

Annex 10

**Ministry of Housing and Communal Services
of the Republic of Uzbekistan**

PROJECT

«Water Services and Institutional Support Program»

“Resettlement Policy Framework”



Tashkent, Uzbekistan
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ABBREVIATIONS AND GLOSSARY

Abbreviations

ARAP	Abbreviated Resettlement Action Plan
AD	Agricultural Department
CB	Central Bank of Uzbekistan
CBO	Community-based organization (mahalla)
COM	Cabinet of Ministers of the Republic of Uzbekistan
CE	Citizen Engagement
DCM	Decision of Cabinet of Ministers
DMS	Detail Measurement Survey
EA	Executive Agency
EM	Entitlement Matrix
ESMF	Environmental and Social Management Framework
FP	Facilitating Partner
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
HH	Household
IDA	International Development Association
IFI	International Financial Institution
IPF	Investment Project Financing
LAA	Land Acquisition Act
LAR	Land Acquisition and Resettlement
LARC	Land Acquisition and Resettlement Commission
LRSCD	Land Resources and State Cadaster Department
MC	Mahalla committee
M&E	Monitoring and Evaluation
MIS	Management Information systems
NGO	Non-Governmental Organization
OP	Operational Policy
PAP	Project Affected Persons
PCU	Project Coordination Unit
PMC	Project Management Consultant
R&R	Resettlement and Rehabilitation
RAP	Resettlement Action Plan
RPCU	Regional Project Coordination Unit
RCM	Resolution of the Cabinet of Ministers of Uzbekistan
RPF	Resettlement Policy Framework
SES	Sanitary Epidemiological Service
SS	Safeguard Specialist
TOR	Terms of Reference
USD (US\$)	United States dollar
UZS	Uzbek Sum
WB	World Bank
WBG	World Bank Group

Glossary

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

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

*** The rate of the Central bank of the Republic of Uzbekistan
(as of October 07, 2019)**

US\$ 1 = 9,433.34 Uzbek Sums (UZS)

EXECUTIVE SUMMARY

The Government of Uzbekistan (GOU) recently launched a nationwide reorganization of its water supply and sanitation (WSS) institutions and the initiation of financial and cost recovery mechanisms, with the objective of improving sector governance and utility management, efficiency, and financial sustainability while maintaining affordability. Access to and quality of WSS services remains a significant challenge. WSS infrastructure, largely constructed during the Soviet central planning era, has by-and-large exhausted its useful life and requires extensive rehabilitation and renewal. Public expenditure, whilst increasing substantially in recent years, has not kept pace with requirements for asset replacement, maintenance, and system expansion. As such, water supply and sewerage infrastructure has deteriorated substantially in many areas. These infrastructure issues, combined with institutional capacity constraints, have resulted in stagnation or decline in water service quality acutely affecting rural areas, and district towns (or small- mid-sized cities), where most of the population resides. The GOU requested a substantial increase in financing to the sector through the proposed Water Services and Institutional Support Program (WASIS). This program will finance priority policy, institutional, and infrastructure activities at both the national and regional levels, to promote sector sustainability and accelerate progress towards achievement of the Government's development objectives.

The Project Development Objective is to: (i) improve coverage, quality, and efficiency of water supply and sanitation services in selected project areas; and (ii) strengthen the regulatory capacity of the sector. The project will build upon the existing engagement and harness positive momentum generated by the reforms. It will be anchored within the Ministry of Housing and Communal Services (MHCS), supporting implementation of the reform roadmap and achievement of their stated sector development goals.

The project is expected to directly benefit around 693,000 people residing within the project areas. The beneficiaries include mostly existing customers who will benefit from improved quality and reliability of water and sewerage services. Around 187,000 people will access piped water supply (99,000 households) and 211,000 people - sewerage (82,000 households) services through new connections. The proposed project is structured in four complementary components. Activities under Components 1 and 4 target the institutional strengthening and reform agenda. Such interventions will be reinforced through physical infrastructure investments implemented under Component 2 and 3. The main infrastructure investments or sub-projects under the WASIS program include:

1. Reconstruction of sewerage systems in the cities of Nukus, Takhiatash, Khodjeyli, and Kungrad in the Republic of Karakalpakstan in the northern part;
2. Rehabilitation and reconstruction of water supply systems in Syrdarya, Gulistan, Saikhunabad districts and Yangiyer city and sewerage systems in Bayaut, Dekhkanabad, Navruz, Saykhun, Pakhtaabad, Syrdarya, Baht, Farkhad, and Sardoba of the Syrdarya region;
3. Reconstruction of water supply systems and sewage treatment facilities in Kattakurgan city of Samarkand region.

The socio-economic impacts of these activities will be mainly positive and related to the improvement of the quality and standard of living of the population in the project areas. However, civil works implementation could result in various adverse social impacts. The key social impacts could relate to the activities which require 'lands' leading to temporary/permanent physical and economic displacement as well as restrictions on access. Specifically, WASIS Program interventions may generate a series of various negative social impacts: (a) permanent land acquisition for construction of new sewerage facilities; (b) temporarily land acquisition for rehabilitation/restoration sewerage and water networks; (c) temporarily limited access to assets (land, business, HH) during construction activities; (d) other risks and impacts associated with civil works. These potential impacts are typical for construction/reconstruction activities and may be mitigated through the application of involuntary resettlement instruments and appropriate mitigation measures.

Towards mitigating the adverse impacts, a Social Impact Assessments (SIA), following environmental and social screening, will be undertaken in respect of each subproject to determine the magnitude of displacement and prospective losses, identify vulnerable groups for targeting, ascertain the costs of resettlement, and prepare a Resettlement Action Plan (RAP) for implementation. However, preparing RAPs at appraisal is not possible as the exact location and design of the infrastructure investments are not yet known, with detailed engineering designs to be prepared during the early phases of implementation.

Moreover, while the broad category of activities/ impacts is foreseen, exact magnitudes can become known only after the engineering design of the subprojects are made. Hence, during project preparation this Resettlement Policy Framework (RPF) has been developed to guide the process for assessment and management of such potential impacts under the WASIS. The guidelines of the RPF apply to all the investments financed by WASIS. The key objective of the RPF is to provide a framework to appropriately identify, address and mitigate adverse socioeconomic impacts that may occur due to the implementation of subprojects that involve the involuntary acquisition of land and the subsequent resettlement of project affected persons (PAPs). The policy framework applies to all economically and/or physically displaced persons regardless of the total number affected by the severity of impact and whether they have legal title to the land. Subproject-specific RAPs, if required, will be prepared in accordance with this RPF. The RPF will be updated when changes or amendments to the applicable laws and policies are made and based on implementation experience and lessons learned. The corresponding safeguards document for other social and environmental impacts not associated with land acquisition and restrictions is the Environmental and Social Management Framework (ESMF).

This RPF is based on relevant National laws and decrees as well as the World Bank Operational Policy for Involuntary Resettlement (OP 4.12). There are some differences between the World Bank OP policies and Uzbekistan's legislation in the sphere of involuntary resettlement. The main discrepancies include: (i) providing detailed explanations of entitlements to PAPs, (ii) provision of just compensation instead of full replacement cost, (iii) defining the cut-off date, and (iv) carrying out socioeconomic surveys. The RPF has been prepared by harmonizing to the extent possible the two policies. However, the World Bank OP 4.12 will prevail in cases of differences in substance and/ or in the interpretation between WB and Uzbekistan legislation. Based on the harmonization efforts and the impacts likely to occur, an Entitlement Matrix (EM) has been developed, that summarizes the types of losses and the corresponding nature and scope of entitlements. Compensation and rehabilitation assistance for various categories of losses based on the tenure and magnitude of impact has been provided. Attention will be paid to the needs of vulnerable groups among those women headed household, low-income household, households headed by elderly with no support and households with physically challenged people. In order to ensure that ineligible persons do not take the opportunity to claim eligibility, a cut-off date will be established. The cut-off date will be the last date of the census. It is a date after which people who are not included in the list of PAPs as defined by the census will not be considered eligible for compensation.

The project will establish a Grievance Redress Mechanism (GRM) which would function at four-levels to receive, evaluate and facilitate the resolution of displaced person's concerns, complaints and grievances. GRM has been developed based on the existing complaint handling mechanism as well as the latest decree of the GOU (August 05, 2019) which specifies in detail the resettlement management including implementation arrangement and the review processes.

