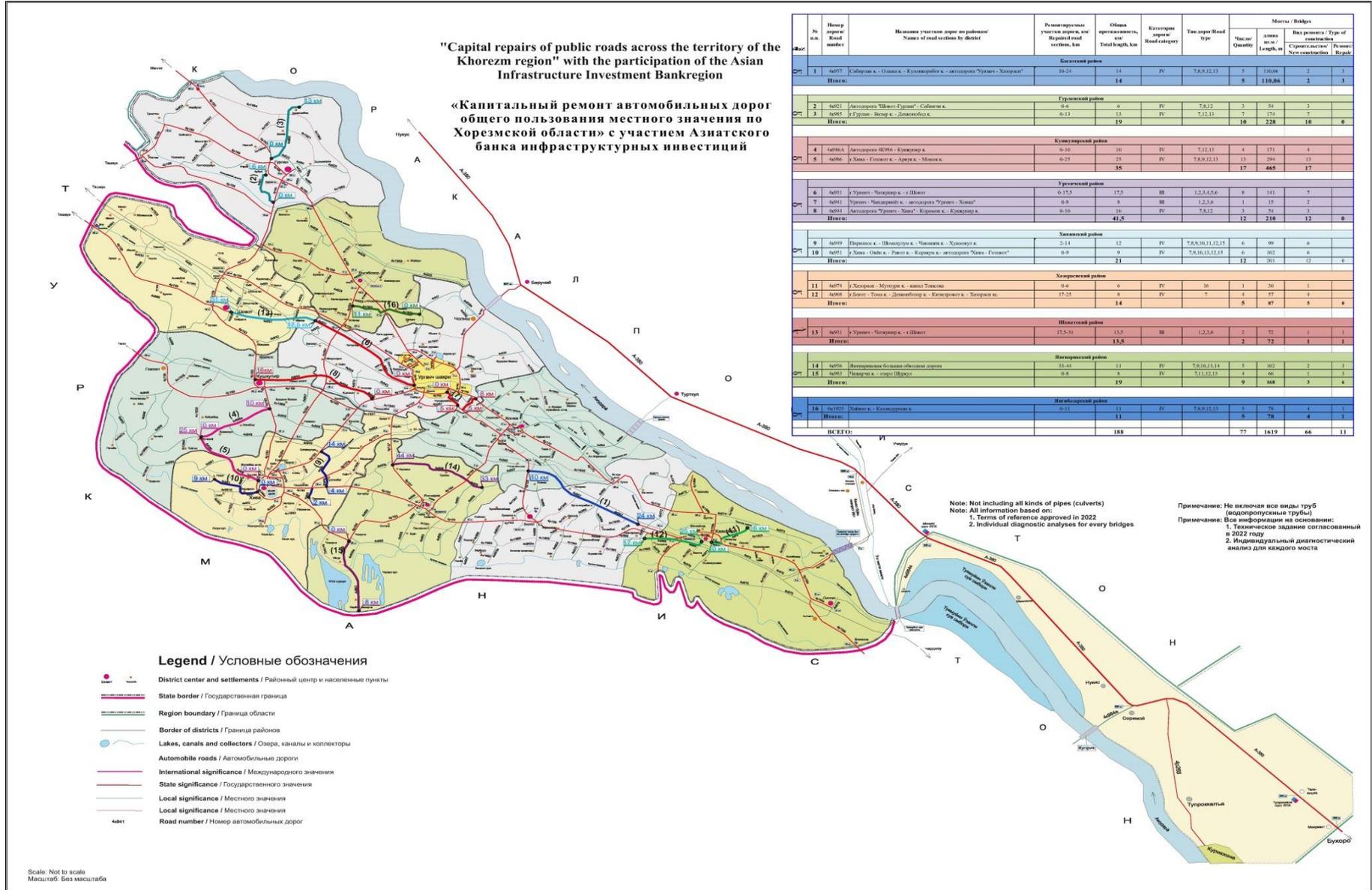


Figure 2 Location of Project Districts in Khorezm region

#### 1.4. Project Impact and Outcome

26. The Project is expected to generate benefits in Karakalpakstan and Khorezm by improving the condition of regional roads to make them efficient and safer to use. The road reconstruction will be limited to existing roads only and the existing width of the roads will be maintained. New road construction and road widening is not anticipated as part of this Project. Therefore, all road works will be carried out on previously disturbed land with minimal impact on the local flora and fauna of the region.
27. The temporary negative impacts during construction of the road reconstruction subprojects will be related to air pollution, noise, water pollution, disposal of wastes, traffic disruption, access restriction for the community, and disturbance to the community due to influx of workers.
28. The negative impacts of the operation of the Project may include increased vehicle speed due to improved road condition which can cause serious accidents and loss of property and life. The project road needs to meet Good International Industry Practice safety standards including traffic signage, warning signs, traffic lights, reflectors, and pedestrian crossings (overhead or underground where possible/appropriate). In addition, liaison with the community will need to be maintained in addition to raise their awareness regarding safety risks associated with vehicular traffic.

#### 1.5. Project Scope of Works

29. Eligible roads will include local roads that connect rural settlements to state and international roads. Targeted local roads have been selected through a screening tool jointly developed by the Bank and RC, based on established minimum requirements and prioritization criteria, including pavement condition, traffic volume, settlement population served, and connectivity to socioeconomic facilities and services around two socio-economical centers of Western Uzbekistan.
30. The existing roads in Karakalpakstan being repaired, spanning 328.1 km, are categorized within the III and V technical categories. More than half of the roads pass through populated areas. The width of the existing roadbed mainly ranges from 5-9 m. Nearly all sections of the existing roadway of the roads being designed have longitudinal and transverse cracks, ruts, subsidence, waves, breakages, fading, flaking, potholes, and shifts.
31. The project involves the dismantling (milling) of the existing surface, and the construction of a road structure. Major repairs or complete replacement of bridge structures are planned. For the regulation and safety of road traffic, the installation of signs and indicators, signal posts, barrier blocks, markings, street lighting in populated areas, sidewalks, and bus stops are provided.
32. The existing roads in **Khorezm region** undergoing repair over a stretch of 188 km fall into the III and IV technical categories. More than half of these roads pass through populated areas.
33. The width of the existing roadway ranges from 5 - 9 m, with shoulders being 1.0 - 2.0 m wide. The current road surface is made of a petroleum-mineral mixture with a thickness of 3 - 24 cm. On all sections of the existing roadway of the planned roads, there are longitudinal and transverse cracks, as well as networks of cracks, ruts, subsidence, waves, breaks, discoloration, peeling, potholes, and shifts.
34. The project includes the construction of a road surface. A major overhaul (17 units) and complete replacement of bridge structures (77 units) are planned. To ensure regulation and safety of road traffic, the project includes signs and indicators, signal posts, fencing blocks, markings, street lighting in populated areas, sidewalks, and bus stops with shade canopies.

35. Detailed design which was prepared by Yo'l-Loyiha Byurosi LLC, will be the basis for Contractors to prepare SDDRs for each sub-project and must be submitted to CSC, PMO and AIIB for approval. SDDR should justify whether RAP is needed for the sub-project. RAPs for each sub-project will be prepared where there is physical or economic displacement as a result of the SDDR.

#### **1.6. Purpose of RPF**

36. Therefore, under the mutual agreement of Committee for Roads under the Ministry of Transport of the Republic of Uzbekistan and AIIB the decision was made to develop RPF applicable to Karakalpakstan and Khorezm Local Roads Network Reconstruction Project, that after being reviewed, will be publicly disclosed, and the final version should be agreed with the GOU and AIIB, will serve as the base document for further development of site-specific RAPs.

#### **1.7. Project stakeholders**

37. The spectrum of project stakeholders will be rather wide, commencing with individual farmers and households owners, legitimate possessors and users of the project affected land parcels, eligible for cash compensation, including commercial entities, business owners, local government and local communities that may not necessarily release their assets for project purposes in lieu of reasonable cash compensation but still gaining/sharing project benefits.
38. Local government and state institutions that will be involved in RAP preparation process as the agencies responsibility for a number of tasks to be accomplished during RAP preparation and implementation on behalf of the government of Uzbekistan. Chapter 8 'Consultation, Participation and Information Disclosure' describes the procedures and actions to be undertaken during RPF and RAP disclosure, implementation and monitoring and evaluation of LAR results, as well as project construction period.

#### **1.8. Gender Impact and Mitigation Measures**

39. Women have important economic roles in project areas and engage in a very wide range of income making activities in the agricultural and marketing sector. The project will pay particular attention to ensure that women who are de-facto household heads are clearly listed as beneficiaries of compensation and rehabilitation proceedings under the loan. In order to ensure the gender informed assessment and consultation processes the following actions will be considered:
  - a. Impact assessment of APs indicating the total number of families and people must be gender-disaggregated to pinpoint how many women are likely to be affected by the Project and establish their pre-Project conditions.
  - b. Women will be major participants in the consultation processes to determine and negotiate for compensation entitlements and RAP development and implementation.
  - c. Special attention will be given to project affected women and other vulnerable groups during on every phase on the given project.

#### **1.9. Measures taken to minimize project adverse impacts**

40. Reconstruction works will encompass pavement removal and replacement of asphalt and base layers, bridge repair and construction, drainage enhancements, installation of road safety and climate resilient measures and bus stops. Sidewalks will be added, particularly around schools, to enhance pedestrian safety. All reconstruction activities will occur within the existing right-of-way, eliminating the need for land acquisition and resettlement. Yo'l-Loyiha Byurosi LLC, a design institute specializing in road infrastructure, prepared the detail designs for this local road rehabilitation Project.

41. A project's resettlement planning begins during the feasibility studies and continues through final design studies and sometimes into project implementation. It may be possible at each point to avoid or minimize population displacement. Crucially, road reconstruction will occur within the existing right-of-way, eliminating the necessity for land acquisition and resettlement.
42. The design of each proposed project districts road sections will be prepared in accordance with required standards. After scoping and feasibility survey several alternatives of project design alignment will be prepared.
43. Each road section will be compared to the official cadastre data, to determine potential impact on private property. On site surveys will be undertaken per each alignment to assess approximate magnitude of affected structures (residential and commercial facilities), supplementary structure, perennials and annual crops, business stoppage etc.
44. Measures taken /proposed to minimize adverse impacts will be described in each RAP prepared for specific sub-projects and publicly disclosed.

### 1.10. Scope of Application and Works Covered by the Project

- The preliminary surveys conducted by the Implementing Agency within the selected road sections location will reveal tentative impact of the proposed project. All reconstruction activities will occur within the existing right-of-way, eliminating the need for land acquisition and resettlement.
45. The proposed reconstruction works include climate resilient pavement reconstruction, bridge repair and construction, drainage enhancements, the installation of road safety measures, and the provision of bus stops. Where necessary, sidewalks will be added to enhance pedestrian safety. Furthermore, environmental impacts are expected to be minor, mainly linked to construction activities.
  46. The feasibility studies should provide for (i) the selection of feasible and preferred options for the intervention, (ii) the preliminary designs for the agreed options/alternatives; and (iii) respective framework safeguard documents, including the Environmental Impact Assessment according the local standards (EIA).
  47. The ESMPF will guide the ESMPs process and covers the following: rules and procedures for environmental and social screening of subprojects; guidance for conducting subprojects' ESMPs; mitigation measures for possible impacts of different proposed activities and types of subprojects to be supported by the project; requirements for monitoring and supervision of implementing of ESMPs, implementation arrangements. The ESMPF has also an overview of the capacity of the PMO and local involved institutions for E&S risk management. Based on this review, the ESMPF specifies capacity building activities that would include all these parties as well as activities on strengthening the capacity of participating local institutions on mitigating potential environmental and social risks and conducting subproject-level ESMPs. IA will consult with the Bank to determine the process to be used, taking into account the number of activities, including scoping, stakeholder engagement, potential environmental and social issues and any specific issues raised between the Bank and IA.
  48. The ESMPs will allow determination of potential risks and impacts associated with the project and the level of applicability with AIIB ESF 2022 safeguard policy **requirements for Involuntary Resettlement will be confirmed.**
  49. **Social Due Diligence report (SDDR)** will be prepared for each sub-project with confirmed absence of LAR impacts.
  50. **Site-specific RAPs** will be prepared in case the SDDR assessment confirms magnitude and physical or economic displacement.
  51. To address the issues identified during the ESMP, the IA will use this RPF as the guiding document and prepare a Resettlement Action Plan (RAP) including

Livelihood Restoration Plan (LRP) to cover project impacts associated with the project and ensure restoration of livelihood of project affected persons and communities within the project influence area, as needed.

52. The site-specific RAPs (if needed) will include detailed compensation and administration budgets and implementation schedules linking land acquisition and resettlement planning tasks to the initiation of civil works.

#### **1.11. Conditions for Project Implementation**

53. Based on the AIB policy/practice, the approval of project implementation is based on the following conditions:
  - d. The contractor will prepare ES Instruments such as site specific ESMPs, SDDRs and RAPs (if needed) of sub-project. The site-specific RAPs will reflect the final impacts of land acquisition, final Affected People lists, and compensation rates at full replacement cost approved by Avtoyulinvest Agency.
  - e. The contractor will not commence construction activities before the approval of each ES instrument as well as full implementation of Site-specific RAP (full delivery of compensation and rehabilitation allowances) and certified by RAP implementation Compliance Report prepared by Avtoyulinvest Agency and approved by AIB.

## 2. SCOPE OF PROJECT IMPACT

54. **The Republic of Karakalpakstan** is located in the southwest part of Uzbekistan and occupies northwest part of Kyzyl-Kum desert and Amu Darya delta. The total area of Karakalpakstan is 165 600 sq.m. and total population is about 2 002 700 people (as of January1, 2024).
55. **The Khorezm Province** is one of 12 provinces of Uzbekistan. It is located in the northwestern part of Uzbekistan along the Amudarya River. The province borders the Republic of Karakalpakstan in the northwest, the Bukhara Province in the east, and Turkmenistan in the south and west. The province comprises eleven districts and two cities (Urgench and Khiva) with a population of 1,924,163 as of 2024.
56. Baseline data collections surveys in both regions have revealed several concerning issues, the majority of these local roads (93%) are paved, yet 31% of them require structural repairs. Approximately one-third (31%) of the local road network requires capital repairs to maintain functionality and safety standards.
57. The project area includes Kanlykul, Kegeyli, Takhtakupyr, Shumanai, Khujayli, Amurdarya, Beruniy, Turtkul, Ellikkala, Chimbay, Nukus, Karauzak, Kungrad, Muynak districts in Karakalpakstan Republic and Bagat, Gurlan, Koshkupir, Urgench,, Khiva, Khazarasp, Shavat, Yangiarik, Yangibazar districts in Khorezm region.
58. The scope of project impact will be defined in accordance to the location and design of specific project districts. In general, the assessment of project environmental and social impact scopes wider territory in comparison with the project related roads sections and the possible impact to private structures and trees.
59. The scope of project impact related to reconstruction of local roads will not require new land takes and will be limited by temporary disturbance and/or some impact to private assets/structures. Each sub-project will need to be examined, recorded and compensated in case of possible land acquisition pursuant the compensation principles stipulated in this RPF and as specified in each site-specific RAP to be developed pursuant to country legislation and AIIB ESS2 requirements for Involuntary Resettlement.

### 3. SOCIO-ECONOMIC PROFILE OF APS

60. The Republic of Karakalpakstan has large natural, mineral and agricultural resources, labor potential, road, transport and engineering and communication networks, industrial infrastructure, convenient geographical location and large territory. The main sectors of agriculture in the Republic of Karakalpakstan are grain farming (production of wheat and raw rice), cotton growing, cattle breeding and silkworm breeding, industry and construction.
61. According to the results of 2023, the gross regional product (GRP) of the Republic of Karakalpakstan increased by 3.5% (in 2022, an increase of 4.0%) to \$2.8 billion, and its share in the formation of Uzbekistan's GDP decreased from 3.4% to 3.1%, according to the data of the Statistics Agency under the President of the country. GRP growth is due to positive growth rates in the main sectors of the region's economy, including agriculture, forestry and fisheries – 104.1% (share in the GRP structure – 30.4%), industry – 101.1% (22.2%), construction – 106.5% (8.1%) and services – 103.8% (39.3%). Karakalpakstan's GRP per capita increased by 2.1% (in 2022, an increase of 2.6%) to \$1,409.7. According to this indicator, Karakalpakstan ranks 11th among 13 regions and the capital of the country.
62. Khorezm region is one of the agro-industrial regions of Uzbekistan. Agriculture plays an important role in the economy of the region. Farms are playing an increasingly important role and importance in it, the number of which exceeded 5,000 after the consolidation reform. Farmers donate about 98% of raw cotton and 65% of grain grown in Khorezm. The local industry is mainly related to the processing of agricultural products. There are also enterprises producing carpets, building materials and food products. The tourism sector is developing, in which services provided to foreign tourists occupy a special place.
63. According to the results of 2023, the gross regional product (GRP) of the Khorezm region increased by 4,4% to \$3.7 billion, and its share in the formation of Uzbekistan's GDP increased to 3.5% according to the data of the Statistics Agency under the President of the country.
64. The demography and socio-economic data will be collected during RAP preparation activities once the footprint of each project district is defined. and in case LAR impacts are confirmed as a result of screening activities.
65. Each site-specific RAP will contain a chapter on socio-economic profile of LAR affected people identified within the project affected area, developed as a result of thorough full census and socio-economic survey (SES) of 100 % present and located project affected households.
66. Detailed Measurement Survey (DMS), a full census of all affected farms (AF), affected households (AH) and affected persons: legal persons (business owners), physical persons (hired labor, renters, etc.), informal users to define the socio-economic profile of all affected persons to be covered under project specific RAPs.
67. Inventory of all project affected assets assigned to each AP/AH or AF will be conducted in presence of the informal users/legitimate owners/ possessors or their authorized representatives and in presence of local authorities.
68. The inventory will be carried out to identify the APs/AHs, project affected land, assets and business operations will be recorded and inventoried in presence of APs and local government representatives. The inventory results will be recorded and evaluated for compensation purposes.
69. Socio-economic survey of project affected households is often allocated a separate chapter in the site-specific RAP. The chapter describes main economic activities of members of AHs, education and literacy level, major sources of income, employment and vulnerability level of APs identified during the full census and SES.
70. Thus, a good coverage of the livelihoods of the affected area should be given, that will provide sufficient feedback for the proposed livelihood restoration activities.