The Resettlement related documents including RPF, RAP and due diligence reports will be disclosed to the public through all possible channels including social media, websites, posters in Mahalla and Khokimiyats. The documents available in the public domain include: Entitlement Matrix, Grievances Redresses Mechanism, institutional arrangements and the categories of eligible PAPs for various resettlement and rehabilitation benefits. PCU will be responsible for concurrent Monitoring and Evaluation (M&E) of RAP implementation. The M&E will include monitoring and verification of processes and activities in RAP implementation and will prepare and submit to the Ministry quarterly reports. Gaps, if any, identified mid-course corrections, as appropriate, will be made.

The RPF has been prepared following extensive consultations with a variety of stakeholders throughout the project preparation period covering all sub-project locations within the three regions. This included the local communities, Mahalla Committee Members, District Authorities and relevant national leaders and citizens. Feedback obtained from the consultations have been incorporated into designing the project's institutional and implementation arrangements. The stakeholders' expectations and the related issues/concerns have been taken due note of while preparing these instruments. Fourteen disclosure meetings –were held during June-September 2019 in the cities of Nukus, Khojaly, Kungrad, Tahiatash, Kattakurgan, Gulistan, Yangiyer and seven districts of the Syrdarya region; responses evinced have been incorporated into the final reports. The ESMF and RPF documents have been published on the MHCS website and will be further published on the external WB website.

I. INTRODUCTION

1.1. Background

The Government of Uzbekistan (GOU) recently launched a nationwide reorganization of its water supply and sanitation (WSS) institutions and the initiation of financial and cost recovery mechanisms, with the objective of improving sector governance and utility management, efficiency, and financial sustainability while maintaining affordability. Access to and quality of WSS services remains a significant challenge. WSS infrastructure, largely constructed during the Soviet central planning era, has by-and-large exhausted its useful life and requires extensive rehabilitation and renewal. Public expenditure, whilst increasing substantially in recent years, has not kept pace with requirements for asset replacement, maintenance and system expansion. As such, water supply and sewerage infrastructure has deteriorated substantially in many areas. These infrastructure issues, combined with institutional capacity constraints, have resulted in a stagnation or decline in water service quality acutely affecting rural areas, and district towns (or small- mid sized cities), where most of the population resides.

The World Bank has been substantially engaged within Uzbekistan's water supply and sanitation sector, through a series of projects including those recently completed or ongoing: (1) Syrdarya Water Supply Project (closed June 30, 2019); (2) the Bukhara and Samarkand Sewerage Project; and (3) the Alat and Karakul Water Supply Project. These projects have focused on increasing access and improving service quality within the project districts (both urban and rural), through infrastructure financing and support to the utilities. The GOU requested a substantial increase in financing to the sector through the proposed Water Services and Institutional Support Program (WASIS). This program will finance priority policy, institutional, and infrastructure activities at both the national and regional levels, to promote sector sustainability and accelerate progress towards achievement of the Government's development objectives.

The Project Development Objective is to: (i) improve coverage, quality and efficiency of water supply and sanitation services in selected project areas; and (ii) strengthen the regulatory capacity of the sector. The project will build upon the existing engagement and harness positive momentum generated by the reforms. It will be anchored within the Ministry of Housing and Communal Services (MHCS), supporting implementation of the reform roadmap and achievement of their stated sector development goals.

The project design will ensure continuity of the sector engagement, consistent policy and institutional approaches and enhanced coordination, supporting sustainability of the World Bank-financed multi-sectoral and regional development projects including the *Medium-Size Cities Integrated Urban Development Project* (P162929) and *Prosperous Villages Project* (P168233) both of which have water supply and sanitation infrastructure investment components.

1.2. Project description

The proposed project is structured in four complementary components. Activities under Components 1 and 4 target the institutional strengthening and reform agenda. Such interventions will be reinforced through physical infrastructure investments implemented under Component 2 and 3. A summary of activities to be financed under each component is provided below:

Component 1 - Sector policy, regulations and institutions will finance activities (goods and services) at the national level designed to strengthen policy and regulatory frameworks and institutional capacity to advance sector reform and promote sustainable service delivery. The interventions will target key stakeholders, including the MHCS as the lead ministry responsible for sector development. It is envisioned that this component will foster the enabling environment in which Suvokovas and other service providers operate, aligning it with utility-level interventions to sustain performance improvements support under the other project components.

Component 2 - Energy efficiency financing facility. The principal objectives of this component are to: (i) develop and implement a facility for financing of cost-effective investments in energy efficiency (EE) in the Suvokovas; and (ii) provide technical assistance to develop the capacity of the Suvokovas, PCU, and MHCS to assure its sustainable usage. The facility will contribute to the accomplishment of the Suvokova medium-term performance improvement plans and improve financial management and accountability of the utilities

by building their capacity to identify and implement additional EE improvement projects. The component will support investments that yield net energy efficiency gains and provide climate change co-benefits, including climate change mitigation (GHG reductions, for example) and adaptation activities (drought resilience, water savings, renewable energy utilization, etc.).

Component 3 - Regional infrastructure investments will finance resilient infrastructure investments to expand access, improve efficiency and quality of water services in targeted areas within three regions of Uzbekistan. The component will finance goods, works and services (including engineering design and construction supervision) and will include civil and electrical/mechanical installations for water supply production (boreholes, well-fields, intakes, etc., as well as disinfection and pumping as required), and transmission and distribution (networks, storage, meters, etc.) to households, along with sewerage collection, conveyance, treatment and disposal / re-use facilities.

Component 4 - Professionalization of Participating Water Utilities will finance activities (goods and services) designed to support and strengthen the capacity of Karakalpakstan, Syrdarya and Samarkand Suvokovas, engaged under Component 3 of the project. This component will be flexible and allow for emerging needs of utilities to be considered and supported throughout the lifetime of the project. It will build upon the results of other ongoing institutional strengthening and corporate development activities and help to advance lagging actions introduced under recent reforms.

1.3. Project area and beneficiaries

The project is expected to directly benefit around 693,000 people residing within the project areas. The beneficiaries include mostly existing customers who will benefit from improved quality and reliability of water and sewerage services. Around 187,000 people will access piped water supply (99,000 households) and 211,000 people - sewerage (82,000 households) services through new connections.

The main infrastructure investments or sub-projects under the WASIS program include:

4. Reconstruction of sewerage systems in the cities of Nukus, Takhiatash, Khodjeyli and Kungrad in the Republic of Karakalpakstan in the northern part;
5. Rehabilitation and reconstruction of water supply systems in Syrdarya, Gulistan, Saikhunabad districts and Yangiyer city and sewerage systems in Bayaut, Dekhkanabad, Navruz, Saykhun, Pakhtaabad, Syrdarya, Baht, Farkhad, and Sardoba of the Syrdarya region;
6. Reconstruction of water supply systems and sewage treatment facilities in Kattakurgan city of Samarkand region.

1.4. Potential social impacts

The socio-economic impacts of these activities will be mainly positive and related to the improvement of the quality and standard of living of the population in the project areas. However, civil works implementation could result in various adverse environmental and social impacts.

Environmental impacts could include: (a) increased environmental pollution with waste, noise, dust, exhaust gases from fuel combustion products; (b) health and safety hazards and other problems resulting from construction activities; (c) increased contamination of groundwater and surface water as a result of inadequate avoidance and mitigation measures; (c) soil degradation and pollution; and (d) threats to human health as a result of improper handling of heavy machinery during construction activities.

On the social front, the key impacts relate to the fact that some activities will require ‘lands’, which could lead to temporary/permanent physical and economic displacement as well as restrictions on access. WASIS Program interventions may generate a series of various negative social impacts: (a) permanent land acquisition for construction of new sewerage facilities; (b) temporarily land acquisition for rehabilitation/restoration sewerage and water networks; (c) temporarily limited access to assets (land, business, HH) during construction activities; (d) other risks and impacts associated with civil works. These potential impacts are typical for construction/reconstruction activities and may be mitigated through the application of involuntary resettlement instruments and appropriate mitigation measures. Activities related to different potential subprojects are listed in Table 1.

Towards mitigating the adverse impacts, a Social Impact Assessments (SIA), following environmental and social screening, will be undertaken in respect of each subproject to determine the magnitude of displacement and prospective losses, identify vulnerable groups for targeting, ascertain the costs of resettlement, and prepare a Resettlement Action Plan (RAP) for implementation. However, preparing RAPs at appraisal is not possible as the exact location and design of the infrastructure investments are not yet known, with detailed engineering designs to be prepared during the early phases of implementation. Moreover, while the broad category of activities/ impacts is foreseen, exact magnitudes can become known only after the engineering design of the subprojects are made. Hence, during project preparation this Resettlement Policy Framework (RPF) has been developed to guide the process for assessment and management of such potential impacts under the WASIS.

Table 1: WASIS subprojects and types of activities

No	PROPOSED SUBPROJECTS	TYPES OF ACTIVITIES
1	Reconstruction and rehabilitation of sewerage systems in the cities of Nukus, Takhiatash, Khodjeyli and Kungrad in the Republic of Karakalpakstan	<ul style="list-style-type: none"> • Rehabilitation of sewerage networks; • Extension of the sewerage networks; • Rehabilitation of existing pumping stations; • Construction of new pumping stations; • Rehabilitation of the sewer pressure mains; • Reconstruction of the existing WWTP or construction of a new WWTPs
2	Rehabilitation and reconstruction of water supply systems in Syrdarya, Gulistan, Saikhunabad districts and Yangiyer city and rehabilitation and reconstruction sewerage systems in Bayaut, Dekhkanabad, Navruz, Saykhun, Pakhtaabad, Syrdarya, Baht, Farkhad, and Sardoba of the Syrdarya region	<ul style="list-style-type: none"> • Reconstruction of wells; • Rehabilitation of distribution network; • Extension of distribution networks; • Rehabilitation of transmission mains; • Rehabilitation of fences at sanitary protection zones. • Rehabilitation of sewerage networks; • Extension of the sewerage networks; • Rehabilitation of existing pumping stations; • Construction of new pumping stations; • Reconstruction of existing WWTPs or construction of a new WWTPs.
3	Reconstruction of water supply and sewerage systems in Kattakurgan town of Samarkand region	<ul style="list-style-type: none"> • Rehabilitation of water intake facilities; • Rehabilitation of the wastewater treatment plant; • Rehabilitation of distribution network; • Extension of distribution networks; • Rehabilitation of transmission mains; • Rehabilitate and construct water and sewage networks; • Rehabilitate and install pumping stations. • Reconstruction of existing WWTP

1.5. Scope and objectives of the Resettlement Policy Framework

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

- Reviews the existing national legal framework, compares it with the World Bank Operational Policy for Involuntary Resettlement (OP 4.12) for gaps, and indicates gap-filling measures;

- Describes the approach to the securing private land, assets and other common property resources;
- Defines the valuation process of impacted assets;
- Defines the process for preparing SIAs and RAPs and their review;
- Defines of the cutoff date for Title and Non-Title holders;
- Identifies the consultation mechanisms/approaches to be adopted while preparing and implementing RAPs including public disclosures;
- Defines the monitoring and evaluation arrangements including Grievance Redress Mechanisms (GRM); and
- Defines the institutional and implementation arrangements – role and responsibilities of different stakeholders.

Subproject-specific RAPs, if required, will be prepared in accordance with this RPF. The corresponding safeguards document for other social and environmental impacts not associated with land acquisition and restrictions is the Environmental and Social Management Framework (ESMF).

This RPF is based on relevant National laws and Decrees as well as the World Bank Operational Policy for Involuntary Resettlement (OP 4.12). The RPF will be updated when changes or amendments to the applicable laws and policies are made and based on implementation experience and lessons learned. The guidelines of the RPF apply to all the investments financed by WASIS. The policy framework applies to all economically and/or physically displaced persons regardless of the total number affected by the severity of impact and whether they have legal title to the land. Attention will be paid to the needs of vulnerable groups among those women headed household, low-income household, households headed by elderly with no support and households with physically challenged people.

The RPF has been prepared following extensive consultations with a variety of stakeholders throughout the project preparation period covering all sub-project locations within the three regions. This included the local communities, Mahalla Committee Members, District Authorities and relevant national leaders and citizens. Feedback obtained from the consultations have been incorporated into designing the project's institutional and implementation arrangements. The stakeholders' expectations and the related issues/ concerns have been taken due note of while preparing these instruments. Fourteen disclosure meetings –were held during June-September 2019 in the cities of Nukus, Khojaly, Kungrad, Tahiatash, Kattakurgan, Gulistan, Yangiyer and seven districts of the Syrdarya region; responses evinced have been incorporated into the final reports. The ESMF and RPF documents have been published on the MHCS website and will be further published on the external WB website. Minutes of consultations are presented in Annex [4].

II. LEGAL FRAMEWORK

This chapter describes laws and regulations of the Republic of Uzbekistan regulating land acquisition and involuntary resettlement, and WB's policy on Involuntary Resettlement, and their underlying principles.

2.1. Applicable national laws and policies

Constitution. The Constitution of the Republic of Uzbekistan provides that: Everyone shall have the right to own property (Article 36). 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); 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, legal entities and the state (Article 54); The land, its minerals, waters, fauna and flora, other natural resources shall constitute the national wealth and shall be rationally used and protected by the state (Article 55).

Land Code (LC). The LC defines the terms of rights of 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 also regulates the allocation, transfer, and sale of land plots, defines ownership and rights on the land. It describes the responsibilities of different state authorities in land management; rights and obligations of the land possessor, user, tenant, and owner; land category types, resolution of land disputes and land protection.

In Uzbekistan, 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 (LC, 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 (LC, Article 37, Clause 2). Losses caused by violation of the rights of land users, tenants and land owners (including lost profits), shall be reimbursed in full (Article 41, Clause 3); The withdrawal of the land for state or public needs may be produced after allocated to land user or tenant an equivalent land plot and the compensation all losses including lost profits (Article 41, Clause 4). The LC (Article 36, Clause 1) specifies instances when the right to the land can be terminated. Termination of the right of possession and the right of permanent or temporary use of land is made by decisions, respectively, of 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). 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 (sub-Clause 7).

The LC (Article 86, Clause 1) specifies the cases where losses of land users must be compensated in full including lost profits:

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

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.

The mechanism of payment of compensation in detail is given other legal documents such as Presidential resolution No. 97 mainly on urban (residential) land and structures. The resolution of Cabinet of Ministers No. 146 mainly on agricultural land, crops, and trees. Recent presidential decrees and resolution adopted in 2018 year gives an opportunity to carry out public consultations before any Land Acquisition and Resettlement (LAR) activities and follow the LAR policies of international donor institutions in the investment projects in Uzbekistan.

Resolution of Cabinet of Ministers No. 97 (2006). This resolution regulates compensation for losses to individuals and legal entities due to seizure of land plots for state and public needs. This regulation is mainly dealing with land plots, houses, building and structures of individuals and legal entities. The resolution determines the procedure for seizure of land or part thereof, as well as the procedure for calculating the amount of compensation to individuals and legal entities for the demolished residential, industrial and other buildings, structures and plantings in due to seizure of land for state and public needs. The Resolution details:

- procedure for calculating the amount of compensation to individuals and legal entities for the demolishing houses (s, buildings, structures and plantings) due to seizure of land plots for state and public needs;
- procedure and conditions for providing residential premises for owners of demolishing houses;
- procedure and conditions for providing land plots to individuals for individual housing construction instead of the demolishing residential house ();
- procedure of losses compensation to legal entities due to seizure of land plots for state and public needs;
- procedure and calculation terms for transfer and reinstatement at the new place of dwelling houses, buildings and structures to be demolished;
- Procedure and calculation terms of in case of construction in a new place of dwelling houses, buildings for individuals and legal entities, houses (s) of which are to be demolished. Khokimiyats of respective districts (cities) are required to notify in writing the owners of residential, industrial and other buildings, structures and trees about the decision, not later than six months before the demolition, with the annex to the notice copies of the relevant decisions of the Khokims of regions and cities on seizure of land, demolition of residential, industrial and other buildings, structures and trees located on the land plot.

Clause 8 specifies the types of compensation to be provided for withdrawal of land plots. Clause 11 relates to evaluation of residential houses (s), buildings, structures, and determination of plantings costs, located at acquired land plots.

Resolution of Cabinet of Ministers No. 146 (2011). 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.

In Summary, Uzbekistan’s national resettlement policy framework provisions are summarized in the table below.