71. During site-specific RAP preparation, socio-economic study carried out with the involvement of potentially affected people will be required and includes the following data:
- Current occupants of the affected area as a basis for design of the RAP and to clearly set a cut-off date, the purpose of which is to exclude subsequent inflows of people from eligibility for compensation and resettlement assistance;
  - Standard characteristics of affected households (gender disaggregated as relevant), including a description of production systems, labour, and household organization; and baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population;
  - Information on vulnerable groups or persons, for whom special provisions may have to be made; and
  - The aim of full Census and Socio-economic survey is to provision update information on the displaced (economic or physical) people's livelihoods and standards of living at regular intervals so that the latest information is available at the time of their displacement, and to measure impacts (or changes) in their livelihood and living conditions.
72. Inventory of project affected assets defines the magnitude of expected loss, total or partial impact on land and assets, income loss and the extent of displacement, physical or economic.

## 4. COUNTRY LEGISLATION, AIIB RESETTLEMENT PLANNING AND LEGAL GAP ANALYSES

### 4.1 Legislation of Uzbekistan

#### 4.1.1. Constitution of Uzbekistan

73. The Constitution of the Republic of Uzbekistan (December 8, 1992) provides that everyone shall have the right to own property (Article 36).
74. The economy of Uzbekistan, evolving towards market relations, is based on various forms of ownership. The state shall guarantee freedom of economic activity, entrepreneurship and labour with due regard for the priority of consumers' rights, equality and legal protection of all forms of ownership (Article 53).
75. An owner, at his discretion, shall possess, use and dispose of his property. The use of any property must not be harmful to the ecological environment nor shall it infringe on the rights and legally protected interests of citizens, juridical entities and the state (Article 54);
76. The land, its minerals, waters, fauna and flora, and other natural resources shall constitute the national wealth and shall be rationally used and protected by the state (Article 55).

#### 4.1.2. Land code (30 April 1998)

77. The Land Code (LC) is the main regulatory framework for land related matters in Uzbekistan. The LC regulates allocation, transfer and sale of land plots, defines ownership and rights on land. It describes responsibilities of different state authorities (Cabinet of Ministers, province, district, city Khokimyat) in land management; rights and obligations of land possessor, user, tenant and owner; land category types, land acquisition and compensation, resolution of land disputes and land protection. The LC also defines the terms of rights termination on land plot, seizure and land acquisition of land plot for state and public needs, and terms of seizure of land plot in violation of land legislation. The LC provides that:
  - Withdrawal of the land or part thereof for state and public needs is made by agreement with land user and tenant by decision respectively khokim of district, city, region or by decision of the Cabinet of Ministers (Article 37, Clause 1). In case of disagreement the land user or tenant of the land with a decision of district (city, region) khokim, or the decision of the Cabinet of Ministers to withdraw the land, this decision may be appealed in court (Article 37, Clause 2);
  - Losses caused by violation of the rights of land users, tenants and land owners (including lost profits), shall be reimbursed in full (Article 41, Clause 3);
  - The withdrawal of the land for state or public needs may be produced after allocated to land user or tenant an equivalent land plot and the compensation all losses including lost profits (Article 41, Clause 4).
78. The LC (Article 36, Clause 1) specifies instances when the right to the land can be terminated. Termination of the right of possession and the right of permanent or temporary use of land is made by decisions, respectively, of khokims of districts, cities, regions or by the decision of the Cabinet of Ministers on the proposal of the bodies exercising state control over the use and protection of land, on the basis of supporting documents justifying the termination of the rights. In case of disagreement with the decisions of the Cabinet of Ministers and the officials of the termination of the right of

- possession, the right of permanent or temporary land use natural and legal persons may appeal to the court (Article 36, Clause 4).
79. According to Article 39, Clause 1 land user, tenant and land owner have besides others the right for reimbursement of losses (including lost profits), in case of withdrawal of land or compensation costs for voluntary renunciation of land (Article 39, Clause 1, sub-Clause 7).
  80. The LC (Article 86, Clause 1) specifies the cases where losses of land users must be compensated in full including lost profits:
    - seizure, redemption or temporary occupation of land;
    - the restriction of their rights in connection with the establishment of water protection zones, coastal strips, sanitary protection zones of water bodies, zones of formation of surface and underground water, zones of resort areas, public areas of biosphere reserves, protected zones around national parks, game reserves, national nature monuments, sites of cultural heritage, discharges, roads, pipelines, communication and power lines.
  81. According to the Article 87, Clause 1 losses of agricultural and forestry production, caused by the withdrawal of agricultural and forest land, including agricultural land, owned and used by individuals to use them for purposes not related to agriculture and forestry, restrictions on the rights of land users and tenants or deterioration land due to the impact caused by the activity of enterprises, institutions and organizations, shall be reimbursed in addition to the indemnity provided for in Article 86. Losses of agricultural and forestry production is compensated by legal and natural persons:
    - which removes withdrawn agricultural and forest lands for purposes not related to agriculture and forestry;
    - around objects that set security, sanitary and protection zones with the exception of the revolutions of agricultural and forest land, or transfer them to less valuable lands.

#### **4.1.3. Resolution of Cabinet of Ministers № 911 (16 November 2019)**

2. These resolutions determine the procedure for withdrawing a land plot or part thereof for state and public needs belonging to individuals (individual entrepreneur, citizen of the Republic of Uzbekistan, foreign citizen and stateless persons) and legal entities (business entities, non-governmental organizations) on the basis of ownership, permanent use or temporary use, as well as in the framework of investment projects and compensation for property owners real estate located on this land.
3. This resolution does not apply to land owned by individuals and legal entities.
4. When seizing land for state and public needs and implementing investment projects by the Council of Ministers of the Republic of Karakalpakstan, Khokimyats of the city of Tashkent, regions or district (city), land plots occupied by dilapidated and emergency housing facilities, including unused ones, are selected first of all objects belonging to the category of cultural heritage), as well as socio-economic objects from which they need construction.
5. According to the Clause 11 If there are grounds for withdrawing the land for investment projects, investors prepare and submit to the Council of Ministers of the Republic of Karakalpakstan, Khokimyats of the city of Tashkent, regions or district (city).
6. According to the Chapter 3 (General procedure for providing compensation to owners in connection with the demolition of real estate), Clause 11 of this resolution Compensation is paid as follows:
  - market value of real estate located on the seized land;
  - the market value of the right to the seized land;
  - expenses associated with the temporary acquisition of another property, including relocation;
  - the rich benefits of individuals and legal entities;

- other expenses and losses stipulated by law or agreement.
  - The cost of self-constructed housing, industrial and other buildings and structures should also be covered.
7. Types of compensation provided:
    - a. cash;
    - b. the provision of another property to the property;
    - c. land plot;
    - d. other types of compensation provided by the agreement.
  8. By agreement of the parties, the owner may be provided with several types of compensation, taking into account the estimated value of the property.
    - a. The term for the issuance of a new property instead of demolished property should not exceed 24 months from the date of issuance of another property for temporary use. If a new property is not issued within the indicated period, the entrepreneur pays the owner a fine of 0.01 percent for each day of delay. In this case, the size of the fine should not exceed 50 percent of the value of the violated property.
    - b. An agreement providing for the provision of property as compensation is subject to state registration in cases provided for by law.
  9. When land is withdrawn for state and public needs, compensation is provided by the Council of Ministers of the Republic of Karakalpakstan, Khokimiyats of the city of Tashkent, regions or district (city) from the funds of the corresponding centralized fund and other sources not prohibited by law. When land is withdrawn for investment projects, compensation is paid at the expense of investors and other sources not prohibited by law. Compensation is provided in the following order:
    - a. by transferring funds to the appropriate bank (deposit) account of the owner;
    - b. in case of seizure of an apartment building or a land plot occupied by a blocked house (town house), the owner, by agreement of the parties, shall be given ownership of a small apartment located in the same or another area (city) than the area of the previous apartment.
    - c. An apartment can be issued from an apartment building or a locked house (town house), which is being built on a land plot seized at the request of the owner. In this case, the owner will be given temporary housing for rent at the expense of the initiator, which he and his family members will receive until this apartment is transferred;
    - d. in case of withdrawal of a land plot occupied by a non-residential object, the owner, upon agreement of the parties, is granted non-residential object, the area of which is located in a particular district (city) not less than the total area of the previous non-residential object.
    - e. If a non-residential object is provided from an object being built on a seized land, the owner is given a temporary non-residential object for rent at the expense of the initiator before the transfer of this non-residential object;
  10. in case of seizure of a land plot occupied by an individual residential premises (including construction in progress, but registered in the prescribed manner) - by agreement of the parties, the owner shall be given ownership of an individual residential premises with a land plot located in a particular area (city), and residential premises with insignificant conditions less than before; in the event of the seizure of a land plot owned by the right of ownership, permanent use or temporary use - this owner shall be given another land plot, the area of which is equal to the previous one.
    - a. If the market value of the right to the seized land exceeds the market value of the right to the land plot provided as compensation, this difference shall be subject to compensation to the right holder of the land plot.
    - b. If the market value of the right to the seized land is lower than the market value of the right to the land granted as compensation, this difference does not require compensation by the copyright holder of the land.

- c. By agreement of the parties, the size and size of other types of compensation may be reduced; instead, an additional land plot may be provided as compensation.
- d. In case of providing a land plot for individual housing construction, the owner and members of his family are provided with temporary housing for rent on the initiative of the owner until the completion of construction and the commissioning of an individual residential building. In this case, the construction period should not exceed two years from the date of conclusion of the contract.
- e. At the request of the owner, he will be provided with residential and non-residential premises, an industrial and other building and construction, in which the same land plot will be allocated as his land, and broken in the allotted land, and the same residential and non-residential premises will be built, industrial and other building and construction, as in the layout, shape, size, size and other parameters.
- f. In this case, the initiator prepares the design and estimate documentation for this real estate object, the amount indicated in it is transferred in the prescribed manner to the construction organization for the construction of the real estate object on the basis of an agreement concluded between the initiator, the owner and the construction organization.

#### **4.1.4. Civil Code (29 August 1996)**

- 11. The Civil Code (CC) defines the legal status of participants of civil relations, the grounds and procedure of implementation of property rights and other proprietary rights, rights on intellectual property, regulates the contractual and other obligations, as well as other property and related personal non-property relations. The CC defines general rules of property seizure, determination of property cost and rights for compensation, terms of rights termination.
- 12. The CC provides that: person whose right has been violated may demand full compensation for damages, unless the law or the contract provides compensation for losses in a smaller size (Article 14, Clause 1). The Civil Code (Article 14, Clause 2) also specifies that losses are understood as:
  - a. expenses that the person whose right is violated, made or must make to restore the violated right;
  - b. the loss of or damage to property (real damage);
  - c. the revenues that this person would have received under normal conditions of civil turnover if his right had not been violated (lost profits).
- 13. According to article 14, Clause 3 "If the person has violated law, revenues received as a result of this, the person whose rights were violated, has the right to demand compensation along with other losses, lost profits in the amount not less than such profits".
- 14. According to article 7 "If an international treaty or agreement stipulates other rules than those stipulated by civil legislation, rules of the international treaty or agreement". This rule is a common rule for all Uzbekistan's laws.
- 15. According to the Article 8, Clause 3, the rights to the property which are subject to state registration shall arise upon the registration of the relevant rights to it, unless otherwise provided by law. Article 84, Clause 1 provides that the right of ownership and other real property rights, creation, transfer, restriction and termination of these rights are subject to state registration. This means that without registration the right to real estate property does not enter into the force. This statement is very important for the further understanding of LAR processes related to land acquisition and building's demolition.

#### **4.1.5. Resolution of Cabinet of Ministers № 146 (25 May 2011)**

16. This Resolution is aimed to improve the procedure of granting land plots, protect the rights of legal entities and individuals on land, improve the architecture of settlements and the efficient use of their land for construction in accordance with the Land Code and the Town Planning Code. This resolution has approved two Regulations: (i) Regulation on the procedure for granting land for urban development and other non-agricultural purposes, (ii) Regulation on the procedure of compensation for land possessors, users, tenants and owners, as well as losses of agriculture and forestry. The *Regulation on the procedure for granting land for urban development* and other non-agricultural purposes contains the following provisions:
- Order of land plot location, preparation and approval of site selection and land allocation documents without approved planning documentation;
  - Order of placement, selection and land allocation with approved planning documentation,
  - Order for rejection in the selection and land allocation for construction;
  - Provision (sale) of land plots for individual housing construction;
  - Elements of urban planning documents and development regulation lines.
17. The Regulation on the procedure of compensation for possessors, users, tenants and land owners, as well as losses of agriculture and forestry includes the following:
- a. Compensation for losses of owners, users, tenants and land owners;
  - b. Compensation for losses of agriculture and forestry;
  - c. cost of irrigation and developing equal new land plot in return for seized irrigated agricultural land;
  - d. Cost of fundamental improvement of grassland and pasture;
  - e. Scheme for determination of losses of land possessors, users, tenants and owners, as well as losses of agriculture and forestry;
  - f. Coefficients on location of seized land plots.
18. The losses of land possessors, users, tenants and owners, as well as losses of agriculture and forestry should be compensated before granting documents certifying rights on land plot. The regulation also orders that demolition of house, or building shall be done only after agreeing on compensation and providing replacement premises. The regulation orders that compensation has to be paid before starting any construction work. The land possessors, users, tenants and owners, whose land plots are seized and to whom land plots are granted, in case of disagreement with defined amount of losses, can appeal to court. In case of acquisition and temporary occupation of land plot or part thereof, the following would be subject to compensation:
- a. Cost of land plot, owned by individuals and legal entities;
  - b. Cost of residential houses, constructions and installations, including incomplete constructions, and also located outside of allocated plot, if its further utilization is impossible due to seize of land plot.
  - c. Cost of fruits and berries, protection and other perennial plants;
  - d. Cost of incomplete agricultural production;
  - e. Lost profit.
19. Above described Laws and Regulations mention that non-titled and squatters on land and building/structures are ineligible for any compensation.
20. Collectively, these regulations provide a sound basis for acquiring land for public purposes and for compensating land users according to the registered use of the land in Uzbekistan.

**4.1.6. Decree of the President of the Republic of Uzbekistan №3857 (16 July 2018)**

21. The decree “On measures to improve the effectiveness of training and realizing projects with participation of international financial institutions and foreign government financial organizations” partly provides that payment of compensation for the land acquisition, demolition of houses, other structures, plantings within the framework of projects with the participation of International Financial Institutions (IFIs), if it is agreed and stated in agreements, then will be carried out by authorized bodies in accordance with the requirements of IFIs or Foreign Governmental Finance Organizations (FGFOs).

**4.1.7. Decree of the President of the Republic of Uzbekistan №5495 (1 August 2018)**

22. Decree “On measures on cardinal improvement of investment climate in the republic of Uzbekistan” partly provides that the adoption of decisions on the seizure of land for state and public needs is allowed only after an open discussion with interested parties whose land plots are planned to be seized, as well as assessing the benefits and costs; demolition of residential, industrial premises, other structures and structures belonging to individuals and legal entities, with the withdrawal of land plots is allowed after full compensation of the market value of immovable property and losses caused to owners in connection with such withdrawal.

**4.1.8. Republic of Uzbekistan Law of 29.06.2022 No. ZRU-781”**

23. The law “On Land Acquisition for Public Purpose and Compensation Procedures” establishes land acquisition for public purpose and compensation procedures for private land plots or parts thereof owned by individuals and legal entities holding lifetime heritable tenure, permanent ownership, permanent use, temporary use or lease title in property.

**4.1.9. Tax code**

24. The Tax Code (TC) is a regulatory framework for taxation related matters of individuals and legal entities. This law regulates compensation for vulnerable group of people in terms of applying discounts or exemption from property taxes, income tax and other taxes stipulated in this TC.

**4.1.10. Labor Code and Employment Law**

25. These two documents are the main legislation regulating labor relations of individuals employed with labor contract by enterprises, institutions, organizations of all type ownership forms, including contracted by individuals. These laws consider the interests of employees, and that employers provide efficient function to the labor market, just and secure labor conditions, protection of labor rights and employees health, promote the growth of labor productivity, increase work equality, and the raising of this matter to improve welfare and social livelihood level of the population.
26. Both AIIB policy and the Uzbek law provide for the indemnification of APs who lose a job because of land/assets acquisition under a public interest project. The two, however, differs substantially on how the matter is conceptualized and resolved in practice. AIIB policy compounds the matter as an income rehabilitation issue and thus requires that the actual job income lost by the APs is fully reimbursed to them. This approach covers temporary and permanent job losses and is generally implemented through an allowance providing the APs their declared monthly salary (what should

be substantiated by the supporting documents) for the number of months of business stoppage up to a maximum of 12 months which is the benchmark for permanent job loss. For informal permanent jobs without declared salaries the approach is the same but based on national minimum salary. To guarantee proper policy application the payment of the job loss allowances are to be directly disbursed to the APs by the project proponent.

27. The national legislation, instead, limits the matter to the payment as mandated by the Labor Code of fixed employment termination indemnities due by an employer to his employees and to the obligation of the project proponent to reimburse the employer of the cost of those indemnities mandate by the Civil Code. Such an approach excludes from job loss compensation informal employees without a declared salary, applies only to permanently affected jobs and does not automatically guarantee that the APs receive their job termination dues.<sup>3</sup>

#### **4.1.11. Resolution of Cabinet of Ministers № 44 (15 February 2013)**

28. This resolution determine the procedure for the appointment and payment by Mahalla allowances for families with children under the age of 14 years, allowances for child care until the age of two years and allowance for low income families. According to this resolution the following types of families are entitled for allowances:
- a. families who have lost both parents and children involved in family education;
  - b. families where one or both parents are disabled children;
  - c. widow(er), raising two or more children under the age of 14, living separately from other relatives;
  - d. family with disabled children;
  - e. mothers or fathers who are bringing up the children in a single-parent family. In this case the fact of child rearing mother (father) in an incomplete family established by Mahala;
  - f. families in which one or both parents are unemployed who has been registered at centers to promote employment and social protection of the population as job-seekers;
  - g. single retired persons.
29. The Uzbekistan's legislation does not define compensation as targeting the rehabilitation of the APs livelihood. It instead focuses on the mere compensation of directly measurable physical impacts or incomes. This may create some reconciliation problem with AIIB requirements especially for what concerns the compensation of indirectly affected items that become unusable after impacts or for the provision of severe impacts, vulnerable APs and relocation allowances. The legislation, however, has enough span (for instance indicates that the poor, the disadvantaged and the people leaving in frontier areas require special attention during LAR) to allow an interpretation of its mandates to cover AIIB requirements without the need of legal reform and does not require additional payments in connection with the project implementation.

#### **4.1.12. Laws regulating valuation of assets**

30. The valuation of the assets, including real estate property, business etc., is carried out

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<sup>3</sup> Based on the Labor Code of 1996, last amended on 2015 (Article 67) loss of employment is to be compensated with 2 months average salary plus a severance pay of a maximum of 1 month average salary depending on the length of the employment lost. Also, according to the Civil Code (Article 14) all losses (including real damage, lost profits) are to be compensated.

- on the basis of the Law “On Valuation Activity”, decrees and resolutions of the President and the government state standards, departmental regulations and other provisions of national legislation.
31. Among the legal acts related to the evaluation of real estate and used in determining compensation for alienated land, demolition and resettlement, should be highlighted:
    - Resolution of the Cabinet of Ministers dated 16.11.2019, №97 “about additional measures to improve the procedure for provision of compensations for the separation and provision of land plots and provision of the guarantee of property rights of physical and legal”;
    - Resolution of the Cabinet of Ministers dated 25.05.2011, №146 “On measures to improve the procedure for granting land plots for urban development activities and other non-agricultural purposes” (annex 2 – Regulations on the indemnification of possessors, users, tenants and land owners, as well as losses of agricultural and forestry production);
    - National property valuation standards of Uzbekistan (IF) N 10 "Valuation of real estate" (registered by the Ministry of Justice of 18.11.2009, N 2044);
    - Decision of the Khokim of the city of Tashkent dated 21.11.2014, №953 “On approval the Regulations on the damages to businesses and individuals, whose non-residential buildings were demolished in connection with withdrawal of land plots in the city of Tashkent for state and public needs”;
  32. Resolution of the Board of the Central Bank of the Republic of Uzbekistan “On Approval of the Procedure of valuation the right to lease the land plot” (Registered 8.04.2004 by Ministry of Justice, reg. №1336); Sequencing of legal acts and their contents characterize the state and public understanding of the theory and practice of market valuation. This is confirmed by a number of definitions and norms declared in the Law “On valuation activity”. For example:
    - “Valuation activities are the activities of appraisal organization, aimed at determining the value of the assessment”<sup>4</sup>
    - “Appraisal organization - a legal entity licensed to carry out valuation activities. Appraisal organization in its activity is independent. No interference consumer services (hereinafter - Customer), or other interested parties in the evaluation activities of the organization. Creation of the appraisal organization and realization of valuation activities by public authorities and administrations are prohibited, unless otherwise provided by law”.<sup>5</sup>
  33. While the evaluation activities are carried out by independent organizations (private companies having certified valuers), the state plays an important role in the regulation of evaluation activities. The State Committee for State Property Management and Development of Competition (Goskomkonkurentsii) is responsible for: i) developing and approving regulations, including standards for the valuation of the property; ii) licensing of valuation activity; iii) certification of experts-appraisers, as well as organize their training and professional development. The Society of Appraisers of Uzbekistan shall protect the rights of appraisers, increase their capacity, provides an independent expert opinion, when requested, to validate findings of valuation report, etc.
  34. According to the UNECE publication “Land Administration Guidelines with Special Reference to Countries in Transition” (1996), “In countries of east and central Europe currently in transition the cadastral system was based on the Russian model, and focused on land use. Land was “valued” in terms of its agricultural potential based on

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

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

soil types, climate, rainfall, etc. and the farmers were then instructed to grow appropriate crops. This concept of the term “value” is only indirectly connected with the sort of valuations that are needed to manage land in a market economy”.<sup>6</sup> This principle may explain why the LandCode has no information on land valuation.

#### **4.1.13. AIIB ESS 2. Involuntary Resettlement**

35. Involuntary Resettlement shall be covered in a resettlement plan (resettlement plan) or resettlement planning framework (RPF), which is provided to the Bank as a freestanding document, an annex to the assessment report, or incorporated into the report as a recognizable element.
36. AIIB's safeguards, lays out policy principles, and outlines the delivery process for AIIB's safeguard policy.
37. The **Objectives** of the **IR policy** are as follows:
  - a. Screens each Project territory to determine whether or not it involves Involuntary Resettlement (which covers both physical and economic displacement, as defined in ESS 2).
  - b. To avoid involuntary resettlement, wherever possible;
  - c. Where it is not feasible to avoid Involuntary Resettlement, the Client is required to ensure that resettlement activities are conceived and executed as sustainable development programs, providing sufficient resources to enable the persons displaced by the Project to share in Project benefits;
  - d. If the Project involves Involuntary Resettlement, the preparation of a Resettlement Action Plan (RAP) based on the preliminarily prepared and cleared Resettlement Planning Framework (RPF);
  - e. To minimize involuntary resettlement by exploring Sub-Project and design alternatives;
  - f. To enhance, or at least restore, the livelihoods of all displaced persons in real terms, relative to pre-Sub-Project levels; and
  - g. To improve the standards of living of the displaced poor and other vulnerable groups.
38. **Objectives of AIIB ESS 2.** To avoid Involuntary Resettlement wherever possible; to minimize Involuntary Resettlement by exploring Project alternatives; where avoidance of Involuntary Resettlement is not feasible, to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-Project levels; to improve the overall socioeconomic status of the displaced poor and other vulnerable groups; and to conceive and implement resettlement activities as sustainable development programs, providing sufficient resources to enable the persons displaced by the Project to share in Project benefits
39. **Scope and Application.** ESS 2 applies if the Project's screening process reveals that the Project would involve Involuntary Resettlement (including Involuntary Resettlement of the recent past or foreseeable future that is directly linked to the Project). Involuntary Resettlement covers physical displacement (relocation, loss of residential land or loss of shelter) and economic displacement (loss of land or access to land and natural resources; loss of assets or access to assets, income sources or means of livelihood) as a result of:

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<sup>6</sup> [http://www.unece.org/fileadmin/DAM/hlm/documents/Publications/land.administration.guidelines\\_e.pdf](http://www.unece.org/fileadmin/DAM/hlm/documents/Publications/land.administration.guidelines_e.pdf)

- (a) involuntary acquisition of land; or (b) involuntary restrictions on land use or on access to legally designated parks and protected areas. It covers such displacement whether these losses and involuntary restrictions are full or partial, permanent or temporary.
40. If adverse environmental, social or economic impacts from Project activities involving loss of access to assets or resources or restrictions on land use that do not fall within the definition of Involuntary Resettlement are identified, such impacts are avoided, or when avoidance is not feasible, they are at least minimized, mitigated, or compensated for, through the environmental and social assessment under ESS 1. If these impacts are found to be adverse at any stage of the Project, the Client is required to develop and implement a management plan to restore the livelihoods of affected persons to at least pre-Project level or better.
41. **AIIB ESS 2 Requirements:** The Client is required to undertake the following actions in relation to the Project:
- a. **Planning.** Determine the required scope of Involuntary Resettlement planning, through a survey of land and assets, a full census of persons to be displaced, and an evaluation of socioeconomic conditions specifically related to Involuntary Resettlement risks and impacts. This establishes baseline information on assets, productive resources and status of livelihoods. Include consideration of customary rights, collective or communal forms of land tenure. Take gender into account in conducting the above. If Indigenous Peoples are affected, follow the requirements of ESS 3.
  - b. **Resettlement Plan.** Prepare a resettlement plan elaborating on displaced persons' entitlements, income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget and time-bound implementation schedule. Involve affected persons in consultation on the resettlement plan and disclose the draft resettlement documentation in accordance with (n) Information Disclosure, below. The resettlement plan complements the broader coverage of social risks and impacts in the environmental and social assessment and provides specialized guidance to address the specific issues associated with Involuntary Resettlement, including land acquisition; changes in land use rights, including customary rights; physical and economic displacement; and potential design adjustments that may reduce resettlement requirements. In some cases, with the Bank's prior approval, resettlement actions may be part of an overall community development plan, where the Client takes special efforts to ensure people who are displaced receive appropriate benefits through such a plan. When displacement is only economic, prepare a livelihood restoration plan. Provide measures to be taken in case of disputes over the amount of compensation.
  - c. **Abbreviated Resettlement Plan.** Where impacts on the entire displaced population are minor, or fewer than 200 people are displaced, the Client may, with the prior approval of the Bank, prepare an abbreviated resettlement plan, covering such elements as the Bank may specify. Impacts are considered "minor" if the affected people are not physically displaced and less than 10 percent of their productive assets are lost.
  - d. **Resettlement Planning Framework.** If (i) the Project is likely to involve Involuntary Resettlement but consists of a program or series of activities whose details are not yet identified at the time the Project is approved by the Bank, or (ii) in exceptional circumstances, duly justified by the Client, the Bank determines that the environmental and social assessment of identified Project activities involving Involuntary Resettlement may be conducted using the phased approach under paragraph 50 of the ESP: prepare an RPF. Prepare the

- resettlement plan or abbreviated resettlement plan, as described in (b) and (c) above, as early as possible during development of the activities, in conformity with the RPF approved by the Bank.
- e. **Proportionality.** Ensure that the resettlement plan or RPF is proportional to the extent and degree of the impacts. The degree of impacts is determined by:
    - (i) the scope of physical and economic displacement; and (ii) the vulnerability of the persons to be displaced by the Project.
  - f. **Consultations.** Carry out meaningful consultations with persons to be displaced by the Project, host communities and nongovernmental organizations, and facilitate their informed participation in the consultations. Consult with all persons to be displaced on their rights within the resettlement process, entitlements and resettlement options, and further participation process. Ensure their involvement in planning, implementation, monitoring and evaluation of the resettlement plan. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, Indigenous Peoples and those without legal title to land, and ensure their participation in consultations.
  - g. **Grievance Mechanism.** Establish a suitable grievance redress mechanism to receive and facilitate resolution of the concerns of persons displaced by the Project and inform them of its availability. Scale the grievance mechanism to the risks and impacts of the Involuntary Resettlement. The grievance mechanism may utilize existing formal or informal grievance mechanisms, provided that they are properly designed and implemented, and determined by the Bank to be suitable for the Project; these may be supplemented, as needed, with Project-specific arrangements. Design the mechanism to address displaced persons' concerns and complaints promptly, using an understandable and transparent process that is gender-sensitive, culturally appropriate and readily accessible to all affected people. Include provisions to protect complainants from retaliation and to remain anonymous, if requested. Disclose reports on grievance redress and outcomes in accordance with (n) Information Disclosure, below.
  - h. **Social Support.** Support the social and cultural institutions of persons displaced by the Project and their host population to address resettlement. Where Involuntary Resettlement risks and impacts are highly complex and sensitive, consider implementation of a social preparation phase to build the capacity of vulnerable groups to address resettlement issues, consisting of consultation with affected people and the host population before key compensation and resettlement decisions are made. The cost of social preparation is included in the resettlement budget.
  - i. **Livelihood Restoration.** Improve, or at least restore, the livelihoods of all persons displaced by the Project through: (i) where possible, land-based<sup>7</sup> resettlement strategies when affected livelihoods are land-based or where land is collectively owned; or cash compensation at replacement value for land, including transitional costs, when the loss of land does not undermine livelihoods; (ii) prompt replacement of assets with assets of equal or higher value; (iii) prompt compensation at full replacement cost for assets that cannot be restored; and (iv) capacity building programs to support improved use of livelihood resources and enhance access to alternative sources of livelihood. Include transaction costs in

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<sup>7</sup> The term "land-based" includes livelihood activities such as rotational cropping and grazing of livestock as well as the harvesting of natural resources.

- determining compensation. Examine the opportunities for provision of additional revenues and services through benefit-sharing, as the nature and objectives of the Project may allow.
- j. **Resettlement Assistance.** Provide persons displaced by the Project with needed assistance, including the following: (i) if there is relocation, security of tenure (with tenure rights that are as strong as the rights the displaced persons had to the land or assets from which they have been displaced) of relocation land (and assets, as applicable), proper housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities and extension of Project benefits to host communities to facilitate the resettlement process; (ii) transitional support and development assistance, such as land development, credit facilities, training or employment opportunities; and (iii) civic infrastructure and community services, as required.
  - k. **Standards of Living.** Improve the standards of living of the poor and other vulnerable groups displaced by the Project, including women, children and persons with disabilities, to at least national minimum standards, including access to social protection systems. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.
  - l. **Persons without Title or Legal Rights.** Ensure that persons displaced by the Project who is without title to land or any recognizable legal rights to land, are eligible for, and receive, resettlement assistance and compensation for loss of non-land assets, in accordance with cut-off dates established in the resettlement plan. Include them in the resettlement consultation process. Do not include compensation to these people for the illegally settled land. Conduct land survey and census as early as possible in Project preparation to establish clear cut-off dates for eligibility and to prevent encroachment. If claims have been made by these displaced persons that are currently under administrative or legal review, develop procedures to address these situations.
  - m. **Negotiated Settlement.** Develop procedures in a transparent, consistent and equitable manner if land acquisition or changes in land use rights are acquired through negotiated settlement under the Project, to ensure that those people who enter into negotiated settlements maintain the same or better income and livelihood status.
  - n. **Information Disclosure.** Disclose the draft resettlement plan, including documentation of the consultation process, in the Project area, in a timely manner in accordance with paragraph 57 of the ESP, in an accessible place, and in a form and language(s) understandable to persons displaced by the Project and other stakeholders. Disclose the final resettlement plan, and any updates to affected persons and other stakeholders in the same manner. Disclose any RPF in the same manner. Regularly disclose updated environmental and social information, along with information on any relevant material changes in the Project.
  - o. **Implementation.** Design and execute Involuntary Resettlement as part of the Project. Include the full costs of resettlement in the presentation of the Project's costs and benefits. For a Project with significant Involuntary Resettlement impacts, consider implementing the Involuntary Resettlement component of the Project as a standalone Project.
  - p. **Compensation and Entitlements.** Pay compensation and provide other resettlement entitlements before any physical or economic displacement under the

- Project.
- q. **Supervision.** Closely supervise implementation of the resettlement plan throughout Project implementation.
- r. **Monitoring.** Using suitably qualified and experienced experts, monitor and assess resettlement outcomes under the Project, their impacts on the standards of living of displaced persons and whether the objectives of the resettlement plan have been achieved, by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports in accordance with Information Disclosure, described above. Consider the use of suitably qualified and experienced third parties to support monitoring programs.

#### 4.1.14. Legal Gap Analyses and Mitigation Measures

42. The Legal Matrix given in next table describes the differences between the legislation of Uzbekistan and AIIB ESF 2022 on Involuntary Resettlement and describes the mitigation measures suggested to bridge these gaps.
43. Comparison of the Uzbekistan LAR Policy with the AIIB ESS 2. Involuntary Resettlement indicates that key elements of the AIIB ES Policy are present - particularly those related to valuation of immovable property. The AIIB's principle of avoidance or minimization of resettlement is reflected in the Uzbekistan legislation (Civil and Land codes, related governmental resolutions). The key policy difference relate to AP's without title, or registration (businesses and structures. However, the RPF and follows up site-specific RAPs will ensure that: (a) compensation is provided at replacement cost for market value for all items, (b) non-titled APs are eligible for compensation for non-land assets, provision for additional assistance especially severe impacted and vulnerable AHs.
44. To reconcile the gaps between Country laws/regulations and AIIB Safeguards Policy, AYA has adopted this RPF for the entire Project, to be used as guiding document during preparation site-specific RAPs and ensure compensation at full replacement cost of all items, the rehabilitation of informal settlers, and the provision of subsidies or allowances for those APs who will be relocated, suffer business losses, vulnerable and severely affected AHs.
45. The Legal Matrix given in the table below describes the differences between the legislation of Uzbekistan and AIIB ESF 2022 on Involuntary Resettlement and describes the mitigation measures suggested to bridge these gaps.