Table 2: Legal instruments applicable to resettlement

Legal Framework	Functional Relationship to Resettlement
The Land Code (1998)	Describes condition for permanent land expropriation and temporary land acquisition
The resolution “On Approval of the procedure of damages to citizens and legal persons in connection with the withdrawal of land plots for state and public needs” No.97 (2006)	Regulates resettlement compensations for affected buildings, structures, and plantings in the settlements.
The resolution “On measures to improve the procedure for granting land plots for urban development activities and other non-agricultural purposes” No.146 (2011)	Regulates resettlement compensations for affected agricultural lands and trees. Also regulates the provision of land to land compensation principles.
Presidential resolution “On measures to improve the effectiveness of training and realizing projects with participation of international financial institutions and foreign government financial organizations” No.3857 (2018)	Confirms that the resettlement costs are paid based on assessment documents prepared by IFI in accordance with their own methodology.

Presidential Decree “On measures on major improvement of investment climate in the Republic of Uzbekistan” No.5495 (2018).	Defines that land expropriation can be implemented only after meaningful consultation with PAPs.
Presidential Decree “On measures to improve the system of protection of rights and legal interests of subjects of entrepreneurship” No.5490 (2018).	Defines the source of Resettlement budget in the investment projects.
The resolution of CoM “Additional measures for the implementation of modern and transparent mechanisms of the provision of land plots with long-life inherited possession rights for individual housing” No.63 (2019).	Annex 2 of the Resolution clarifies the definition of land expropriation for the State and public needs. Also, it regulates the allocation of land plots after Involuntary resettlement of physical and legal entities. The responsible authorities for implementation of LAR are defined.
Presidential Order “On additional measures to unconditionally provide guarantees of ownership rights of citizens and business entities” of August 3, 2019	Specifies stages of land acquisition and resettlement procedure as defined. Cabinet of Ministers of Uzbekistan has been included as the authority to get approval before the resettlement and demolition of building/structures will take place.

Thus, Uzbekistan had/ has adequate safeguards to protect the general citizen from being affected adversely due to involuntary resettlement as depicted in the following:

- a) Withdrawal (or acquisition) of a land plot for public needs shall be carried out with landowner’s consent or upon agreement with the land-user/tenant, by a resolution of the Khokim of a particular jurisdiction (district, region), or by the resolution of the Cabinet of Ministers of the Republic of Uzbekistan.
- b) If the landowner, land-user, or landholder disagrees with the resolution of the Khokim of the relevant jurisdiction or the Cabinet of Ministers on withdrawal of a land plot, then the resolution may be appealed in a court;
- c) A resolution on the withdrawal of a land plot and demolition of residential, manufacturing, or other assets (that is, buildings, facilities, and plantings) shall be made in accordance with the general layouts, as well as the detailed plans for the development of residential areas and neighborhoods in settlements;
- d) Unjustified demolition of residential, manufacturing, or other buildings, facilities, or plantings shall be prevented;
- e) Based on a resolution of the Cabinet of Ministers, the Khokims of the respective districts shall adopt their own resolutions on withdrawing a land plot and demolishing residential, manufacturing, and other buildings, facilities, and plantings;
- f) The Khokimiyats of the respective districts shall notify the owners of relevant residential, manufacturing and other buildings, facilities, and plantings in writing and against a receipt about the resolution at least six months before the targeted demolition date. The notification shall be supported by copies of the respective resolutions on withdrawal of the land plot and demolition of residential, manufacturing, and other buildings, facilities, and plantings located on the land plot;
- g) Landowners may appeal the Resolution of the respective district Khokim on the demolition and approval of the value of residential, manufacturing, and other-purpose buildings, facilities, and plantings subject to demolition in the Khokimiyats of the Regions as well as in the court system;
- h) The value of residential, manufacturing, or other-purpose buildings and facilities built without proper authority shall not be reimbursed;
- i) If the withdrawn lands are allocated to enterprises, institutions, or agencies, those entities will be responsible for the payment of compensation, provision of houses and temporary housing, as well as the reimbursement of all relocation costs based on the decision of the respective district Khokim.

Latest Order of the President No.5491 (2019). This has emanated following huge outcry and protests from various sections of the society and including national and international social media. This outlines very stringent (additional) measures to provide guarantees of citizens and entrepreneurs property rights:

- Land acquisition for state and public purposes can be executed ONLY after consultation with affected citizen/entrepreneur and costs (income/expenses) estimation.
- Permission for land acquisition will be given ONLY after compensating the citizen/entrepreneur cost of property based on market prices and loss/damage associated with land acquisition.

- Losses/damage occurred due to illegal registration of documents by agency (staff) will be compensated at the expense of this agency from any funds except national budget, and/or reimbursing by staff who made this illegal act.

From August 5, 2019, land acquisition and demolition of citizen's/entrepreneur's property for state and public purposes, as well as for other purposes will be executed as follows:

1st stage: information on plans for demolition will be submitted by regional Khokims to Cabinet of Ministers.

2nd stage: First Deputy Prime Minister (in charge of urban planning requirements) and Deputy Prime Minister (in charge of financial issues) will provide their conclusion.

3rd stage: conclusion will be reviewed by Prime Minister who will take a decision.

Regional, district and city Khokims during land acquisition should strictly follow legislation, specifically:

- Informing affected citizens and entrepreneurs in due time on Decision taken with regard to land acquisition, demolition of buildings at this land and moving trees.
- Prohibition of demolition and land acquisition unless full compensation of loss in advance and in full amount to citizen/entrepreneur as per market prices.
- Own personal liability up to two years with regard to provision of housing and fulfilling other requirements during land development provided as compensation to affected person.
- Ministry of construction along with regional Khokimiyats should take into account to minimize (lowest possible level) land acquisition and property demolition during integrated regional and urban development planning in the future.
- Regional coordination working groups will be set up in regions to make inventory of land acquired and related to it losses occurred
- Road map is approved to provide inventory of losses related to land acquisition and compensate these losses

Cabinet of Ministers within ONE month should develop GoU's Resolution on land acquisition for state/public purposes, investment projects, state programs and order for compensation to affected people.

- Improvement of housing conditions, development of infrastructure, construction of social-economic facilities foreseen in state programs, large investment projects should be conducted after receiving feedback from majority of population;
- Selection of land should be among: first of all, land with old and requiring emergency maintenance housing ONLY after open consultations with property owner and secondly, and land with not-used buildings (except cultural heritage buildings);
- To make decision on land acquisition for large investment projects, state programs, and integrated regional development plans written agreement should be made among property owner, related agency and local administration stating consent of property owner, order of loss compensation, types, amount and timeframe for compensations, rights and liabilities of all parties.

Principles of Resettlement Policy Framework for comparison of the government statutes and World Bank policy

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

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

Principles of Resettlement Policy Framework

The following resettlement principles will be adopted for this project:

- i. Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a census and socio-economic survey of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks. Measures to avoid and minimize involuntary resettlement impacts include the following: (i) explore alternative alignments which are less impacting, (ii) ensure the appropriate technology is used to reduce land requirements, (iii) modify the designs, cross sections, and geometrics of components to ease out and ensure involuntary resettlement is avoided or minimized.
- ii. Prepare a Social Impact Assessment (SIA) and Resettlement Action Plan (RAP) elaborating on the entitlements of displaced persons, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- iii. Carry out meaningful consultations with displaced persons and concerned government organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and indigenous peoples, and those without legal title to land, and ensure their participation in consultations
- iv. Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, in an accessible place and a form and language(s) understandable to displaced persons and other stakeholders. Disclose the final resettlement plan and its updates to displaced persons and other stakeholders.
- v. Pay compensation and provide all resettlement entitlements before physical or economic displacement and before commencement of civil works. Implement the resettlement plan under close supervision throughout project implementation.
- vi. Establish a grievance redress mechanism to receive and facilitate resolution of the concerns of displaced persons.
- vii. Monitor and assess resettlement outcomes, their impacts on the standard 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.

The involuntary taking of land results in relocation or loss of shelter; and loss of assets or access to assets or loss of income sources or means of livelihood, whether the PAPs must move to another location or not. Therefore, meaningful consultations with the PAPs (directly and through representatives), local authorities and communal leadership allow for establishing the criteria by which displaced persons will be deemed eligible for compensation and another resettlement assistance. OP4.12 stipulates the following three criteria for eligibility:

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

Those covered under (a) and (b) above are to be provided compensation for the land they lose, and other assistance in accordance with this RPF. Persons covered under c) above are to be provided with resettlement assistance¹ in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives set out in this RPF, if they occupy the project area prior to a cut-off date established by the Khokimiyats in close consultation with the potential PAPs, local community leaders and the respective local LRSCD, LARC and acceptable to the World Bank. Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance.

¹ Resettlement assistance may consist of land, other assets, cash, employment, and so on, as appropriate.