*Table 1 Legal Matrix and Reconciliation to meet the Gaps*

Issues	Requirements of AIIB ESS 2	Republic of Uzbekistan	Reconciliation Needs
Livelihood rehabilitation	AIIB Policy requires rehabilitation/ improvement of AP livelihood standards.	Notion of livelihood rehabilitation not sanctioned by national law.	<i>No Policy on reconciliation needs.</i> Application already reconciled in previous AIIB projects but to be formalized regarding <i>indirect/livelihood impacts rehabilitation for severely affected APs.</i>

Compensation entitlements	<p>A. APs with formal title have to be compensated for lost land/other assets.</p> <p>B. APs with legalizable title have right to be compensated for lost land and assets after the EAs helps them in legalizing their assets.</p> <p>C. APs with no legal title are compensated for lost non-land assets.</p>	<p>A. APs with formal title are compensated for lost land/other assets.</p> <p>B/C. APs with legalizable or no legal title. Legalizable are not distinguished and considered non-legal as legalization is a burden of the APs. Non-legal APs have no right to be compensated for land and non-land assets.</p>	<p>A. Same in principle/application. <u>No reconciliation is needed.</u></p> <p>B/C. Critically different in principle and application. Application already reconciled in previous AIIB projects but for smoother application, the <u>formal Reconciliation on both counts is needed</u> through a Decree for AIIB projects as well as through inclusion of additional safeguard covenants into the loan agreements which are equivalent of the international treaty or agreement.</p>
Compensation	<p>A. Permanent loss of land. Replacement land as preferred option or cash compensation at full market rate. At least for legal/legalizable APs.</p> <p>B. Loss of structures/buildings. Cash compensation at replacement cost for lost item free of depreciation, transaction costs, and other deductions.</p> <p>C. Business losses and loss of jobs.</p> <ul style="list-style-type: none"> <li>- Reimbursement of actual losses + business re-establishment costs. For application based on tax declared income for period of business stoppage. In absence of tax declaration based on maximum non-taxable salary.</li> <li>- Indemnity for lost income ensuring AP rehabilitation. Based for application on stoppage period up to a maximum of 12 months of declared salary (formal employees) or minimum</li> </ul>	<p>A. Permanent loss of land. Replacement land for legal APs.</p> <p>B. Loss of structures/buildings. Cash compensation at replacement cost for lost item free of depreciation, transaction costs, and other deductions.</p> <p>C. Loss of business and jobs. -Cash compensation at market value for all damages/opportunity costs incurred. Burden of proving opportunity costs rest on the AP based on recognized documented evidence but no clear methodology.</p> <ul style="list-style-type: none"> <li>- Loss of employment is to be compensated with 2 months average salary plus a severance pay of a maximum of 1 month average salary depending on the length of the employment lost. All losses (including real damage, lost profits) are to be compensated.</li> </ul>	<p>A. Same in principle/application for legal APs. <u>Reconciliation is needed</u> for smoother application <u>both for principle and application</u> to allow the compensation all non-land losses of legalizable and non-legal APs. It is hoped that this could be achieved through a special Decree for AIIB projects or through inclusion of additional safeguard covenants into the loan agreements which are equivalent of the international treaty or agreement.</p> <p>B. <u>No reconciliation of principles and application needed.</u> However, it is required that the establishment of a protocol allowing the compensation of structures/ building at replacement cost when the salvaged materials remain with the developer or landowner provides full reimbursement to the owner. It is hoped that this can be formalized without legal reform but only a Decree for AIIB projects or through inclusion of additional safeguard covenants into the loan agreements which are equivalent of the international treaty or agreement.</p> <p>C. Same in principle but AIIB does not consider opportunity cost. <u>Application reconciliation needed</u> to define a clear methodology</p>

	<p>salary (informal employees.) Compensation directly disbursed to APs.</p> <p>D. Loss of trees, crops and other improvements: irrespective of legal land occupancy status compensation at market rate. Application based on tree/crop type/productivity and volume or other methods ensuring AP rehabilitation.</p>	<p>D. Loss of unproductive and productive trees and crops. There are different approaches using in evaluation of unproductive and productive trees and crops but they are in general comparable to the tree valuation methods allowed under the ESF 2022. Compensation for the lost trees/ uncompleted agriculture production is a separated from compensation for lost profits.</p>	<p>and distinguish short- and long- term losses, as well as to a) ensure the rehabilitation of both formal and informal permanent employees; b) provide compensation parameters ensuring the compensation of actual income losses of both temporarily and permanently affected employees and c) guarantee that the APs automatically receive their compensation. Application has already been reconciled on a case by case basis for previous projects but needs to be mainstreamed through a relevant Decree for AIIB projects.</p> <p>D. Same in principle, different in application. Already adjusted for previous AIIB projects but for smoother implementation, the <u>Application reconciliation is needed</u> through a decree for AIIB projects ensuring systematic law implementation and also cash compensation is provided by default, ensuring and use of valuation standards fitting SPS.</p>
<p>LAR Planning, assessment and valuation of impacts</p>	<p>A. Resettlement Plan (RAP). RAP preparation includes: a) impacts assessment (measurement and inventory survey), AP census and Socio-economic survey, Valuation survey; b) definition of entitlements, income/livelihood restoration strategy, compliance &amp; grievance mechanisms, institutional arrangements; c) consultation results; d) monitoring schemes; e) budget and implementation schedule.</p>	<p>A. Resettlement Plan. There are no requirements to prepare integrated and stand-alone RAPs. LAR planning entails similar but less extensive/simpler assessment/survey efforts than AIIB Policy.</p>	<p>A. Partly different in principle and application. <u>No reconciliation is needed</u> as law/regulation is silent on this matter and SPS requirements have already been applied in previous AIIB projects. Still, clear instructions regarding AIIB projects ensuring the measurement and inventory of all impacts, the counting of all AP and detailed valuation survey are needed for mainstreaming purposes.</p>

LAR Planning, assessment and valuation of impacts	A. Resettlement Plan (RAP). RAP preparation includes: a) impacts assessment (measurement and inventory survey), AP census and Socio-economic survey, Valuation survey; b) definition of entitlements, income/livelihood restoration strategy, compliance & grievance mechanisms, institutional arrangements; c) consultation results; d) monitoring schemes; e) budget and implementation schedule.	A. Resettlement Plan. There are no requirements to prepare integrated and stand-alone RAPs. LAR planning entails similar but less extensive/simpler assessment/survey efforts than AIIB Policy.	A. Partly different in principle and application. <u>No reconciliation is needed</u> as law/regulation is silent on this matter and SPS requirements have already been applied in previous AIIB projects. Still, clear instructions regarding AIIB projects ensuring the measurement and inventory of all impacts, the counting of all AP and detailed valuation survey are needed for mainstreaming purposes.
Procedural mechanisms	A. Information disclosure. Resettlement-related documents to be timely disclosed in the AP language. B. Public consultation. Meaningful public consultations are to be held with the APs. APs should be informed about their entitlements and options, as well as resettlement alternatives C. Grievance procedure. A Grievance Redress Mechanism (GRM) is to be established for each project. All information on GRM to be communicated to the APs D. Asset acquisition conditions. Property can be acquired only after full compensation is paid to the APs	A. Information disclosure. No disclosure requirement exists. B. Public consultation. Matters of local importance to be publicly discussed with local authorities. But no requirement to directly consult the APs C. Grievance Procedures. Each state agency/ministry must follow to detail instructions (approved by government) on registering and reviewing the concerns and claims from citizens. D. Asset acquisition conditions. Property can be acquired only after full compensation is paid to APs	A. Different in principle and application. <u>Already reconciled for AIIB projects.</u> B. Same in principle but different in application. Already reconciled for AIIB projects. <u>Better application needed.</u> C. No reconciliation is needed. D. Same in principle, but unsystematic in application. Application to be improved
Assistance to vulnerable and severely affected AP	A. These APs are to be identified and special assistance is provided to restore/ improve their pre-project level of livelihoods.	A. There are no special laws or regulations for livelihood restoration due to land acquisition and involuntary resettlement impact. However, there are a number of legislative documents related to social support and livelihood improvement measures considered by the government of Uzbekistan to consider social allowances and needy families through two Cabinet of Ministers resolutions (#350, 12 December 2012 and #44, 15 December 2013) and to consider disabled people through the Law on social protection of disabled people (#422-XII, 18 November 1991). Thus, support of vulnerable segments of the population is provided on the regular base by the Government on	A. Critically different in application. <u>Formal reconciliation of the application mechanisms details may be needed.</u> To be elaborated in a Decree for AIIB projects.

		<p>central and local levels and does not require additional payments in connection with the project implementation.</p>	
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**4.2 Core LAR Policy Principle Adopted for the Given Project**

46. Based on the above, the core involuntary resettlement principles are proposed as follows:
- Land acquisition, and other involuntary resettlement impacts will be avoided or minimized through all viable alternative design for individual sub-projects;
  - Construction schedule shall be matched with off-the agricultural season so that loss of crops can be avoided;
  - Consultation with APs on compensation, disclosure of resettlement information to APs, and participation of APs in planning and implementing sub-projects will be ensured;
  - Vulnerable and severely affected APs will be provided special assistance;
  - Relevant information from the RAP will be disclosed to the APs in the local language;
  - Payment of compensation, assistance and rehabilitation measures will be fully provided prior to the commencement of any construction activities on a particular package;
  - Appropriate grievance redresses mechanisms will be established to resolve APs' grievances, if they occur.
  - The temporarily affected land needs (if any) to be restored to previous use and the farmers shall be allowed to continue their cultivation after the completion of civil works;
  - People moving in the project area after the cut-off date will not be entitled to any assistance;
  - All common property resources (CPR) lost due to the project will be replaced or compensated by the project. The AYA will ensure that replacement of all utilities and CPRs are also undertaken consistent with Donor's requirements.

## 5. COMPENSATION POLICY AND ENTITLEMENT MATRIX

47. The implementation of resettlement activities is linked to the implementation of the investment component of the project to ensure that displacement or restriction of access does not occur before necessary measures for resettlement are in place.
48. As stipulated in AIIB ESF 2022 and as described in this RPF all project related impacts should be identified through the relevant studies undertaken for each sub-project during RAP preparation and addressed accordingly, meaning that all project affected persons will be provided with relevant compensation.

### 5.1 Establishment of the Cut-off Date

49. Compensation eligibility is limited to APs by a **cut-off date**.
50. The best practice is to use the completion date of the census of displaced persons as the cut-off date. Timing is important. If the cut-off date comes too early, it can disadvantage displaced persons.
51. Therefore, the **cut-off date** will be the completion date of **final census of APs and inventory of project affected assets for the preparation of site-specific RAP**.
52. **APs who settle in the affected areas, or erect any fixed assets**, such as structures, crops, fruit trees, and woodlots and other assets, **after the cut-off date will not be eligible for any compensation**.
53. Therefore, the information regarding the cut-off date and the actual boundaries of the ROW will be well documented and disseminated throughout the project influence area at regular intervals in written forms<sup>8</sup> and verbally during public consultation meetings and non-written forms and in relevant local languages.
54. Relevant preventive measures will be undertaken not only during RAP preparation but while RAP implementation and construction process.
55. *Each site-specific RAP prepared for specific project district will determine the cut-off date and this is the completion date of the final census of APs and inventory of project affected assets. The cut-off date will be defined for the whole project district and clearly stated in relevant RAP.*

### 5.2 Eligibility Criteria for Compensation of APs

56. This RPF determines the eligibility criteria of project affected persons (APs) and provisions for compensating all types of losses: land, crops/trees, shelter, structures, business/employment, livelihoods and workdays/salaries/wages. All APs, including land users without title or legitimate possession will be compensated for lost income and assets, as described in this RPF and relevant RAPs prepared later for each specific proposed sub-project.
57. APs who are entitled to compensation under this Project include:
- a. Persons whose houses or structures are in part, or in total, affected temporarily or permanently by the Project;
  - b. Persons whose residential dwellings, supplementary structures, fences/walls or commercial premises and/or agricultural land (or other productive land) is in part, or in total, affected (permanently or temporarily) by the Project;
  - c. Persons whose business is affected temporarily or permanently by the Project;
  - d. Persons whose employment or hired labor is affected, temporarily or permanently, by the Project;

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<sup>8</sup> Project Information Brochure and site-specific RAPs publicized and available to any interested person, posters displayed in public areas and information boards in the buildings of local Municipalities within project influence areas.

- e. Persons whose crops (annual and perennial) and/or trees are affected in part, or in total, by the Project, and
  - f. Persons whose access to community resources, public facilities or property is affected in part, or in total, by the Project.
58. Households headed by single women with dependents and other vulnerable households<sup>11</sup> will be eligible for further assistance to fully mitigate project impacts. Table 2 below presents the Entitlement Matrix that will be closely followed during preparation of RAPs for each specific sub-project.
59. It is worth noting that the Entitlement Matrix presented in this RPF will be used as a guidance document, that will be altered in due manner to reflect any nuances detected during DMS, census, socio-economic surveys and inventory project affected assets undertaken during the RAP preparation period and provide relevant mitigation measures or reasonable approach for loss and impact compensation.

### 5.3. Compensation Principles and Entitlements Matrix

60. Entitlement provisions for APs losing houses and structures, assets, business, income, and rehabilitation subsidies, will include provisions for permanent and temporary loss of land, residential house and commercial buildings, annual crops and trees, relocation subsidy, and business loss allowance based on tax declarations and/or lump sums as determined in the RPF. These entitlements are detailed below.

#### *Compensation for Structures*

61. Buildings will be compensated at replacement cost irrespective of the legal title. For partial impacts (structure wall, fences etc.), cash compensation at replacement rates will be paid to restore the remaining structure to its original state. Structures and buildings will be valued through calculating the replacement cost based on cost of materials, type of construction, labor, transport and other construction costs as on the date. No deductions will be applied for depreciation or transaction costs. In case of partial impacts on structures (structure wall, fences etc.), cash compensation at replacement rates will be provided to restore the remaining structure. Salvaged materials and transportation will be allowed to be taken away by the APs prior to demolition at no charge. Unaffected portions of a structure will also be compensated if they become unlivable after impact occurs. The access to similar or better levels of infrastructure will be provided to displaced households (water, gas and electricity connections, access to social infrastructure etc. Assessment of the affected structures will be done by a certified valuation expert requested directly by the AHs. Fees paid for valuation service will be paid by AYA to AHs.
62. The affected households losing structures/buildings who need to physically relocate will each be provided with additional severe impacts allowance equal to three (3) months of minimum salary.

#### *Compensation for Crops and Trees*

Loss of income from crops planted on the affected land will be compensated at replacement cost based on one (1) year of production cost (inputs) plus an allowance equivalent to one (1) year average net income computed based on the average income over the past three (3) years. Loss of income from fruits trees will be compensated based on the average annual income for the past three (3) years multiplied by four (4) times to reflect the duration from planting to reach the productive stage (including the cost of saplings).<sup>9</sup> In the case of loss of timber trees, compensation will be based on the market value of their dry wood volume. The

<sup>9</sup> According to the Clause 12 of Resolution #146, Annex 2, the 4 years is defined to compensate the lost profit for the period when the land development works and planting are done on the newly allocated land plot to reach the productive stage.

compensation for trees will be free of deduction for the value of the wood left to the AH.

#### *Loss of Income/Livelihood*

63. Affected household losing livelihood/business will be compensated for the period of business interruption <sup>10</sup>up to six (6) months, or six (6) months cash compensation in case of permanent closure of the business. This will be calculated based on the estimated average monthly income in the past three (3) years multiplied by the number of months of business interruption. Workers from the affected businesses will be paid lost wages for the duration of business interruption up to six (6) months. In case of affected non-titled business, the rehabilitation allowance equivalent to three (3) months of minimum wage will be paid to the AH. The workers from the affected non-titled businesses will also be paid with a rehabilitation allowance equivalent to three (3) months of minimum wage. It is noted that there can be agricultural laborers being affected due to land acquisition. It is noted that there can be affected households losing livelihood/employment due to physical displacement. In such cases these AHs will get a rehabilitation allowance equivalent to three (3) months of average monthly income in case of provision of relevant grounds of such loss.

#### *Shifting and Relocation Allowances*

64. The project may cause physical displacement due to permanent acquisition of residential buildings, thus shifting and relocation allowances will be paid by AYA to the affected household. Affected household losing structures/buildings who need to relocate will each be provided with a relocation allowance and shifting allowance equivalent to 3 months of minimum salary.

#### *Allowance for Vulnerable Household*

65. There are a big number of legal acts regulating the social safeguard policy including laws, Presidential Degrees, Governmental Resolutions, and other under legal normative acts. Regional administrations provide financial support to certain categories of vulnerable people such as lonely women, left without a wage-earner; families, where there is a disabled member of the family; lonely elderly people; mothers with children until they reach two (2) years of age; poor families whose incomes are below the subsistence level. Details of legal regulations for each of the mentioned categories are provided below.
66. Payments for Vulnerable households are paid on the basis of the Resolution of Cabinet Ministers of the Republic of Uzbekistan #44 on 15.02.2013 "On Approval of the order of appointment and payment of social allowances and material (financial) assistance to low-income families". The Resolution defined three (3) categories of families which can receive a social allowances and/or material assistance as follows:
- Families with children under 14 years of age (hereinafter - the allowance for families with children),
  - Families who receive allowance for child care until the age of two years (hereinafter - the allowance for child care), and
  - Material assistance to low-income (poor) families (hereinafter - material assistance).
  - The Resolution (Clause #9) defines that the preemptive families who have lost both parents, and the raising of child (children) is undertaken by relatives;
  - families where one or both parents are disabled persons;

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<sup>10</sup> Business interruption includes the time for receiving a new land plot, and designing/building of a new commercial structure.

- widow(er) who is raising two or more children under 14 years of age, living separately from other family members;
  - Family with disabled child(ren);
  - Mothers (fathers) who are raising a child (children) in single-parent family. At the same time the fact of raising a child by the mother (father) in a single-parent family sets by the local self-government body;
  - families in which one or both parents are unemployed, registered in the centers of employment promotion and social protection as job seekers;
  - single pensioners (lonely elderly people).
67. The categorization of the families is rendered by a detailed methodology which is based on several factors such as owned real estate and other property (including agricultural land and agricultural income from 1 ha), monthly income of each member of the family etc. According to this determination, a family recognized by Assembly of the citizens in one of these categories, is entitled to receive only one type of allowance or material assistance at the same time (Clause #6).
68. According to the Law “On Citizen’s Self-Governance Bodies” (Art. 11) “The Assembly of the citizens of the settlement, village (kishlak, aul) and city’s mahalla, inter alia, implementing measures to support socially vulnerable segments of the population, provides targeted and effective use of centrally allocated public funds for these purposes in the manner prescribed by the legislation”.
69. Further, the Resolution of Cabinet Ministers of the Republic of Uzbekistan #44 on 15.02.2013 “On Approval of the order of appointment and payment of social allowances and material (financial) assistance to low-income families”, the new Law was adopted in Uzbekistan on 26.12.2016 “On social services for the elderly, disabled and other socially vulnerable categories of population”. According to this Law (article #6), the socially vulnerable categories of population who need social services are as follows:
- the lonely and the elderly people living alone, in need of constant care;
  - invalids of I and II groups, disabled children;
  - incapacitated and limited in capability citizens;
  - persons with socially significant diseases;
  - orphans and children left without parental care.
70. The Law (clause #13) defines the following forms of social services to be provided to the above mentioned socially vulnerable categories:
- social support services, and consulting services;
  - social services at home (home care);
  - social services in the institutions on daytime and (or) on a short stay;
  - social services in residential institutions.
71. Also, the Decision of the president of the Republic of Uzbekistan that was adopted on 28.12.2017 “On additional measures to further improvement of the system of state support to the elderly and disabled persons”. The Decision defines a set of complex measures and action plan for the further improvement of the system of state support to the elderly and disabled persons for the 2017 - 2020 years.
72. Thereby, requirements of AIB for vulnerable segments of the population mainly agree with the category of residents, as determined by the Government. However, to ensure the provision of the AIB ESSs to improve the living standards of the displaced poor and other vulnerable groups at least to national minimum standards, the vulnerable households will be provided with a one-time additional allowance equivalent to three (3) months of minimum wage in connection with the project implementation. In addition, willing members of vulnerable households will also be prioritized <sup>11</sup>for project related employment. The Mahallas and district government have a record of all households in

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<sup>11</sup> Applicants should meet eligibility requirements in terms of qualification and skills.

the communities and will be tapped in identifying and certifying vulnerable households. Vulnerable households include those belonging to women headed households, poor households, households headed by an elderly person with no support, and households headed by a physically disabled person.

### *Common Property Resources*

73. Any impact to the social infrastructures of local communities will be rehabilitated and restored as of pre-project conditions.

### *Loss of crops due to temporary land acquisition*

74. Affected households will be compensated at replacement cost for primary (and secondary crops if any) on affected land based on one (1) year of production costs (inputs) plus an allowance equivalent to one (1) year average net income based on the average income over the past three (3) years. Advance notice will be served to the APs to harvest the crops, if possible, prior to commencement of construction. Where feasible, the schedule of construction will be adjusted to avoid the crop season. Restoration of land will be effected by the contractor to previous use levels and farmers will be allowed to continue their cultivation post the construction. Duration of construction shall not exceed more than one crop season at that particular stretch.

### *Addressing Gender Issues*

75. The RAP will include the following specific actions to address gender issues in the project:
- (i) During preparation site-specific RAP, both men and women will be consulted and invited to participate in the discussions during public meetings, providing inputs to DMS, and consultations on the resettlement activities and relocation options.
  - (ii) A male and female representative of the AHs will be included as participants in the resolution of grievances and complaints. Special attention will be extended to the elderly and disabled APs during relocation and in the provision of assistance as defined in the project policy.

## **5.4. Entitlement Matrix**

76. Based on the above, a detailed entitlement matrix is presented in Table 2 below. The entitlement matrix is broad and all the likely losses as mentioned in the entitlement matrix may not be applicable in specific RAPs. However, in order to address any future unanticipated impacts during detailed design, the same may be triggered.

*Table 2 Entitlements Matrix*

<b>TYPE</b>	<b>SPECIFICATIONS</b>	<b>ENTITLED PERSONS</b>	<b>ENTITLEMENT</b>
<b>A. IMPACT ON LAND (PERMANENT LAND ACQUISITION)</b>			
A.1. Agriculture land/Orchard Land	All land losses independent of impact severity (due to construction of substation and towers of TLs, and any other primary structures, if any)	Land owner	Land development cost to be paid to develop new lands or through irrigation and agro-irrigation activities to raise the productivity of existing lands in accordance with the unit rate set by Cabinet of Minister Resolution # 146 and in case of absence such value category of agricultural land such as pasture, reserve land and others will be calculated by application of special unit rate set by this Resolution. The period for rehabilitation of under-received products shall be considered as being equal to four years, during which the land plot shall be selected for development of new lands or for irrigation improvement of existing irrigated lands.

		Leaseholders/Land user having user permit	Land for land compensation with plots of equal value/productivity class, comparable location and agricultural support services (or compensation to provide such services); Compensation for loss of land in terms of loss of income equivalent to 4 years of net average income of the affected crops from the affected agricultural land. Unaffected portions of an affected arable plot will also be compensated, if the same becomes unviable after impact. Transaction cost, registration fee, related to new plot allotted, to be borne by AYA.
	Additional provision in case of severe impacts (10% or more loss of productive assets)	Leaseholders with lease agreement	Severe impact allowance equal to the net income from annual crop production (inclusive of winter and summer crop in addition to standing crop compensation) will be paid in addition to the compensation for land loss.
A.2. Residential land/ Commercial land	Land loss	APs who has right on lifelong inheritable possession/ permanent possession	Land for land compensation through provision of a plot comparable in value/location to the plot lost including services (or compensation to provide such services) to plots lost Cash Compensation at market replacement cost to be determined by the Independent Valuator. Transaction cost, registration fee, related to new plot allotted, to will be borne by AYA

TYPE	SPECIFICATIONS	ENTITLED PERSONS	ENTITLEMENT
			Unaffected portions of an affected arable plot will also be compensated, if the same becomes unviable after impact.
A3. Unregistered agricultural land	Land loss	Unregistered lessee who initiated to pay unpaid land taxes <sup>12</sup> and become a leaseholder.	All entitlements for agricultural land losses as stated above for lease holder, however, they will be entitled for compensation for non-land assets regardless of tax payments and registration. Assistance in acquiring required legal documents for registration at no cost for APs.
A4. Unregistered agricultural land	Land loss	Informal users, i.e. Non titled or non-legalizable affected household	Non legalizable affected households will be entitled for compensation for non-land assets only.
<b>B. IMPACT ON LAND (TEMPORARY LAND ACQUISITION)</b>			
B.1. Agriculture land/Orchard Land	All land losses independent of impact severity (due to construction of Transmission Lines along the Right of Way)	Concerned Government Agency responsible for land development (in case there is damage to associated services such as irrigation facilities and other existing services)	Land development cost for restoring the existing facilities and providing required services.
<b>C. IMPACT ON STRUCTURES</b>			

<sup>12</sup> Such taxes are different from all transaction-costs related to the processing of compensation which will be shouldered by the project.

Residential/ Commercial Structures	Full or partial loss of structures if to be displaced	All affected households irrespective of legal title and irrespective of nature of impact whether permanent land acquisition or temporary acquisition	<p>Compensation at full replacement cost <sup>13</sup> for affected structure/ fixed assets free of depreciation and transaction cost</p> <p>APs must have right to salvage materials with no deduction from the compensation.</p> <p>Household losing structures/buildings who need to relocate will each be provided with a relocation allowance (equal to 3 months of minimum salary) while the new house or building is being erected.</p> <p>In case of partial impacts on structures (structure wall, fences etc.), cash compensation at replacement rates to restore the remaining structure.</p> <p>Household losing structures/buildings who need to relocate will each be provided with a temporary housing on the conditions of lease agreement or rental allowance in cash for the period of land plot utilization for up to two years while the new house or building is being erected.</p> <p>Household losing structures/buildings who need to relocate will each be provided with shifting allowances to hire vehicle for transportation of the family members, goods and chattels to temporary and permanent relocation sites.</p> <p>The access to similar or better levels of infrastructure will be provided to displaced households (water, gas and electricity connections, access to social infrastructure etc.”</p>
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TYPE	SPECIFICATIONS	ENTITLED PERSONS	ENTITLEMENT
	Loss of place to rent	Tenant	<p>New lease by landlord or 3 months cash equivalent of existing lease to allow for a new lease to be found and signed.</p> <p>Compensation for lost rent paid in advance. The time is to be established by the independent valuer.</p> <p>Tenant who has lost the rent and need to relocate will each be provided with shifting allowances to hire vehicle for transportation of the family members, goods and chattels to new lease sites.</p> <p>Tenant without formal notarized lease to show proof or evidence in order to claim compensation.</p>
	Additional provision of severe impact allowance in case of physical displacement	All physically displaced households	Household losing structures/buildings who need to physically relocate will each be provided with a severe impacts allowance (equal to 3 months of minimum salary).
<b>D. IMPACT ON CROPS AND TREES</b>			
Agriculture land/ orchard land	Loss of crops for permanent land acquisition	All affected Households	<p>Compensation at full replacement cost for primary (and secondary crops if any) on affected land based on 1 year of production costs (inputs) plus an allowance equivalent to 1 year average net income based on the average income over the past 3 years.</p> <p>Advance notice to harvest the crops</p> <p>Schedule of construction to avoid crop season</p>

<sup>13</sup> The replacement cost is the principle to be complied with in compensating for all types of lost assets. Calculation of which should include: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any.

	Loss of standing crops along the right of way of transmission line (temporary land acquisition)	All affected Households	Compensation at full replacement cost for primary (and secondary crops if any) on affected land based on 1 year of production costs (inputs) plus an allowance equivalent to 1 year average net income based on the average income over the past 3 years. Advance notice to harvest the crops Schedule of construction to avoid crop season Restoration of land to previous use and farmers will be allowed to continue their cultivation post the construction Duration of construction shall not exceed more than one crop season at that particular stretch.
	Loss of fruit Trees (permanent and temporary land acquisition)	All Affected Households (including non-leased land owner)	Compensation for fruit trees will be based on the average annual income for past 3 years multiplied by 4 times (years) to reflect the duration from planting to reach the productive stage (including the cost of saplings). Felled fruit trees will be kept by the AHs with no deduction from the compensation.
	Loss of timber trees (permanent and temporary land acquisition)	All Affected Households	Compensation for timber trees will be compensated based on market value of dry wood volume. Felled trees will be kept by the AHs with no deduction from the compensation.
<b>E. IMPACT ON INCOME AND LIVELIHOOD</b>			
E1. Employment	Loss of employment from affected agricultural land	Agricultural workers losing their contract	Compensation corresponding to their salary (in monetary terms or in kind) for the remaining part of the agricultural year/or contractual period whichever is higher in monetary value In case of informal agricultural workers those work without any agreement will be paid an allowance equivalent to 3 months of minimum wage
E2. Business and involved workers	Loss of business and employment (permanent or temporary interruption of business and employment)	Affected household losing business and involved workers	Affected household losing business will be compensated for the period of business interruption <sup>18</sup> up to 6 months, or 6 months cash compensation in case of permanent closure of business based on the estimated average monthly income in the past 3 years multiplied by the number of months of business interruption. Workers from the affected businesses will be paid lost wages for the duration of business interruption up to 6 months. In case of informal workers working without any agreement will be paid an allowance equivalent to 3 months of minimum wage.
		Affected household losing non-titled (unregistered) business and involved workers	Affected household losing non-titled business will be paid a rehabilitation allowance equivalent to 3 months of minimum wage. Workers from the affected non-titled businesses will be paid an allowance equivalent to 3 months of minimum wage.
	Additional provision of severe impact allowance in case of physical displacement	All physically displaced households	Household losing structures/buildings who need to physically relocate will each be provided with a severe impacts allowance (equal to 3 months of minimum salary).
E3. Livelihood/employment due to physical relocation	Loss of livelihood/employment due to physical relocation	Affected household losing livelihood/employment due to physical displacement	Affected household losing livelihood/employment due to physical displacement will get a rehabilitation allowance equivalent to 3 months of average monthly income in case of provision of relevant grounds of such loss.

<b>F. VULNERABLE HOUSEHOLDS</b>			
Vulnerable Affected Households	All Impacts	Women headed household, Low Income household, household headed by elderly with no support and household headed by physically disabled people	Rehabilitation allowance equivalent to 3 months of minimum wage. Priority for employment in project-related jobs, training opportunities, self-employment and wage employment assistance.
<b>G. IMPACT ON COMMUNITY STRUCTURES AND ASSETS</b>			
Community Structures and Assets	Loss or damage to public infrastructure and utility	Community owned Assets	Rehabilitation/replacement of affected structures/utilities (i.e. roads, pavements, pipelines) to pre-Project level.
<b>H. TEMPORARY IMPACTS DURING CONSTRUCTION</b>			
TYPE	SPECIFICATIONS	ENTITLED PERSONS	ENTITLEMENT
Temporary impact on private or public Land, assets and/or Income	Due to construction	All affected households and assets	AYA will ensure that any kind of temporary impact on private and public assets during project implementation for civil work purposes will be compensated by contractor based on replacement value for structures, rentals for land use, replacement value for crop and tree loss as stated above in the entitlement matrix.
<b>I. ANY UNANTICIPATED IMPACTS</b>			
Any unanticipated impacts identified during Project implementation will be compensated in full at replacement cost and the entitlement matrix shall be revised if required in case major unanticipated impacts occur during detailed and final design.			

<sup>18</sup> Business interruption includes the time for receiving a new land plot, and designing/building of a new commercial structure.

#### *Impact related to spoil disposal areas and construction camps*

77. **Temporary impacts:** Temporary access will be set up by Construction Company. However, in case of any temporary impact caused by the use of land for camp or as a temporary disposal area, will be regulated by private agreements between the Contractor and the landowners and reported respectively.
78. **Permanent impacts:** Any permanent impact on land caused by the use of land for permanent disposal of unsuitable material or debris remaining after demolition of existing parts of the road, will be adequately compensated as per the provisions set up in the RAP. In addition, adequate livelihood assistance for loss of hay and grazing grounds, if any, will be assessed and provided during implementation. Such cases shall be properly reported under the project reporting requirements in accordance with AIIB ESF 2022.

#### **5.5. Escrow Accounts**

79. Amount of cash compensation will be deposited on the special account under authorization of the AYA, if during RAP implementation process, any AP is missing, absent, or deceased, issuance of compensation is postponed due to legal procedures or is not received by the AP due to any other legitimate reason.

#### **5.6. APs with Bank Loans and Mortgaged Project Affected Assets**

80. APs - holding financial liabilities or bank loans using project affected assets, as collateral, will be given a choice:
- AYA will transfer compensation amount directly to the bank to cover the mortgage loan and the remaining amount to be wire transferred to the AP; or

- b. AYA will deposit the amount of compensation on the special account (i.e. escrow account) until APs settle Bank loan and only afterwards the cash will be transferred to APs' personal account.

#### **5.7. Official Fees and Taxation**

- 81. In none of these cases the APs will be liable for any taxes, registration or transaction fees incurred as a result of acceptance of cash compensation issued under the approved RAP. All such costs and fees will be covered by IA.
- 82. Additionally, charges to cover bank service fees will be included on top of the amount of cash compensation to be received by APs at the banks.

## 6. INSTITUTIONAL ARRANGEMENTS

### 6.1. General

83. A Project Management Office (PMO) has been created in AYA which will be responsible for the overall land acquisition and resettlement (LAR) activities. The PMO has a designated ES specialist who is also experienced in safeguards activities and will be responsible for ensuring that all the activities related to land acquisition and involuntary resettlement are being followed and implemented in accordance with Uzbekistan's legislation and the policies of AIIB ESF 2022 specifically ESS 1 and ESS2.
84. The ES specialist in the PMO will ensure each site-specific RAP is prepared by Contractors and implemented by AYA and PMO prior to the commencement of civil works. Several other government agencies are also responsible for observing LAR activities at district level such as (i) Provincial/District Governments (Khokimyat) and (ii) Goskomzemgeodezcadastre (State Committee on Land Resources, Geodesy, Cartography and State Cadaster (SCLRGCS)).

### 6.2. Executing Agency

#### **AYA and its Project Management Office**

85. AYA as the IA has established a PMO with required staff, including the ES specialist within the PMO. AYA is also responsible for the selection of a Construction Supervision Consultant (CSC). AYA through its Department of Capital Construction ("HOKC") and its PMO will be responsible for the approval of adequate budgetary support for RAP implementation and will facilitate coordination with the concerned government line agencies on LAR activities. AYA and its PMO will be responsible for getting the government's endorsement of RAP, approval of the RAP from AIIB and will ensure compliance in terms of complete payment of compensation to APs prior to the commencement of civil construction with the close coordination of Khokimiyats. The AYA(PMO) will perform systematic coordination with the local authorities and other stakeholders in terms of RAP implementation and monitoring.

#### **ES Specialist in PMO**

86. The ES specialist of the PMO will ensure that the RAP, SDDR and the social monitoring plan are followed and will provide technical support to the PMO. The specialist will coordinate with relevant government agencies on social matters, will prepare social monitoring reports to be submitted to AIIB, and draft any updates/revisions to the RAP and corrective action plan in case of unanticipated social and involuntary resettlement impacts resulting from changes in design, location, etc. The safeguards specialist shall have up-to-date knowledge of various social safeguards policies of Government of Uzbekistan and AIIB with specific importance to land acquisition and resettlement. Specific tasks and responsibilities of the safeguards specialist of the PMO will include the following:
- Responsible for overall planning, co-ordination and implementation of social safeguards and resettlement activities including land acquisition.
  - Overall coordination in all social issues in the PMO and ensuring that the project components comply with Government and AIIB social safeguard policy.
  - Ensure comments from AIIB are integrated in finalized documents.
  - Endorsement of SDDR, RAP and obtaining the approval from AIIB.
  - Disclosure of SDDR, RAP and information dissemination on RAP to the Affected Person through adequate consultations.