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

Comparison of national legislation and WB Policy in Involuntary Resettlement

Analysis of previous resettlement documentation including resettlement plans, frameworks shows that there are some divergences between World Bank Policy and Uzbekistan's legislation in the sphere of compensation for involuntary resettlement took place in the investment projects. The main discrepancies are in: public consultation before resettlement activities, detail explanation of entitlements to project affected HH, and provision of just compensation instead of full replacement cost, carry out socioeconomic surveys among PAPs. Uzbek Laws only provide compensation for land that is legally owned by PAPs and no compensation to encroachers for the same. The World Bank OP 4.12 provides for compensation for land to both legal owners and encroachers. OP 4.12 states that where there is a conflict between the Bank and government frameworks, those of the Bank shall take precedence. According to the Presidential Decree No.3857 (2018) "Payment of compensation for the seizure of land, demolition of houses, other buildings, structures or plantings in the framework of projects with the participation of the International Financial Institutes (IFI) / Foreign Government Financial Organizations (FGFO), if provided for by the project agreements, is carried out by authorized bodies in accordance with the requirements of the IFI/FGFO" (Clause 1).

It is important to note that because of State ownership of lands in Uzbekistan, land use is only possible with the permission of local authorities on the basis of a lease or on other terms. Accordingly, land use issues are fully covered by land legislation and are not governed by provisions of customary law, traditional practices, or neighborhood relationships, etc. According to Uzbek laws, those who use or occupy land without a lease or other type of official permission will not be entitled to legal compensation. The State will have the right to seize the land from those "illegal land users". Persons who take up their residence on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance.

WB OP 4.12 highlights that particular attention should be paid to the needs of the most vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples, ethnic minorities, and also other categories of displaced persons whose interests may not be protected by national legislation with regard to the compensations for the land plots subject to withdrawal.

The Bank Policy 4.12 will prevail in cases of discrepancies between WB and Uzbekistan legislation, not just simply in relation to compensation issues but to all issues. A further comparison between the Uzbek Legislations and the World Bank OP 4.12 a harmonization measures (i.e. gap filling measures) are contained in Table below.

Table 3: Comparison of Uzbek Legislation and WB’s OP 4.12

ASPECT	WORLD BANK	NATIONAL UZBEK REGULATIONS	HARMONIZATION FRAMEWORK
Involuntary Resettlement	World Bank Group Operational Policy on involuntary Resettlement. OP 4.12	<ul style="list-style-type: none"> – Land Code (1998) – Resolution of the Cabinet of Ministers No.97 (2006) “On Approval of the procedure of damages to citizens and legal persons in connection with the withdrawal of land plots for state and public needs” – Resolution of the Cabinet of Ministers No.146 (2011) “On measures to improve the procedure for granting land plots for urban development activities and other non-agricultural purposes”; – Resolution of the President No.3857 (2018) “On measures to improve the effectiveness of training and realizing projects with participation of international financial institutions and foreign government financial organizations” – Decree of the President No.5495 (2018) “On measures on cardinal improvement of investment climate in the republic of Uzbekistan” 	The legislative degrees and other relevant laws and experiences will be taken into account. The World Bank policy OP.4.12 will prevail in case of discrepancies.
Screening and Categorization	WB carry out project screening and categorization at the earliest stage of project preparation when sufficient information is available for this purpose.	According to legislation there are no categorization in Resettlement documents.	Categorization will be made based on the nature/ severity of impacts so as to decide on the instruments.
Compensation entitlements	PAPs with formal title have to be compensated for lost land/other assets.	PAPs with formal title are compensated for lost land/other assets.	Same in principle/application.
	PAPs with legalizable title have right to be compensated for lost land and assets after the EAs helps them in legalizing their assets.	PAPs with legalizable or no legal title. Legalizable are not distinguished and considered non-legal as legalization is a burden of the PAPs. Non-legal PAPs have no right to be compensated for land and non-land assets.	WB policies will apply.
	PAPs with no legal title are compensated for lost non-land assets.		
Compensation	Permanent loss of land. Replacement land as preferred option or cash compensation at full market rate for legal/ legalizable PAPs.	Permanent loss of land. Replacement land for legal PAPs.	Same in principle/application for legal PAPs. Provisions in Entitlement Matrix to bridge the gaps.
	Replacement of leased land. Based on lease replacement and compensation in cash all losses including lost profit.	Replacement of leased land. Based on lease replacement and compensation in cash all losses including lost profit.	Same in principle. Application to be further improved through an instruction for WB projects. per Entitlement Matrix

ASPECT	WORLD BANK	NATIONAL UZBEK REGULATIONS	HARMONIZATION FRAMEWORK
	Loss of structures/buildings. Cash compensation at market cost for lost item free of depreciation, transaction costs, and other deductions.	Loss of structures/buildings. Cash compensation at market cost for lost item free of depreciation, transaction costs, and other deductions.	Filling this gap through a protocol for compensation of structures/ building at replacement cost; when salvaged materials remain with the developer or landowner, full reimbursement to the user-owners.
	Loss of indirectly affected assets. Law requires that all losses including lost profits is to be compensated to all legal PAPs.	Loss of indirectly affected assets. Law requires that all losses including lost profits is to be compensated to all legal PAPs.	Same.
	Loss of business. Cash compensation at market value for all damages / opportunity costs incurred. Burden of proving opportunity costs rest on the PAP based on recognized documented evidence but no clear methodology.	Loss of business. Cash compensation at market value for all damages/opportunity costs incurred. Burden of proving opportunity costs rest on the PAP based on recognized documented evidence but no clear methodology.	Valuation methodology will include actual business losses and opportunity costs to re-establish new business including time.
	Loss of unproductive and productive trees. Unproductive as well as productive trees affected by a public project are to be compensated.	Loss of unproductive and productive trees. Unproductive as well as productive trees affected by a public project are to be compensated.	Same in principle, different in application. Valuation standards need to comply with OP.4.12 requirements.
	Loss of crops. Loss of crops to be compensated. There are two forms of compensation of loss of crops: i) compensation of uncompleted agriculture production and ii) compensation of lost profit by multiplying four (years) average income for the last three years.	Loss of crops. Loss of crops to be compensated. There are two forms of compensation of loss of crops: i) compensation of uncompleted agriculture production and ii) compensation of lost profit by multiplying four (years) average income for the last three years.	In policy application the project will ensure that crops are compensated at the moment close as much as possible to the date of calculation lost profit.
Involuntary resettlement planning, assessment and valuation of impacts	RAP preparation includes: <ul style="list-style-type: none"> – impacts assessment / PAP census; – definition of entitlements, income/livelihood restoration strategy, compliance & grievance mechanisms, institutional arrangements; – consultation results; – monitoring schemes; – budget and implementation schedule. 	There are no requirements to prepare integrated and stand-alone RAPs.	Preparation of stand-alone RAP and the measurement of all impacts and the counting of all PAP through: <ol style="list-style-type: none"> i. Detailed Measurement Surveys to be mainstreamed for all impacts; ii. Detailed count of individuals to be mainstreamed;
	RAP requires the following surveys: <ul style="list-style-type: none"> – Measurement survey. Measures all affected items. 	LAR planning entails similar but less extensive / simpler assessment / survey efforts than WB Policy, as detailed below:	iii. The execution of the survey is to be