- Ensure the implementation of RAP is consistent with Government and AIIB policies.
- Coordinate with line agencies such as local administration (Khokimyat), SCLRGCS at province and district level, valuation by the valuation committees and independent valuation firm and finalization of compensation packages.
- Coordination with Khokimyat administration on facilitating the transfer of funds for payment of compensation to APs in accordance with RAP.
- Coordination with contractor to ensure that the land is brought to pre project condition in case of temporary loss and land acquisition.
- Support AYA to make the necessary budgetary arrangements available in advance for the updating and implementation of RP.
- Responsible for addressing the grievance in a timely manner and maintaining the records of each grievance.
- Monitoring of RAP implementation including active and accurate reporting to AIIB.
- Seeking permission from AIIB to advance with the civil construction where the compensation and assistance are provided to APs, and upon the submission of a RAP implementation compliance report (section-wise, as necessary).
- Submission of semi-annual monitoring reports to AIIB.
- Under the guidance and close consultation with the PMO, conduct a daily monitoring of the RAP implementation for each project component in accordance with RAP defined monitoring indicators and further preparation of RAP implementation Compliance Reports.
- Assist the PMO in monitoring of SDDR and other project related social safeguard issues, and recommend corrective measures/actions for PMO's consideration and action as required.

### **Project Management and Supervision Consultant (CSC)**

87. An international consulting firm will be engaged by the AYA as a Project Management and Supervision Consultant (CSC) to assist AYA in managing and implementing the project and ensuring compliance with the project implementation plan, the loan agreement, and the project agreement(s), including the supervision of the implementation and monitoring of the compliances with social and environmental safeguards, and social/gender development aspects.
88. The scope of CSC services is extended with involvement of social and resettlement specialists for both regions who will provide overall assistance to PMO in managing and implementing the project and ensuring safeguards compliance with the project implementation plan, the loan agreement, and the project agreement(s) in terms of social safeguards and resettlement, particularly in implementation and monitoring of RAPs, including the preparation of SDDR, RAP implementation and Compliance Reports (CR) and other required progress reports in the scope of the Project. During the implementation of the assignment, the IRS and NRS shall closely cooperate with each other, as well as with the PMO's ES specialist, particularly they will:
  - (i) Assist the with implementation of site-specific RAPs, in particular - payment for compensation and other practical arrangements to affected people as per the final compensation and income restoration measures stated in RAPs prior to the commencement of construction;
  - (ii) Under the guidance and close consultation with the PMO, conduct a daily monitoring of the RAP implementation for each project component in accordance with RAP-defined monitoring indicators and further preparation of RAP implementation Compliance Reports;
  - (iii) Under the guidance and close consultation with the PMO, update the RAPs (and/or prepare Corrective Action Plans (CAP) as required by AIIB) for each project component in case of changes in project designs;

- (iv) Assist the PMO in monitoring of RAPs for project associated facilities and related social safeguards issues and recommend corrective measures/actions for PMO's actions as required;
- (v) Under the guidance and close consultation with the PMO, prepare Semi-annual social monitoring reports with indication of all social safeguards/resettlement related progress and issues for each Project component, including the associated facilities.

### 6.3. Other Relevant Government Line Agencies

89. Regional and District State Committee on Land Resources, Geodesy, Cartography and State Cadaster (SCLRGCS) will be engaged in project implementation. This is a permanent committee at Provincial and District levels. However, it plays an enhanced role throughout implementation. It is responsible for:
- a. identifying land losses incurred by land users plus agricultural output losses;
  - b. determining the degree and area of land restitution, including removal and temporary storage of productive soil layer;
  - c. determining the need for protective sanitary and water protection zones around constructions;
  - d. preparing proposals on allocation of land plots of equal value under land for land;
  - e. investigating alternatives to acquiring currently used land through developing unused land;
  - f. approving the Implementation Act and the attached plan.

#### District (Khokimyat)

90. District (Khokimyat) will be closely involved in the RAP review and implementation which forms the Commission on Land Acquisition and District Evaluation Commissions. These will form district land acquisition and resettlement committee (DLARC) which will undertake the following:
- Outline locations of constructions and structures affected by the project;
  - Select land for construction sites;
  - Approves the decree for the right to use of the land plot;
  - Compensation payment for AHs.
91. Farmer's and Dehkan Councils and Mahalla authorities will be involved in the resettlement activities ensuring the rights and interests of affected households, and implementation of RAP that requires close coordination with the local Mahalla and farmer associations, will be coordinated and assist the AYA as follows:
- Dissemination of information related to RAP;
    - Checking timely disbursement of compensation to affected households defined by RAP;
    - Obtaining early warnings on the grievances of APs;
    - Obtaining information regarding any unexpected impacts, if any, being incurred by the affected households.

#### Consultants

92. Different types of consultants will be involved in LAR tasks:
1. **Construction Contractors:** These will include international and local LAR capacity and needed survey teams to carry out field-surveys and prepare site-specific SDDR or RAPs of first tranche based on the detailed engineering design.
  2. **Supervision consultants:** These include LAR capacity for both regions and

needed survey teams and will assist and monitor in overall Project supervision. During construction phase will monitor social safeguards issues and grievances, prepare semi-annual and annual reports.

3. **Independent Asset valuers:** These will be accredited private firms to be hired by Contractors to carry out the evaluation of affected assets.

**Independent Valuation Firms:** A private, licensed Independent Valuation Firm has been engaged to undertake valuation activities. The selected firm was involved with the evaluation of affected structures and trees for this project. The detailed ToR for the independent valuation company will be developed once the final design is available and initial DMS data are collected and analyzed.

176. Roles and responsibilities of various institutions related to LAR activities are presented in Table below.

*Table 3 Institutional Roles and Responsibilities*

<b>Activity</b>	<b>Responsible Agency</b>
Preparation of SDDRs for each sub-project	Contractor
<b>A. Detailed Design and RAP preparation</b>	
Conducting discussions/meetings/consultation with APs and other stakeholders	AYA (PMO), Contactor's Social and Resettlement Consultantshired by AIIB, district Khokimyat, Farmer's and Dehkan Councils and Mahalla authorities
Disclosure of final entitlements and rehabilitation packages	AYA (PMO), District Khokimiyats
Approval of Final site-specific RAP	AYA , AIIB
<b>B. RAP Implementation Stage</b>	
Disbursement of compensation and assistance	District Khokimiyats, AYA (PMO)
Taking possession of land	AYA through the assistance of district Khokimyat

<b>Activity</b>	<b>Responsible Agency</b>
Implementation of proposed rehabilitation measures	AYA (PMO)
Grievances redress	AYA (PMO) through the Safeguards Specialist, Contactor, CSC, District Khokimiyats
Monitoring and Reporting	AYA (PMO) through the Safeguards Specialist, Contactor, CSC
<b>C. Completion Stage</b>	
Restoration of land by the contractor along the Right of way and other construction sites	AYA /CSC will ensure that contractor follows the norms as mentioned
Restoration of approach roads and access if disturbed during construction	AYA /CSC will ensure that contractor follows the norms as mentioned
Consultation with local people regarding any further grievance	AYA (PMO), CSC

## 7. CHAPTER RAP PREPARATION AND IMPLEMENTATION STRATEGY

### 7.1. RAP Objectives

177. The overarching objective of the RAP with regard to land and asset acquisition is to avoid physical or economic displacement, and when it cannot be avoided compensation and mitigation measures should be planned and implemented to ensure that APs are provided with fair compensation and reasonable assistance to improve, or at least restore their living standards and livelihoods to pre-project levels.
178. RAPs prepared within the framework of the project should base on the following principles:
- a. Involuntary resettlement is to be avoided or at least minimized;
  - b. Compensation must ensure the maintenance of the APs' pre-project living standards;
  - c. APs should be fully informed and consulted on compensation options;
  - d. APs' socio-cultural institutions should be supported as much as possible;
  - e. Compensation will be carried out with equal consideration of women and men;
  - f. Lack of formal legal land title should not be a hindrance to compensation;
  - g. Particular attention should be paid to households headed by women and other vulnerable groups and appropriate assistance should be provided to help them improving their living standards;
  - h. Land acquisition and resettlement should be conceived and executed as a part of the project, and the full costs of compensation should be included in project costs and benefits, and
  - i. Compensation/rehabilitation assistance will be paid prior to commencement of civil works, i.e. before an impact occurs.
179. The hereby RPF adopts the following procedures to be applied:
- a. Design and construct the sub-project to avoid residential areas wherever possible to minimize physical relocation of people, and select alignments that minimise acquisition of privately or publicly held productive land;
  - b. Adopt design standards that minimise the need to impose land use restrictions on adjoining areas;
  - c. Develop fair and transparent procedures, as defined in the Entitlement Matrix in this RPF for site-specific RAPs, to determine compensation for (i) temporary loss of land/assets during construction; (ii) permanent acquisition of land and assets; and (iii) restrictions on use of land that may be applied to areas adjoining the corridor;
  - d. Acquire land (or right to use land) through negotiated agreements and with the use of the power of eminent domain only as a last resort;
  - e. Upon completion of construction, restore land as best as possible to its original condition in the event of temporary disruption so as to enable landowners/users to resume their pre-project activities;
  - f. Keep affected people and communities fully informed about the project, the process that will be followed to acquire and compensate for land, and their related rights and avenues for redress.
  - g. Ensure that grievances APs may have will be redressed timely, adequately and that solutions in line with principles laid out in this RPF be employed;
  - h. All APs, without regard to their status of legal rights to the land and assets, will receive support of various kinds, as per the principles set out in the Entitlement Matrix, to assist them in their efforts to improve, or at least restore, their livelihoods and standards of living prevailing prior to the Project.
180. Those who illegally occupy land will not be compensated for loss of land, but will

- receive compensation for loss of other assets and for loss of income such that they are also assisted in their efforts to improve, or at least restore, their livelihoods. Detailed measures to be implemented and such cases will be determined through census and socio-economic survey to be carried out when Resettlement Action Plan is developed.
181. APs will be notified of the project implementation schedule and informed and consulted regarding the principles of land acquisition and loss of or damage to assets.
  182. Damages to assets, such as standing crops, trees, fences and kiosks, and loss of income, including loss of harvest, will be minimized, and where inevitable, will be compensated without regard to legal status of ownership according to the Entitlement Matrix provided in this RPF and will be specified in each site-specific RAP in accordance to the findings of DMS and all relevant field surveys. Also, the contractor is responsible for repairing any accidental damage of property to non-acquired assets.
  183. Resettlement Action Plan (RAP) will be developed as per this RPF and the applicable international standards as well as legislation of Uzbekistan. Since, as discussed above, there are gaps between AIIB ESF 2022 and Country legislation and practice on land acquisition procedure as required for the Project will be carried out as per the principles and procedures laid out in site-specific RAP developed in adherence of this RPF.
  184. Social impact assessment surveys required during preparation of site-specific RAPs shall be based on census, inventory of losses (IOL) and detailed measurement survey (DMS)<sup>19</sup>. The summary results of census, SES, inventory of affected assets covering the entire sub-project should be provided in the final RAP.
  185. The Census shall cover 100% of located APs. A detailed budget table in the format of excel spreadsheet shall reflect the number of APs, area of land take, affected assets, loss in income, cases of severe impact, APs eligible to one-time allowances for severe impact, vulnerability, relocation costs and etc.
  186. During RAP preparation is a must to ensure that socio-economic conditions, needs, and priorities of project affected women and minorities are addressed accordingly to ensure that land acquisition and resettlement does not disadvantage women. Therefore, data collected during census and socio-economic survey should be disaggregated by gender, age groups, ethnicity and religious beliefs.
  187. Each site-specific RAP shall include a RAP implementation budget and identify where the funds will come from. RAP implementation schedule should be linked to the procurement of civil works. Construction of civil works will not commence until compensation has been paid to all present APs. Compensation will be determined based on the replacement cost

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<sup>19</sup> An IOL or DMS is dependent on the level of design available. An IOL is usually undertaken based on preliminary design while a DMS is usually undertaken based on detailed design and demarcation of the extent of impact on the ground. Any plans prepared on the basis of an IOL will be updated following detailed design through the completion of a DMS.

at current market rates and valuation methodology described in this RPF will be used as a guide to incorporate valuation methodology and unit rates per each type of loss identified during surveys and preparation of a specific RAP for each proposed sub-project. Section-by-section implementation approach can be applied if needed and shall be justified and clearly defined by the RAP.

188. As a result of data verification, the legalization and/or cadastral correction cases shall be revealed and included in the RAP implementation plan along with needed budget. APs that do not have proper registration or titles but are legitimate occupants of the plots they lose will be legalized and registered in the land records. Afterwards they will receive full compensation as eligible APs.
189. AYA may decide to deploy authorized agency or other third party (for instance, alternative licensed valuator) to ensure the sample check and verification of quality of valuation and ensure that there are no systematic gaps in valuation and compensation unit rates determined in accordance to the Valuation Report prepared by the independent licensed valuator are accurate and reasonable.

## 7.2. RAP Preparation and Implementation Schedule

190. The sample of RAP implementation schedule to be included in each site-specific RAP is described in table below. The tasks and implementation timeframe will be identified according to complexity and volume of work of each separate project implementation milestones. RAP preparation and implementation steps are summarized in table below.

*Table 4 Sample of RAP Implementation Schedule*

Action	Responsibility	Phase
Screening of each subproject for resettlement impacts and prepare the SSDR for each project	Contractor /PMO	With the commencement of the Construction Contractor contract before the construction activities start
Establish GRM and notify GRC at each site of respective subproject	Contractor /PMO	At the preliminary stage
Preparation of RPs <ul style="list-style-type: none"> <li>▪ consultations with potential PAPs and other stakeholders</li> <li>▪ census and inventory</li> <li>▪ socio-economic survey</li> <li>▪ identification of vulnerable and severally affected households</li> <li>▪ assessment of impacts on livelihoods</li> <li>▪ valuation of land and other assets at replacement cost</li> </ul> determination of compensation for each category of PAPs	Contractor /PMO	Duration depends on nature and scale of resettlement impacts
Approval of RPs by PMO and its submission for the AIIB's compliance review and clearance	Contractor /PMO	
Disclosure (including public consultation meeting) of RPs	PMO/AIIB	Once approved by PMO and AIIB
RP implementation <ul style="list-style-type: none"> <li>▪ confirmation of PAPs and the associated project resettlement impacts, if any</li> <li>▪ finalization of compensation amount</li> <li>▪ development of standard operating procedures for making compensation and assistance</li> <li>▪ complete documents for payments</li> </ul>	Contractor /PMO	Before start of civil works

<ul style="list-style-type: none"> <li>▪ payment of compensation and assistance</li> <li>▪ grievance redressal</li> <li>▪ continuous coordination and communication with PAPs and key stakeholders</li> </ul> documentation and reporting		
Consultation with PAPs and other and stakeholders	Contractor /PMO	Throughout the project duration
Internal monitoring of RP implementation and reporting	Contractor /PMO	During RP implementation
Grievance redressal (on-going)	Contractor /PMO	At all stages of resettlement planning and implementation
Taking possession of site	PMO/AYA	After completion of payments as per entitlements
RP Completion Report	Contractor /PMO	Within two months after completion RP implementation.

## **8. PUBLIC CONSULTATION, PARTICIPATION AND DOCUMENTS DISCLOSURE**

### **8.1. General overview**

191. Following AIB ESF 2022 policies, the AYA will ensure that this RPF and when prepared every site-specific RAP is translated into Russian language and distributed to local government agencies. Besides, the AYA will prepare Public Information Booklet (PIB), i.e. reduced version of the final RPF in understandable language <sup>14</sup> and format for APs. The Public Information Booklet will be prepared into English and Uzbek languages and provided to all APs and local governments to be publicly disclosed in the project site. Local government representatives are responsible to make the Public Information Booklet accessible to the local population, including potentially affected communities within the project influence area for review, comments and input made during the disclosure period. All comments and suggestions will be collected through the LAR Team and provided to Consultant, AYA and AIB and if relevant reflected in the final version of the document (RPF and RAPs).
192. All government agencies involved in RAP preparation and implementation process will be informed about the project, and their assistance will be solicited in the conduct of the inventory of affected assets and the census of APs. In addition, prior to RAP finalization and its submission, APs will be thoroughly informed on the results of the census and inventory of impacts, and their preferences on compensation and/or other resettlement assistance will be given due consideration. The processes and mechanisms ensuring the active involvement of APs and other stakeholders will be detailed in the RAPs, which will also include an appendix with dates, list of participants, and minutes of consultation meetings.

### **8.2. Objectives of Public Information and Consultation**

193. Information dissemination to APs and involved agencies is an important part of RAP preparation and implementation. Consultation with APs and ensuring their active participation will reduce the potential conflicts and minimize the risk of project delays. To ensure that local authorities, as well as representatives of APs, will be included in the planning and decision-making processes, AYA and Consultant will continue a dialogue with region and municipality authorities and NGOs, as relevant, during the entire project implementation process to ensure:
- a. Fully sharing information about the proposed sub-project components and RAP activities with the AP (including the disclosure of design options as needed);
  - b. Obtaining information about the needs and priorities of APs, as well as receiving information about their reactions to proposed policies and activities;
  - c. That APs are fully informed about the decisions that will directly affect their incomes and living standards, and that they will have the opportunity to participate in activities and decision-making about issues that will directly affect them (including the announcement of cut-off date);

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<sup>14</sup> Russian and Uzbek languages according to the needs identified during the census and SES within the specific project site.

- d. APs are given contact information of project responsible persons from local authorities/AYA that will provide timely sufficient feedback to their inquiries;
- e. Obtaining the cooperation and participation of the APs and communities in activities necessary for resettlement planning and implementation;
- f. Transparency in all activities related to land acquisition and resettlement.