ASPECT	WORLD BANK	NATIONAL UZBEK REGULATIONS	HARMONIZATION FRAMEWORK
	<ul style="list-style-type: none"> – PAP Census. Identifies all PAPs and establishes legitimate beneficiaries based on legal status. – Socio-economic survey. Provides background information on PAP’ socio-economic features. – Valuation survey. 	<ul style="list-style-type: none"> – Measurement survey. Land and buildings impacts measured. Other impacts identified but not measured. – PAPs Identification. Identifies only legal PAPs; – Socio-economic survey. No comparable requirements exist. – Valuation survey. 	<p>mainstreamed;</p> <p>iv. Valuation survey: See section “Compensation” for details.</p>
	<ul style="list-style-type: none"> – Land: If land market exists based on a survey of recent transactions; without land market based on land productivity/ income; – Buildings and structures. Replacement cost of materials, labor and transport and special features of building/structure without discounting depreciation, salvaged materials and transaction costs; – Trees/crops. Based on the methodology detailed in section Compensation. 	<ul style="list-style-type: none"> – Land: valued at market rate based on a transactions survey. Valuation includes transaction costs/third party liabilities; – Buildings and structures. Replacement cost but the salvaged materials remain with the developer or landowner provides full reimbursement to the owner; – Trees/crops. If compensated is provided based on the methodology detailed in section “Compensation” section F. and G. or based on an agreed lump sum. 	
Procedural mechanisms	Information disclosure. Resettlement-related documents to be timely disclosed in the PAP language.	Information disclosure. No disclosure requirement exists.	Systematic and direct consultations and grievance redress as provided in this RPF.
	Public consultation. Meaningful public consultations are to be held with the PAPs. PAPs should be informed about their entitlements and options, as well as resettlement alternatives.	Public consultation. Matters of local importance to be publicly discussed with local authorities. But no requirement to consult directly the PAPs.	
	Grievance procedure. A Grievance Redress Mechanism (GRM) is to be established for each project. Information on GRM to be communicated to the PAPs.	Grievance Procedures. Each state agency/ministry must follow to detail instructions (approved by government) on registering and reviewing the concerns and claims from citizens.	
	Asset acquisition conditions. Property can be acquired only after full compensation is paid to the PAPs.	Asset acquisition conditions. Property can be acquired only after full compensation is paid to PAPs.	
Assistance to vulnerable and severely	These PAPs are to be identified and special assistance is provided to restore/ improve	There are no special laws or regulations for livelihood restoration due to land acquisition and involuntary	Additional assistance and payments above current social support measures outlined in

ASPECT	WORLD BANK	NATIONAL UZBEK REGULATIONS	HARMONIZATION FRAMEWORK
affected PAP	their pre-project level of livelihoods.	<p>resettlement impact.</p> <p>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).</p> <p>Thus, support of vulnerable segments of the population is provided on the regular base by the Government on central and local levels and does not require additional payments in connection with the project implementation.</p>	UZ legislation.

An Entitlement Matrix has been developed with the consideration of above-mentioned comparisons in compliance with the National Law and World Bank OP 4.12. The type of compensation/assistance to be provided to PAPs is described in detail in the next section.

III. ENTITLEMENT MATRIX

Any person or household, or community who suffers the loss of land, shelter, business, incomes, sources of livelihood because of the Project impact is eligible for receiving compensation and or Resettlement and Rehabilitation (R&R) assistance to offset such loss enabling restoration of living conditions to a state better or equal to the pre-project situation. During preparing the RAP, the eligibility will be determined based on impacts. Whereas the eligibility list provided in the RAP will remain the basis for providing entitlements to the non-titleholder PAPs, in case of the titleholder's eligibility will be determined through scrutiny of title deeds or other legal documents admissible and recognized under law as valid ownership documents.

Cut-off date

Cut-off dates are essential in the process of drawing up lists to ensure that ineligible persons do not take the opportunity to claim eligibility. The establishment of a cut-off date is required to prevent opportunistic invasions/rush migration into the chosen land, thereby posing a major risk to the subproject. The cut-off date will be the last date of the census. It is a date, after which people who are not included in the list of PAPs as defined by the census will not be considered eligible for compensation. The census will be carried out to collect data on the affected HH and entities/firms. The specific date will be included in the RAP and clearly communicated to affected communities. Thereafter, no new cases of PAPs will be considered. Unfinished structures would be identified and secured, and unused materials for individuals' constructions will be gathered at the site so that the cut-off survey can estimate PAPs' investment which should be compensated for in lieu of expenses (including labor) incurred until the cut-off date. Because the time period between the cut-off date and the time that actual productive investments (civil works, etc.) would start, special attention needs to be taken to secure the sites from the rush and opportunistic invasion.

These measures could include close consultation with the recognized PAPs, signs that inform the public of the intended use of the site, security patrols to identify opportunistic invaders etc. Further patrols and monitoring of any violation of the cut-off date could be carried out by local Khokimiyats and be reported to the local resettlement commission in written form. This could also be done both by the local PAPs representatives or the local community. This process must be in full compliance with the grievance redressal mechanisms in this RPF and this date must be communicated effectively to the potential PAPs and surrounding local communities.

Definition of Project Affected People

By definition of the World Bank, the RPF considers PAP as those who stand to lose, as a consequence of the project, all or part of their physical and non-physical assets, including homes, communities, productive lands, resources such as irrigated lands, forests, rangelands, or important cultural sites, commercial properties, tenancy, income-earning opportunities, and social and cultural networks and activities. Such impacts may be permanent or temporary. This might occur through land expropriation, using eminent domain or other regulatory measures, and include restricted or reduced access to public parks, playgrounds, and protected areas. In this RPF PAP are people directly affected by the Project through the loss (permanently or temporarily) of land, residences, other structures, business, assets, or access to resources are as follows:

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

The guidelines of the RPF apply to investments by the WASIS. The policy framework applies to all economically and/or physically displaced persons regardless of the total number affected by the severity of impact and whether or not they have legal title to the land. Particular attention will be paid to the needs of vulnerable groups among those economically and/or physically displaced especially those women headed

household, low income household, household headed by elderly with no support and households with physically challenged people or other economically and/or physically displaced persons who are not eligible for compensation as of Uzbekistan's land compensation legislation.

Entitlement Matrix

All involuntary land acquisitions will be compensated at replacement cost as per the OP 4.12 and the PAPs will be assisted to re-establish their living standards (affected shelter and incomes) to a level to or better than their living condition prior to the project. In accordance with Presidential Decree No. 5495 (01.08.2018), a replacement cost, including compensation on market value and losses shall be paid to PAPs. The valuation of affected structures can be valued by independent valuation companies without deducting any depreciation. Land-based compensation is provided by district Khokimiyats on the basis of land acquisition acts at respective Mahalla/village.

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

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

Those PAPs which meet the cut-off date requirements will be entitled to a combination of compensation measures and resettlement assistance, depending on the nature of ownership rights of lost assets and scope of the impact, including the social and economic vulnerability of the displaced persons. Unforeseen impacts will be mitigated in accordance with the principles of this RPF. An Entitlement Matrix (Table 4) summarizes the types of losses and the corresponding nature and scope of entitlements and is in compliance with National Laws and World Bank OP 4.12. The entitlement matrix presents the entitlements corresponding to the tenure of the PAPs in the following order:

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

Table 4: Entitlement matrix

No.	Impact Category	Entitlements	Implementation Guidelines		
Section I. TITLE HOLDERS - Loss of Private Property					
1	Loss of land (agricultural, residential, commercial or other, including resident & nonresident landlords)	a	Land for land compensation with a plot of equal value.	Compensation “land for land” is provided to all the PAPs in case of loss of their land by selection of the similar (equivalent) land plots of the equal value/productivity, of comparable location and additional agricultural means. Transaction costs, including, valuation fee, stamp duty, and registration charges will be borne by the project.	
		1.1 Agricultural land			
		a	Land for land compensation with a plot of equal value. <i>OR</i> Compensation to ensure lands to the pre-project condition.		Compensation based on market value for loss harvest equals the average annual income for the past 3 years multiplied by 4 times (years). Unaffected portions of an affected arable plot will also be compensated if the same becomes unviable after impact.
		b	One-time subsistence allowance of equivalent to three months of basic amount of wage calculation ² income for severely affected HH.		HH who are losing more than 10% of productive lands.
2	Loss of residential structure (inhabited structures)	2.1. Inhabited structures			
		a	In addition to Compensation for land listed above under S.No.1. A 6-month notice in advance to vacate the structures. Cash compensation at full replacement costs. <i>OR</i> Provision of the alternative house of equal in adjacent territories. In case the alternative house’s market value lower than an affected house, then additional cash compensation for the difference will be provided.	Payment of compensations is carried out by the independent valuation service on the basic values in local markets in adjacent territories for the actual moment of compensation payment, taking into account inflation and market fluctuation in prices in the real estate sphere. Transaction costs, including, valuation fee, stamp duty, and registration charges will be borne by the project. For partly affected structures, the PAPs will have the option of claiming compensation for the entire structure, if the remaining portion is enviable.	
		b	Right to salvage affected materials.	There will be no deductions for depreciation or for retention of salvaged materials in the calculation of compensation.	
		c	One-time subsistence allowance of equivalent to three months of basic amount of pension calculation income for the project affected HH who are required to relocate due to the project	HH who need to relocate are provided assistance as part of livelihood restoration.	
		d	One-time allowance of moving costs for those who	One-time allowance will be calculated during the census survey	

² According to the Presidential Decree # 5723 dated on 21 May 2019, starting from 1 September 2019 additional allowances, compensations will be based on the “basic amount of pension calculation”. Therefore, minimum wage is replaced into basic amount of pension calculation. At the time of writing this RPF, basic amount of pension calculation is 223,000 UZS.

			have to relocate.	based on the actual market value in respective project areas.
		e	Rental allowance up to 24 months for affected HH who needs to physically relocate (i.e., HHs without alternative houses to live) gets cash compensation for affected residential structure. <i>OR</i> Rental allowance for 1 month, who gets an alternative house.	Monthly allowance will be calculated during the census of PAPs consisting of average market rental value in respective project areas. Information from Real Property Agencies or websites can be taken as reference. One-month allowance will be given to HH who will be provided a ready alternative house to live.
		2.2. Losses of adjoining substructures to the residential houses such as fences, shed /tents etc.		
		a	Compensation at full replacement cost for affected structure/fixed assets free of depreciation and transaction cost.	PAPs must have the right to salvage materials.
3	Loss of Commercial structures	a	In addition to compensation for land and assistances listed above under S.No.1 cash compensation at full replacement costs. <i>OR</i> Provision of the alternative commercial structure of equal in adjacent territories. In case the alternative structure's market value lower than affected structure, then additional cash compensation for the difference will be provided.	Payment of compensations is carried out by the independent valuation service on the basis of values in local markets in adjacent territories for the actual moment of compensation payment, taking into account inflation and market fluctuation in prices in the real estate sphere. Transaction costs including, valuation fee, stamp duty, and registration charges will be born by the project. For partly affected structures, the PAPs will have the option of claiming compensation for the entire structure, if the remaining portion is unviable.
		b	6-month notice in advance to vacate the structures	
		c	Right to salvage affected materials.	There will be no deductions for depreciation or for retention of salvaged materials in the calculation of compensation.
		d	One time grant equal to up to 12 months of official minimum salary ³ for loss of trade/self-employment for the business owner.	The number of months for loss of trade/self-employment will be set from interruption until start of the new business at another place which will be determined during the census.
		e	One-time subsistence allowance of equivalent to three months of basic amount of pension calculation for owners of commercial structures who are required to relocate due to the project.	Owners of commercial structures who need to relocate are accepted as severely affected entities losing more than 10% of their production capacities.
		f	One-time allowance of moving costs for those who have to relocate.	One-time allowance will be calculated during the census survey based on the actual market value in respective project areas.
		g	Rental allowance up to 3 months for lost income during the interruption.	Monthly allowance will be calculated during the census of PAPs consisting of average market rental value in respective project areas

³ According to the Presidential Decree # 5723 dated on 21 May 2019, starting from 1 September 2019 minimum salary is replaced for the minimum wage. At the time of writing this RPF this amount is set as 634880 UZS.

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

				productive stage. <i>OR</i> Based on the market value at replacement cost determined by the valuation service.	
Section II. Additional assistance for women headed HH (title and non-title holders)					
6	Loss of land / house / shop	One-time subsistence allowance of equivalent to three months of basic amount of wage calculation for women-headed HH who are required to relocate due to the project.			
Section III. Non-title holders – impact to squatters / encroachers					
7	Impact to squatters	7.1 Loss of house			
		a	Cash compensation at market value for the structures. <i>OR</i> Provision of comparable alternative structures.		
		b	Right to salvage the affected materials.		
		c	One-time subsistence allowance of equivalent to three months of basic amount of wage calculation for project affected HH who are required to relocate due to the project.		
		d	One-time allowance of moving costs for those who have to relocate.		
		e	Assistance in the legalization of title.	Transaction costs including, valuation fee, stamp duty, and registration charges will be born by the project	
		7.2 Loss of shop, kiosk, repair shop			
		a	Cash compensation at full replacement costs for the structures. <i>OR</i> Provision of comparable alternative structures.		
		b	Right to salvage the affected materials.		
		c	One-time subsistence allowance of equivalent to three months of basic amount of pension calculation for project affected HH who are required to relocate due to the project.		
		d	One-time allowance of moving costs for those who have to relocate.		
		e	Assistance in the legalization of title.	Transaction costs including, valuation fee, stamp duty, and registration charges will be borne by the project	
		7.3 Loss of standing crops			
		Three months (90 days) advance notification for the harvesting of standing crops. <i>OR</i> A lump sum equal to the market value of the yield of the standing crop lost.			

8	Impact to encroachers	8.1 Loss of standing crops		
		a	2-month notice to harvest standing crops or market value of compensation for standing crops, if notice is not given.	Market value for the loss of standing crops will be calculated by the PCU with help of Uzdavyerloyiha at respective regions.
		8.2 Structure		
		a	1-month notice to demolish the encroached structure.	
		b	Compensation at market value for structures without depreciation for the affected portion of the structure.	
Section IV. Loss of livelihood opportunities				
9	Loss of employment in nonagricultural activities or daily agricultural wages or other wage workers.	a	One-time subsistence allowance of equivalent to three months minimum wage income.	Agricultural laborers who are in fulltime / permanent employment of the land owner, or those affected full-time employees of the business, will be eligible for this assistance. Part-time employees will be compensated at the prorated rate.
Section V. Impact on vulnerable HH				
10	Vulnerable HH (Women headed household, Low-Income household, a household headed by elderly with no support and households with physically challenged people).	a	Inclusion in existing safety net programs to ensure the continuation, or increase, of previous income.	One adult member of the displaced household, whose livelihood is affected, will be entitled to skill development. The census team will identify the number of eligible vulnerable displaced persons based on the 100% census of the displaced persons and will conduct training need assessment in consultations with the displaced persons so as to develop appropriate training programmes suitable to the skill and the region. Suitable trainers or local resources will be identified by WASIS's PCU in consultation with local training institutes. It is recommended to involve local NGOs in this process.
		b	One-time subsistence allowance equivalent to three months minimum wage income.	
		c	Priority for employment in project related jobs, training opportunities, self-employment, and wage employment assistance.	

Voluntary land donation—Dos and Don'ts

In case of small sections of land required for micro level subproject activities, the project may seek support from the community to donate lands. However, the community members have the right to make a contribution of their land or other assets without seeking or being given compensation at full replacement value. Voluntary contribution is an act of informed consent. Local Authorities must assure that voluntary contributions are made with the affected person's full and prior knowledge of the availability of other options (including compensation at replacement cost) and are obtained without coercion or duress. Also, voluntary donations are allowed only if the affected people are direct beneficiaries of the investments that cause such impact. Proposals including voluntary contributions will not be submitted for approval where they would significantly harm incomes or living standards of individual owners or users (the size of land contributed on a voluntary basis should not exceed 10% of that individual's total land holding). Specifically, the following protocol will govern voluntary contributions under the project:

- Voluntary contributions are an act of informed consent and affected people are not forced to donate land or other assets with coercion or under duress or misled to believe that they are obliged to do so, without regard to the legal status of their land occupancy.
- Land alienation should not result in physical or economic displacement.
- The impacts must be minor. the households contributing land or other assets are direct beneficiaries of the sub-project; the impact is less than 5% of the total productive assets owned by said household.
- The facilities requiring land should not be site specific.
- The land in question must be free of squatters, encroachers, or other claims or encumbrances.
- The land must be identified by the Mahalla Committee, and not by PCU or other line agencies or project authorities. However, the project technical authorities should ensure that the land is appropriate for sub-project purposes and that the sub-project will not have any adverse health or environmental safety hazards.
- Voluntariness will be ascertained by PCU with due signing by a higher level official. A process to this effect will be formulated by PCU and shared with the Bank for approval.
- Verification of the voluntary nature of land donations must be obtained from each of the persons/ household donating land. This should be in the form of signed statements.

PCU will also create awareness among the community to devise mechanisms to express a sense of gratitude to those households donating lands. These will find a place in the statements. Other things being equal, land donations will not be accepted by HHs and elderly people.

The affected people are fully informed that they have the right to refuse to donate land or other private assets, and instead receive compensation at replacement cost, and that a grievance handling mechanism is available to them through which they can express their unwillingness to donate. Furthermore, people are encouraged to use the grievance handling mechanism if they have questions or inquiries, either in writing or verbally.