### **8.3. Consultation Meetings conducted during RPF preparation**

194. During the RPF preparation on September 18-24, 2024 the Consultant conducted 11 public consultations and a focus group discussion in districts located within project influence area. Two Social Safeguards Specialists and Gender Specialist<sup>15</sup> of the Consultant separately conducted public consultations and covered all Makhallas where proposed project will be implemented. The public consultations in total hosted 120 participants, 56 men and 64 women. The minutes of public consultation meetings, results of question-answer session, list of attendees and photo materials are separately presented in the SEP Annexes.
195. The Social Safeguards and Gender Specialists presented the project objectives, benefits and discuss major aspects of environmental and social impacts and mitigation measures. They briefly described the purpose of the RPF and the conditions and activities required for preparation site-specific RAPs. They discussed that all reconstruction activities will occur within the existing right-of-way, eliminating the need for land acquisition and resettlement. Compensation measures to mitigate possible impact on trees and structures, the loss of income and wages in case of permanent and temporary stoppage of business as a result of project related civil works.
196. The public consultation agenda provided the participants with the brief description of activities related to the relocation of objects located within the project-affected area, eligibility, and principles of compensation defined in compliance with country legislation and AIIB IR guidelines. The participants were informed that in case of actual project impact to private assets no civil works may commence until the RAP development, disclosure and implementation, so that each and every eligible AP is fully compensated in compliance with RAP preliminarily cleared by the AIIB. The specialists also discussed with residents the process of informing of the project implementation, the grievance redresses mechanism, social problems related to the poor condition of the road infrastructure, employment, and road safety.
197. During these consultation and focus group meetings special focus was made to the benefits and rules of application Grievance Redress Mechanism for lodging appeals, proposals, and complaints that will be addressed by grievance Redress Commission members to ensure smooth and time consuming resolution of complaints and grievances raised at any phase of the project life cycle.
198. The public consultations went smoothly in friendly environment. The participants were encouraged to ask any question they would want to hear the answer for. The Social Safeguards Specialists of the Consultant invited the representatives of local government, chairperson of relevant Makhallas to open the meeting and make the introductory speech.
199. The hosts of the public consultations exercised question-answer session to identify major concerns of the local community and to foresee opportunities to support vulnerable groups and women within the project area. The table below provides date, time, location of conducted public consultations and gender disaggregated number of participants.

<sup>15</sup> Botir Mavlyanov, Rasulmetov Mamurjon, Amirkulova Dildora

Table 5 Summary information on public consultations conducted during RPF preparation

No	Date	Time	Location	No of attendees	Male	Female
1.	September 18, 2024	09:00-10:00 (AM)	District – Ellikkala Makhalla: Sarabi	8	6	2
2.	September 20, 2024	10:00-11:30 (AM)	District – Hodjeyli Makhalla: Mustaqillik	15	6	9
3.	September 20, 2024	14:00-15:30 (PM)	District – Hodjeyli Makhalla: Mustaqillik	11	0	11
4.	September 24, 2024	11:00-12:30 (AM)	District – Qorauzak Makhalla: Berdah	10	10	0
5.	September 24, 2024	14:00-15:30 (PM)	District – Qorauzak Makhalla: Berdah	8	0	8
6.	September 18, 2024	16:00-17:00 (PM)	District – Khiva Makhalla: Pirnahos	18	15	3
7.	September 19, 2024	10:00-11:00 (AM)	District – Khiva Makhalla: Ok yop	11	7	4
8.	September 19, 2024	14:00-15:00 (PM)	District – Khiva Makhalla: Mehnatgulee	8	0	8
9.	September 19, 2024	16:00-17:00 (PM)	District – Khiva Makhalla: Mehnatguli	10	4	6
10.	September 20, 2024	09:30-10:30 (AM)	District – Biruni Makhalla: Lolazor	11	8	3
11.	September 20, 2024	11:00-12:00 (AM)	District – Biruni Makhalla: Tinchlik	10	0	10
<b>Total:</b>				<b>120</b>	<b>56</b>	<b>64</b>

#### 8.4. Consultation during RAP Preparation and Implementation

200. Public consultation and participation plan will be included in the Project to involve the stakeholders, especially the people either directly benefiting from, or affected by the project, through participation in the design, implementation, and monitoring of the sub-projects. All communications will be in the language most appropriate for involved and engaged parties in the project area. During RAPs preparation and implementation, the Consultant with assistance as required from the AYA will undertake the following:

- a. Conduct information dissemination and consultation for all APs, NGOs and other stakeholders;
- b. Establish the rates/unit prices to be used as the basis of compensation awards, and possible impact on properties identified through the DMS/census, demarcation and inventory, in consultation with APs;
- c. Conduct a survey (as part of the IOL/DMS) to:
  - i. inform them about possible resettlement options;
  - ii. request information from APs about their preferences and choices of resettlement options; and,
  - iii. request that APs indicate services such as education/health/markets that they are currently using and their distance from such services;
- d. Consultation regarding the APs preferred option for livelihood stabilization and/or rehabilitation assistance (where required). This applies to APs experiencing significant impacts and vulnerable APs.

201. The stakeholder consultations will be carried out throughout the E&S studies (RAP, ESMP). Once the RAPs are prepared, they are subject to public consultation meetings. During the public consultation meetings, RAPs documents will be distributed to all interested parties and local communities, by posting them on the web sites and by putting hard copies in the project areas. Minutes of public consultation meetings will be recorded and included in the final E&S documents. At the consultation meetings, the E&S team of the Detail Design Contractor in cooperation with the PMO E&S specialist will present the ESMP and/or RAP (project, its location and implementation schedule, overview of the E&S study process, and any conclusions on impacts, proposed mitigation measures and benefits) to the participants. The subproject information should be defined as preliminary or intermediate, indicating that input from participants can still be applied to subproject design. Participants will be invited directly (not by order) to submit comments and corrections to what is presented. Adequate and convenient contact information will be provided for use by participants.
202. The public consultation meeting on the ESMP and/or RAP of a specific subproject will include an announcement of PMO meeting on the website and local mass media at least two weeks before the session, with a brief description of the project, location and specific contact details (including telephone numbers). In addition, the E&S team of the Detail Design Contractor, in collaboration with the PMO, will make an announcement in the local, district Hokimiyats about holding a public consultation meeting by means of a written short booklet together with an invitation to participate in the meeting. Documentation of the consultations should be submitted to PMO E&S Specialist.
203. Versions of the E&S documents in Russian and Uzbek and records of stakeholder consultations should be posted in a public place close to the construction site, as well as on the websites of PMO.
204. The E&S documents (ESMPs and RAPs) for the subprojects will require prior-review and acceptance by AIIB. For all approved subprojects, the PMO will ensure that printed copies of the final ESMP and/or RAP in the local languages are available in a public place.
205. The PMO will disclose the final E&S documents on the websites of PMO. Before the final approval of the subproject, PMO will also submit the final documents to the AIIB for its own records.

### **8.5. Public Information Brochure**

206. To ensure that APs, their representatives, and local government agencies in sub-project areas fully understand the details of the RAP process, and are also informed about the compensation and rehabilitation packages applicable to the Project, a Public Information Brochure (PIB) will be prepared by the consultant.
207. This PIB will be distributed to all APs and communities in the sub-project area. The PIB will be translated into Uzbek language. The general contents of the PIB will include the following:
  - a. Brief description of the project, implementation schedule;
  - b. Project impacts, compensation entitlements and rights of APs;
  - c. Resettlement and rehabilitation policies for all types of impacts;
  - d. Institutions responsible for resettlement and timeframe (schedule), including the expropriation procedures if any;
  - e. Information dissemination to and consultations with APs and stakeholders;
  - f. What to do if APs have a question or a problem;
  - g. Outline of the grievance redress procedure, and
  - h. Requirements for monitoring and evaluation, including independent monitoring.

## **8.6. RPF and RAP Public Disclosure**

208. This draft RPF in Russian, Uzbek and English will be disclosed on the AYA and AIIB websites. Russian and Uzbek version of RPF will be provided to relevant National and local authorities and State Agencies once sub-projects are identified. Its English version will be disclosed on the AIIB website after approval by AIIB and GoU. Besides, each site-specific RAP once prepared and approved by AYA and AIIB will also be disclosed at project levels. The consultation process will be continued throughout the project cycle.
209. The draft RPF together with ESMPF and SEP should also be available in a public place accessible to the public and local NGOs as well as on line. The English, Uzbek and Russian executive summary will be disclosed. Following the disclosure of the draft RPF, The Consultant with the support from the PMO will carry out a public consultation meeting. Key stakeholders will be invited to provide their feedback as a mean to elicit explicitly the views of the community. This shall be fed into the preparation of a final draft report. All consultations should be properly documented, (for each consultation: date, venue, participants (by age, sex and any other relevant demographics), matrix of feedback and recommendations, dated photographs etc.) and submitted with the final report. The RPF will be required to be reviewed and cleared by AIIB and redisclose by the PMO. Each site-specific RAPs also will follow the same process.

## 9. GRIEVANCE REDRESS MECHANISM

### 9.1. Objective and scope of the GRM

210. The PMO will set up a project-level Grievance Redress Mechanism (GRM) following the policy requirements of AIIB<sup>16</sup> and laws of the Republic of Uzbekistan.<sup>17</sup> The GRM shall respond to the inquires and resolve appeals and complaints of people who believe they have been or are likely to be adversely affected by social and environmental impacts of the project activities, and/or have complaints about the project's information disclosure and public consultation process.
211. The project-level GRM shall respond to the inquiries and resolve appeals and complaints of people in prompt, impartial and mutual consensus manner at the project level. This will help to response to the issues of citizens, to track a problem and avoid potential escalation of project affected people's complaints, and risks for delay and complaint related to the costs in the project implementation.
212. The appeals/complaints eligibility for handling through the project-level GRM shall meet the following criteria: (i) issues related to the project's social, involuntary resettlement and environmental impacts and performance outcomes, and (ii) issues, related to the project's information disclosure and public consultations process. Appeals/complaints, related to crime, fraud, and corruption issues, will be registered in the grievance logbook, however they are not eligible for handling under the project-level GRM and shall be handled as defined by laws of the Republic of Uzbekistan and relevant policies of the AIIB.
213. The project-level GRM does not override the complainants' rights to demand grievance redress as defined by national legislation. The complainant at one's discretion may choose to seek the complaint consideration through the judicial system of the Republic of Uzbekistan at any time of the grievance redress process provided hereby.
214. At the same time Subcomponent 3.1 of the project ToR included Development of Digital Geospatial Platform. The objective of this subcomponent is to create a sophisticated, web-based GIS platform that serves multiple purposes as well as a streamline grievance registration and monitoring, allowing the Project Management Office, supervision consultants, and the Committee for Roads to manage incoming complaints, generate alerts, and track responses in real-time.
215. The Platform will:
- Provide, advice, register and refer complaints to the road sections for investigation and monitoring, and manage the analysis and reporting of complaints data.
  - Visualize the residents' complaints regarding the issues arising from the project construction based on the Project Level Grievance Redress Mechanism and Bank's Grievances Mechanism
  - Ability for the users to upload a location verified pictures and photos of safety

<sup>16</sup> <https://www.aiib.org/en/policies-strategies/download/environment-framework/AIIB-Environmental-and-Social-Framework-ESF-November-2022-final.pdf>

<sup>17</sup> The Law of the Republic of Uzbekistan "On Appeals of individuals and legal entities" No. LRU-378 dated December 3, 2014 (No. LRU-445 as amended from 09 November 2017)

hazards (potholes, missing safety signs etc.) using telegram channels, weblink, application or the like to identify non-compliance with safety requirements.

- Register complaints and refer them to the related department/officer for investigation and response
- Monitoring the progress of investigations to ensure they are dealt with in a professional and timely manner

## 9.2. GRM Guiding principles

216. The followings shall guide the grievance redress process:
217. **Impartiality:** The receipt and resolution of grievances shall be guided by the key principles of impartiality. The decision ought to be based on objective criteria, rather than on bias and prejudice. The parties reviewing the grievance shall be impartial and free of conflict of interest in relation to the grievance and / or the parties involved; in case of any interest, such members shall inform their relations to the case or the complainant and be replaced for the subject case.
218. **Awareness:** The customers and public shall be made aware of the Project-level GRM, the process of the grievance resolution and members of the Grievance Redress Committee. The AYA shall disseminate such information for public attention through its website, newspapers, and media, as well as project disclosure and public consultations activities.
219. **Accessibility:** The GRM shall be easily accessible including in terms of physical location, language, and culturally appropriate to people. The appeals and complaints of project affected people, or any other entities, can be received in various modes. The informational documents and announcements shall be non-technical and in language understood by people.
220. **Timeliness:** All appeals and grievances, irrespective of their nature and size shall be resolved, and corrective actions should be taken within a reasonable and shortest timeline.
221. **Participation:** The complainants and / or their representatives shall be part of the resolution process, and be provided opportunities to be heard, and informed about the grievance process. All process should be documented.
222. **Feedbacks:** Provide timely feedback to inquiries and the complainant in each phase of grievance redress process including the basis of the decision; the parties involved in the grievance redress process; information and documents collected and reviewed; and the next steps in case of accepting or rejecting the proposed resolution.
223. **Gender and social inclusiveness:** The grievance redress process shall consider social and gender roles, needs and constraints of men and women. The project staff shall be trained and aware of the gender-sensitive approaches. Confidentiality and discretion are particularly important in gender-sensitive cases.

## 9.3. Forms of lodging grievances / appeals

224. The following include the forms of lodging grievances / appeals:
- Grievances and appeals can be submitted orally or in written, or in electronic forms; Grievances and appeals, received by contact numbers, as well as by telephone "hotline" are taken into account, registered and considered as oral messages; Grievances and appeals, received from the Telegram messenger, through the official website or to the official e-mail address are registered in the form of

electronic appeals and are considered in the prescribed manner; Grievances and appeals can be in the form of statements, suggestions, and complaints.

Individuals and legal entities can apply individually or collectively.

Grievances and appeals can be submitted in the state official language and other languages.

225. In the grievance or appeal of an individual and / or legal entity, should indicate the surname, name (patronymic, if available) of the individual, information of his / her place of residence and the essence of the appeal, contact person and his/her contact information must be indicated.
226. If the complainant wishes to remain anonymous, and grievance or appeal received anonymously, such cases shall be registered and verified. The Grievance Redress Committee (GRC) at Tier 1 evaluates, if it is legitimate according to situation presented in the anonymous grievance or appeal, and act on behalf of the complainant, evaluate and resolve the issue. If the arguments stated in the grievance are not confirmed, a conclusion is drawn up about this, where the reasons of terminating the redress of the current grievance are stated. A conclusion of terminating the grievance redress is confirmed by GRC members, after that the complaint is removed from control.
227. It is possible, that anonymous grievances or appeals may become more difficult to consider, resolve the issue and protect the interest of the complainant. Therefore, the complainants, raising anonymous grievances or appeals shall provide sufficient facts and data to enable the GRC to investigate the case. The feedback and decision made, the actions planned and implemented regarding the anonymous grievances and appeals, shall be (i) printed and posted on the information boards of the regional "Uzavtoyul" and relevant Khokimyat, and (ii) send back to the same source, where the anonymous grievance or appeal has been received from (e.g. unknown media account), if applicable.
228. The GRC members, involved in implementing the GRM, make sure, that confidentiality / anonymity is respected.
229. Outcomes of all grievances and appeals, and their resolution process will also be documented in the grievance database and reflected in the project periodic progress reports.

#### **9.4. Institutional Structure of the GRM**

230. The "Avtoyulinvest" Agency (PMO) will be fully responsible for the effective operation of the project-level GRM. It will maintain a central database of all received grievances and ensure their registration, monitoring, analysis, and reporting in line with project safeguard requirements. The PMO will maintain a database of all received grievances and ensure monitoring, analysis and reporting through project implementation and social and environmental safeguards reports. Other stakeholders of the project, including the Supervision Consultant (Engineer) and the Contractor(s), shall take an active part in resolving grievances and appeals at the site level.
231. The Contractor(s) and Construction Supervision Consultant (CSC) shall each appoint a Grievance Focal Person (GFP) at the site level to register and address grievances at the construction site. All grievances received shall be reported to the PMO GFP, who will maintain the consolidated grievance log for the Project.

### 9.5. Grievance Focal Persons

232. The Contractor's site GFP and Engineer's site GFP will coordinate to receive, register, and attempt to resolve grievances promptly at the site level (Tier 1). They shall ensure that all received grievances are logged and reported to the PMO GFP.
233. The Social and Environmental Specialist of the PMO shall act as the PMO-level GFP, maintaining the central database of all received and redressed grievances. The PMO GFP will coordinate and oversee grievance redress at Tier 2, monitor implementation, and report on the status in the project's regular progress reports.
234. Contact details for the Contractor's and Engineer's GFPs, as well as the PMO-level GFP and GRC, will be published on the AYA website and included in public information materials throughout the project cycle.
235. The Contractor's site GFP and Engineer's site GFP shall promptly respond to grievances using informal, respectful dialogue where possible. If a resolution cannot be found at site level, the case is escalated to the PMO-level GRC (Tier 2).

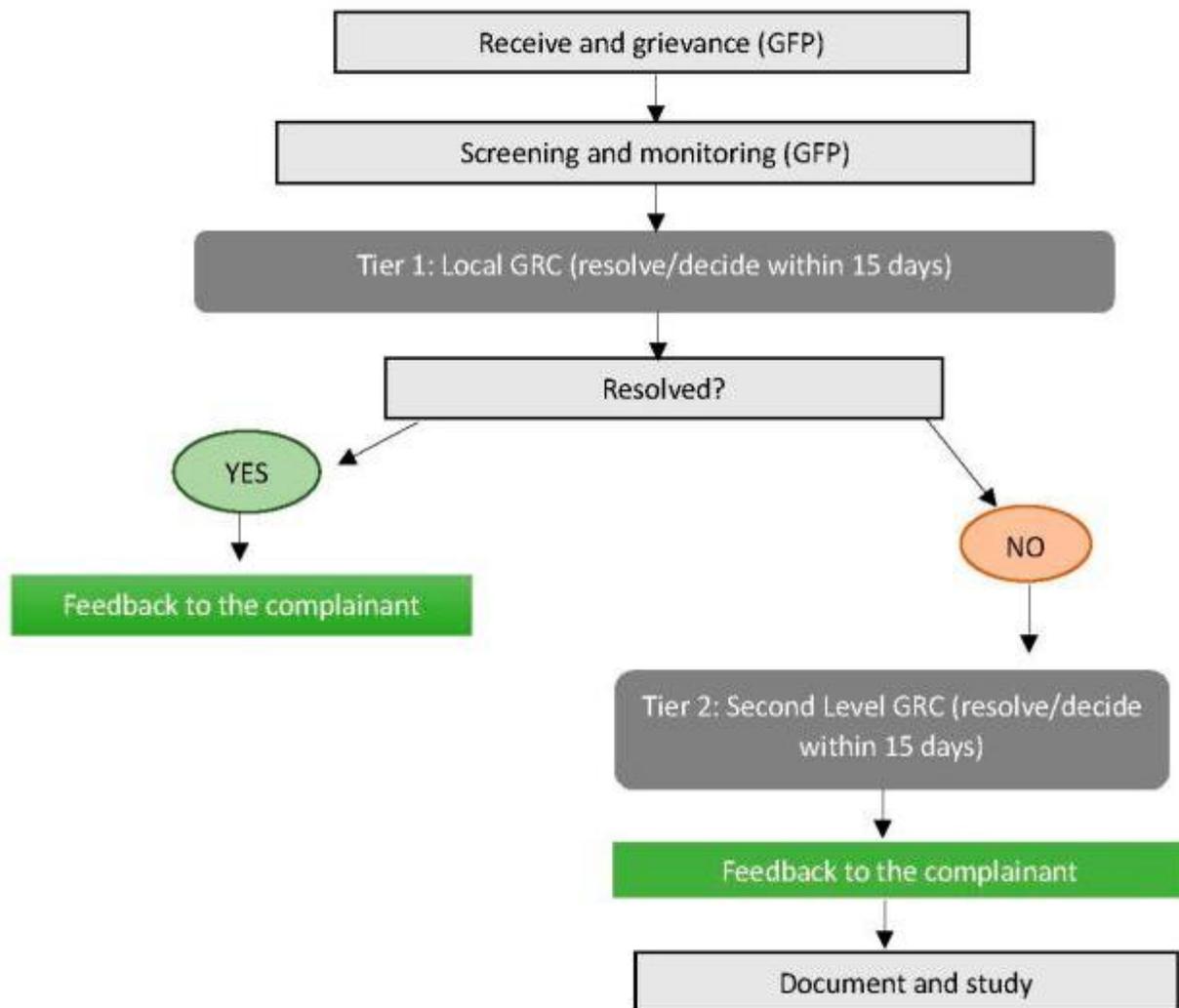
### 9.6. Grievance Redress Mechanism Description

236. A two-tier project-level GRM will be established during the project preparation phase.
237. **Tier 1 – Site-level GRC.** The Tier 1 GRC will handle complaints at the site level, ensuring quick resolution. It will comprise:
- Supervision Consultant (Engineer) E&S Specialist (Chair);
  - Contractor's E&S Specialist or designated Grievance Focal Person (Member);
  - PMO Social & Environmental Specialist
  - Head of the community (makhalla leader)
  - Representative of the community's women committee
  - Representative of district Khokimiat,
  - Representative of district Road Service organization as a GFP for the subject district.
  - Other relevant local stakeholders may be invited if required.
238. If necessary, the site-level GRC may invite appropriate technical specialists or refer an issue to the relevant local authorities (e.g., khokimiyat) if it relates to land, resettlement, or other local matters that require official coordination. For standard environmental or social compliance issues, the Contractor and Engineer handle resolution directly.
239. Complainants can contact any GRC member. The contact details of the GRC member will be available GRM section in the AYA's website and site-specific ES Instruments. The site-level GRC is responsible for receiving, hearing, and resolving complaints promptly.
240. If needed, appropriate experts may be involved to review grievances, or cases may be referred to relevant state or local authorities, as required by national law.
241. The site GRC shall aim to resolve grievances within 15 days of registration. For complex cases needing further investigation, the period may extend up to 30 days. If a grievance cannot be resolved at Tier 1, or if the complainant is unsatisfied, it shall be escalated to the **PMO-level GRC (Tier 2)**.
242. **Tier-2 PMO level GRC.** The Tier-2 includes the GRC at the PMO central level at Avtoyulinvest Agency and includethe followings:

- PMO Project Coordinator — Chairperson;
- PMO Social & Environmental Specialist — Member & GRM Focal Point;
- Deputy PM or relevant PMO technical specialist — Member;
- Chief specialist of Karakalpakstan and Khorezm Region Government department, member;
- Head of the department for the coordination of works on land acquisition and compensation of the Karakalpakstan and Khorezm Region, member;
- Staff of the information service of Main Road Department of the Republic of Karakalpakstan and Khorezm Region.

243. The PMO GRC shall consider escalated grievances within 15 days. If no solution is agreed at this level, complainants may pursue legal remedies through the courts under national legislation.

244. The [Figure 3: Grievance Redress Mechanism Structure](#) [Figure 2](#) presents the complaints resolution process in sequential order.



*Figure 3 Grievance Redress Mechanism Structure*

245. The grievance redress process, depending on the complexity of the issue, includes the following actions:

246. **Receiving grievances.** The GFP at the district level shall receive appeals and

- complaints directly from the complainant or made through any staff of the project, members of the GRC at the local level or second level GRC at PMO. In case a complaint is lodged through the project staff members, members of the GRC at the local level or GRC at PMO central level, or other respective agencies, they shall forward it to the subject district GFP to register, coordinate, and document the complaint resolution process. Attachment 1 has a sample of a complaints lodging template. (i) Registration of grievances. The district level GFPs should register a grievance in appeals / complaint registry logbooks for their respective districts. The GFP at PMO level should maintain an electronic database of all the received grievances and appeals. A simple excel sheet can be used for this purpose, which also allows sorting, filtering, and conditional formatting (Annex 1 provides a sample of a grievance logbook).
247. The site GFPs will assess whether the received grievance is related to project activities and eligible under the GRM.
248. If the grievance is eligible, the site GFP shall inform the complainant within 5 days, confirming receipt and next steps, and the expected response timeline; or request any clarifications if needed.
249. If a grievance is not eligible for handling under the project GRM, the site GFP shall inform the complainant and, within 5 days, forward it to the appropriate authority, notifying the complainant in writing or electronically.
250. **Grievance / problem statement formulation.** Clarify the claims of the complainant(s) and formulate a clear, precise and comprehensive problem / grievance statement including information such as:
- Who, how many are affected;
  - What happened, when, and where;
  - What is a claim / resolution is expected by the complainant.
251. **Data collection and analysis.** Collect and analyse information, document the appeals / grievances through relevant approaches such as:
- Collection and review of documents, background information (e.g. documents, photos, video materials, meeting notes);
  - Meetings with the complainant, any other relevant stakeholders, and conduct joint site visits; if the appeals / grievances contain circumstances that require study on the spot, as well as in other necessary cases, considering the appeals/grievance, must ensure that the appeals / grievance is considered on-site;
  - Subject to the nature of the case, engage the relevant government and independent experts, hold meeting with the experts and complainant, seek further clarifications, and prepare records of meetings;
  - At this stage, when more information is collected and analysed, check if the grievance/problem formulation is the same or need to make changes, if necessary.
252. **Document process.** The GFPs both at the district level and the PMO level should document the appeals / grievances and information collected for each case and submit to the GRCs at the local / regional level and second level at PMO, if relevant.
253. **Hearing the grievance and identifying resolution options.** Based on collected and analysed information, conduct the grievance hearing with participation of the complainants and / or their representative(s) to consider grievance resolution options.
254. **Develop and select resolution options.** Develop options and select the one, that is feasible to implement and accessible / acceptable for all in consensus manner. To

assess feasibility these questions can be used:

- Can it be implemented in a reasonable time?
  - Can it be done within cost limits?
  - Will it work reliably?
  - Will it use staff and equipment efficiently?
  - Is it flexible enough to adapt to changing conditions?
255. To assess accessibility / acceptability, these questions can be used:
- Do the implementers support the solution, perceiving it as worth their time and energy?
  - Are the risks manageable?
  - Will the solution benefit the people affected by the problem?
256. **Get confirmation from the complainant.** Receive written consent or disagreement of the complainant with the proposed solution. Have a meeting, discuss the option and its outcome with the complainant.
257. **Develop and implement a time bound action plan.** If the complainant agreed to the proposed solution, prepare time bound action plan, indicate required resources, and responsible parties to implement the decision made for the grievance resolution. An action plan shall indicate the necessary actions and consider the following questions:
- What actions or changes will occur?
  - Who will carry out these changes?
  - By when will they take place, and for how long?
  - What resources (e.g., money, staff) are needed to carry out these changes?
  - Communication (who should know what?)
258. **Complaint Closing and Reporting.** Upon execution of the time bound action plan:
- Send a written confirmation to the complainant about the undertaken actions and outcomes;
  - Have a meeting with the complainant to ensure that complainant's claims have been addressed in full and no further action is required, confirmed through a meeting protocol with the complainant;
259. **Prepare the grievance closing report with all documents filed for the case.** The essential components of a problem report include the following:
- Executive summary;
  - Background;
  - Review and assessment;
  - Course of action,
  - Recommendation, and schedule;
  - Conclusion.

### 9.7. AIIB's Project-affected People's Mechanism

260. AIIB has project-affected people's mechanism. <sup>18</sup>Two or more project affected people, who believe, they have been or are likely to be adversely affected by AIIB's project activities, and their concerns cannot be addressed satisfactorily through project-level GRM or AIIB management processes, may file a complaint for an independent and impartial review by AIIB's Project-affected People's Mechanism (PPM).

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<sup>18</sup> PPP-policy.pdf(aiib.org)

261. Refer for details about the process, time limits of filing complaint and types of complaints eligible for the PPM to the “Rules of procedure of the project-affected people’s mechanism issued by the managing director, complaints-resolution, evaluation and integrity unit Below is summary: The complaint may be sent to the PPM by mail, email, fax or hand delivered to PPM. The PPM can be contacted through a dedicated PPM website, via the AIIB homepage <https://www.aiib.org> or by contact information below:

Managing director, complaints-resolution, evaluation, and integrity unit, Asian Infrastructure Investment Bank (AIIB)

Tower A, Asia Financial Centre, No.1 Tianchen East Road, Chaoyang District, Beijing 100101 Tel: +86-10-8358-0187

Fax: +86-108358-0000

Email: [ppm@aiib.org](mailto:ppm@aiib.org)

262. Time limits for filing complaints in general are 24 months from the project closing date or last disbursement date depending on financial modality.

263. Complaints/appeals cannot be considered by the PPM, if (i) it does not relate to a project, that has been approved for AIIB funding or for which PSI has been disclosed; (ii) it is anonymous; (iii) it makes accusations of fraud, corruption or other prohibited methods or is related to procurement; and other situations.

#### **9.8. GRM Disclosure and Public Awareness**

264. The IA will disclose the GRM on its website for the attention of public. The information given to the public should include the contact details of the GRC at the local level and the GRC at the Second level at the PMO and channels, through which the complainant can lodge their grievances, and the list of members of the GRC.

265. Information, regarding the GRM, should be communicated to the affected community at the earliest stage of the project by IA, during public consultations for social / resettlement and environmental impacts assessments, and the project engineering design and safeguard documents preparation. During these activities, information brochures, as well as verbal communication and other relevant media can be used.

266. The AYA ensures that affected people are fully informed of their rights and procedures for addressing complaints whether verbally or in writing during consultation, DMS, and at the time of receiving compensation and resettlement assistance.

## 10. MONITORING AND REPORTING REQUIREMENTS

267. The Project will establish systems for internal monitoring and evaluation. The main purpose of the monitoring and evaluation programme is to ensure that resettlement and acquisition of land and properties have been implemented in accordance with the provision of AIIB's ESF 2022, the laws of Uzbekistan and with this RAP.
268. The objectives of the monitoring and evaluation programme are to
- a. To ensure that the standard of living of AHs is restored or improved;
  - b. To monitor whether or not the timelines are being met;
  - c. To identify problems or potential problems;
  - d. To identify immediate/rapid response methods to mitigate problems or potential problems, and
  - e. To ensure that the GRM is functioning and grievances, if any, are being addressed timely and effectively.

### 10.1. Internal Monitoring

269. The AYA will conduct regular monitoring and assessment of project implementation process through following the procedures established and by the company.
270. To achieve the main purpose and objectives of internal monitoring the AYA will ensure to provide significant attention to the following aspects of project implementation process:
- a. Frequency and quality of information campaign and consultations hold for project affected people
  - b. Status of land acquisition and payments of compensations for project affected assets
  - c. Status of provision of additional rehabilitation and mitigation measures
  - d. Close monitoring of complaints and grievance management.
271. PMO and Contractors will be responsible to conduct the internal monitoring of RP implementation with the support from the consultants. Some of the key activities that would be monitored include:
- timely payment of compensation and assistance and prior to the commencement of civil works;
  - processes followed in the dissemination of information on the project and eligible entitlements as well as the quality of consultations;
  - processes followed in the relocation of PAPs as per relocation plan, if displaced;
  - provision of replacement cost (towards the cost of structures, shifting and replacement house);
  - relocation of all common properties such as toilets, temples, etc.
  - the provision on livelihood support measures, training towards rehabilitation;
  - provision of work opportunities to PAPs and other community members during civil works; and
  - grievances received and redressed by level.
272. The PMO will also be responsible for record-keeping, management and internal monitoring of the GRM. PMO will also engage consultants for external monitoring and evaluation of the project implementation if needed or required by AIIB. The consultants will undertake monitoring and verification of processes and activities of RP implementation and would submit quarterly reports. It would also undertake an end-term evaluation post RP implementation to ascertain if the RP objectives have been achieved. The consultants will identify gaps based on desk reviews and field visits and provide timely inputs for course-correction to the PMO to improve

implementation and outcomes. Besides, it will recommend measures necessary to build capacity and provide requisite training to implementation staff and other stakeholders such as civil works contractor.

## **10.2. Reporting Requirements**

273. The results of internal monitoring during RAP implementation as well as project related construction activities will be communicated with AYA , and AIIB through the quarterly project implementation reports as well as semi-annual social monitoring reports (SSMR),to assess whether actual project impacts are adequately addresses, compensation payments disbursed, if due and grievance redress procedures are applied during the reporting period.
274. The information on possible social/economic impact incurred during earth works and project construction activities will be collected directly from the field by the Supervision Consultant and will be reported through the project Coordinator at the AYA HQ on a monthly basis.
275. These monthly reports will then be quarterly consolidated by AYA and submitted to AIIB.

## **10.3. Capacity Building and Training in RP Implementation**

276. To allow an effective execution of all LAR related tasks some expansion of the capacity on LAR currently available at AYA may be needed. As soon as the Investment Program becomes effective, before the RAP preparation, once the IA's safeguards staff is on board,the AYA will carry out with AIIB and the Construction Supervision Consultant assistance a capacity needs assessment and will define the capacity building activities and if needed the additional experts required. Financing for capacity building initiatives will be included under the capacity building component of the Investment Program.
277. All concerned staff at PMO and GRC will undergo two days orientation training in AIIB Involuntary Resettlement Planning and implementation management to be provided either by a consultant hired by AYA or by the Supervision Consultant's Social Safeguards and Resettlement expert. Training will cover the following topics:
  - a. Principles and procedures of land acquisition;
  - b. Public consultation and participation;
  - c. Entitlements, compensation and assistance disbursement mechanisms;
  - d. Grievance redress, and
  - e. Monitoring of resettlement operations.

## **10.4. Resettlement Budget and Financing**

278. Site-specific RAP preparation and implementation costs, including cost of LAR administration, will be considered an integral part of the Detailed design Contactor project cost. The funds for compensation will be contributed as a counterpart fund by the Government of Uzbekistan, allocated by MoF will be delivered to APs by AYA according the budget section in RAPs.
279. Each site-specific RAP will include a budget section indicating (i) unit compensation rates for all affected items and allowances; (ii) methodology followed for the computation of unit compensation rates; and (iii) a cost table for all compensation expenses including administrative costs and contingencies. Costs for I monitoring tasks and for the preparation of surveys may be allocated under the MFF.
280. AYA is responsible for ensuring timely allocation of funds by MoF needed for RAP implementation. Allocations will be reviewed twice a year based on the budget requirements indicated by the AYA and AIIB. As per the LAR finances flow the budget for compensation and rehabilitation will be directly disbursed by AYA to the AP.

## ANNEX 1 GRIEVANCE LODGING FORM

Grievance reference number (to be completed by GRM Focal Point):			
Contact details (may be submitted anonymously)	Name (s):		
	Address:		
	Telephone:		
	Email:		
How would you prefer to be contacted (check one)	By mail/post: <input type="checkbox"/>	By phone: <input type="checkbox"/>	By email <input type="checkbox"/>
Preferred language	<input type="checkbox"/> Kazakh	<input type="checkbox"/> Russian	<input type="checkbox"/> other _____
Provide details of your grievance. Please describe the problem, who it happened to, when and where it happened, how many times, etc. Describe in as much detail as possible.			
What is your suggested resolution for the grievance if you have one? Is there something you would like Khokimyat or another party/person to do to solve the problem?			
How have you submitted this form to the project?	Website <input type="checkbox"/>	email <input type="checkbox"/>	By hand <input type="checkbox"/>
	In person <input type="checkbox"/>	By telephone <input type="checkbox"/>	Other (specify) <input type="checkbox"/>
Who filled out this form (If not the person named above)?	Name and contact details:		
Signature			
Name of Focal Point person assigned responsibility			
Resolved or referred to GRC1?	<input type="checkbox"/> Resolved	<input type="checkbox"/> Referred	If referred, date:
Resolved referred to GRC2?	<input type="checkbox"/> Resolved	<input type="checkbox"/> Referred	If referred, date:
<b>Completion</b>			
Final resolution (briefly describe)			
	Short description	Accepted? (Y/N)	Acknowledgement signature
1 <sup>st</sup> proposed solution			
2 <sup>nd</sup> proposed solution			
3 <sup>rd</sup> proposed solution			