Valuation and compensation of lost and affected assets

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

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

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

Valuation of assets

The valuation of the assets, including real estate property, business etc., is carried out on the basis of the Law “On Valuation Activity”, decrees and resolutions of the President and the government state standards, departmental regulations and other provisions of national legislation. 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 29.05.2006, No.97 “On Approval of the procedure of damages to citizens and legal persons in connection with the withdrawal of land plots for state and public needs”;
- Resolution of the Cabinet of Ministers dated 25.05.2011, No.146 “On measures to improve the procedure for granting land plots for urban development activities and other non-agricultural purposes”;
- National property valuation standards of Uzbekistan N 10 "Valuation of real estate" (registered by the Ministry of Justice of 18.11.2009, N 2044);
- Resolution of the Board of the Central Bank of the Republic of Uzbekistan “On Approval of the Procedure of valuation the right to lease the land plot” (Registered 8.04.2004 by Ministry of Justice, reg. No.1336);
- Sequencing of legal acts and their contents characterize the state and public understanding of the theory and practice of market valuation. This confirms by a number of definitions and norms declared in the Law “On valuation activity”. For example:
- “Valuation activities are the activities of appraisal organization, aimed at determining the value of the assessment”⁴
- "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”⁵

While the evaluation activities carried out by independent organizations (private companies having certified evaluators), the state plays an important role in the regulation of evaluation activities. The State Committee for State Property Management and Development of Competition (Goskomkonkurentsii) is responsible for:

- i. developing and approving regulations, including standards for the valuation of the property;
- ii. licensing of valuation activity;
- iii. certification of experts-appraisers, as well as organize their training and professional development.

The NGO Society of Appraisers of Uzbekistan is a helpful media to protect the rights of appraisers, increase their capacity, provides an independent expert opinion, when requested, to validate findings of the valuation report, etc. The land valuation is still based on old approach which focused on land use in agriculture. Land Resources and State Cadaster Department evaluates land from the perspective of soil types (bonitet), climate, rainfall and other criteria relevant to agriculture production and without consideration of its market value.

Use of standard valuation

In case of anticipated subproject interventions result in any type of temporary or permanent impact to land, structures or trees, then a valuation company will be hired. It is therefore proposed that an evaluation expert is contracted by the Implementing Agency at the project outset to develop a standardized procedure for asset valuation, which can then be applied by PCU and local level Khokimiyats. This standardized procedure would include a series of ‘look-up’ tables for estimating asset value by type according to the approximate size and condition of the existing assets. The valuation methods are expected to comply with WB.OP.4.12 requirements and the provisions of the entitlement matrix. The qualified independent appraisal company will be hired and mobilized by PCU in defined timeframes to ensure the evaluation of compensation and allowances for PAPs during the RAP finalization by MHCS. The draft ToR for valuator is given in the following statements.

⁴ Law “On Valuation Activity”, Article 3, Clause 1, dated 19 August 1999, last amended 14 May 2014

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

Compensation for land

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

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

In cases wherein all or parts of the lease holding become unviable, unaffected portions of a plot will also be compensated. Given that all land in Uzbekistan is state-owned, loss of land is not compensated in cash. Enterprises or businesses that are expropriated will be compensated by a new plot of land and building or land plot to build new structures, thus allowing affected people to pursue their activities.

Compensation for crops

Loss income from crops planted on the affected land will be compensated in cash at replacement cost based on 1 year of production cost (inputs) plus an allowance equivalent to 1-year average net income computed based on the average income over the past 3 years (Table 5).

Table 5: Sample calculation method to compensate for crops

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

Compensation for buildings and structures.

Following compensations will be given to affected building and structures:

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

Table 6: Sample calculation method to compensate for building & structures

Item compensated	Basis of value	UZS/sq.m
Building and structure	Market value	
Relocation assistance	Relocation of salvage materials	
Rental assistance	Up to 24 months rental fee	
Total	Replacement value of B & S	

Rebuilding and/or restoration of community

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

Compensation for timber and fruit trees

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

Table 7: Sample calculation method to compensate timber trees

Item compensated	Basis of value	UZS/ha
Timber tree	Market value	
Total	Replacement value of timber trees	

Table 8: Sample calculation method to compensate fruit trees

Item compensated	Basis of value	UZS/ha
Fruit Tree	Average yearly net income from last three years multiplied by 4 times (years)	
Input costs	The price of the market value of trees	
Total	Replacement value of fruit trees	

Assessment of the affected crops and trees according to the market value and the principles of WB’s OP.4.12 and regulations Resolution No.146 of CoM. In case of no possibility to determine the amount of compensation based on the above-mentioned principles, then estimation of an independent valuation service which is based on the market values at replacement rates will be taken as reference to pay compensation to PAPs for affected fruit and timber trees.

Compensation for vulnerable groups

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

Methods of Compensation

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

Table 9: Forms of Compensation

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

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

Procedures for Payment of Compensation

Compensation payments will be made before any project use of land, loss of assets or physical resettlement takes place unless those payments are staggered to enable affected people to begin preparation of new sites. The Cabinet of Ministers is responsible for issuing the expropriation decision and authorizing the funds required. The land acquisition transfer must be fully completed, and payment made before any works can be executed on the expropriated property. Each PAP will receive the compensation payable into a bank account opened by the owner for purposes of the expropriation. Such sums will be approved by a Decision of the Cabinet of Ministers (DCM) and the funds will be passed to the bank account of each PAP(s), according to the banking documentation provided by them. The PAPs will be individually informed by the bank within upon the transfer of compensation into the account. Any cost associated with account opening and maintenance will be covered by the project and the banking service will be offered free of costs to each PAPs.

In the event of an appeal in the Court, when no agreement is reached, if the compensation payable is not agreed upon between the government and the landowner, such compensation shall be determined by the Court. In these conditions, the person gets the money from the bank, but depending on the judicial decision he is entitled to receive an additional benefit.

IV. PROCESS FOR SCREENING, PREPARING AND APPROVING RAPS

Based on the site visits, during the implementation of the subprojects a permanent physical displacement (consequent to acquisition of lands/structures) can be observed and RAP shall be prepared in accordance with the current RPF. Thus, this forms the first level of screening. Further, once, it is established that physical displacement will occur, and then the project will proceed further to prepare RAP based on the likely impacts and the relevant instruments to be adopted. The Environmental and Social Management Framework serves as an environmental and social safeguards instrument to address social risks not related to 'lands' but others such as those affecting labor (child and forced labor), gender (including Gender-based violence), inclusion, citizen engagement.

Screening for involuntary resettlement

Screening is a mandatory procedure for the identification of possible involuntary resettlement. The purpose of screening is to determine the appropriate extent and type of the involuntary resettlement to be conducted. Each subproject will be screened for social impacts based on the given designs for the proposed improvements envisaged. Farmers lands and built-up sections will be identified during screening requiring different treatment and accordingly suitable modifications to the design/alignment cross section/detours should be proposed to minimize social impacts. Further the screening exercise should identify all aspects that could lead to adverse environmental and social impacts and involuntary resettlement, regardless of the source of financing; from all activities that are necessary to achieve project objectives as set forth in the project documents; and are carried out, or planned to be carried out, contemporaneously with the project. The social screening serves to ensure that the process for screening remains simple and concise. Specific questions based on each activity of the WASIS might be added as seen relevant by external consultants and the PCU Social specialist. The list of project activities that have potential resettlement issues will then be subjected to a comprehensive sensitization and consultation process with the potentially impacted communities and the outcome of this process would be documented for each subproject. The list and the outcome of the consultative process for each site/project activity on the list would then be sent to the respective implementing agencies in the jurisdiction mandated to confirm, approve, disapprove, refer for further consultation and/or take a final decision on each proposed site/ project activities. Carrying out the screening process in this way is designed to give it the integrity and transparency it needs to allow all stakeholders to have confidence in the process.

The screening and categorization of impact on involuntary resettlement in subprojects will be initiated by PCU. The social screening report will be prepared by the PCU and reviewed by an authorized person of the Implementing Agency and PCU Director for clearance. The Social specialist and Director at PCU will finally endorse the social screening and safeguard categorization of the proposed subproject.

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

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

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

Screening Checklist

The screening checklist form will be incorporated into the Project Operation Manual. The screening checklist will be completed by a Social specialist at PCU or external consultants and submitted to PCU for a decision. Based on screening results an appropriate social safeguards instrument will be developed.

- **Due Diligence Report (DDR)** explaining the procedures adopted to minimize negative impacts and measures taken to mitigate construction induced impacts will be prepared for subprojects which will result in minor impacts affecting access to residences, improvement of existing properties.
- **Resettlement Action Plan (RAP).** If 200 people or more are affected. Detail outline of RAP is given in Annex 2 attached to this RPF.
- **Abbreviated Resettlement Action Plan (ARAP)** is prepared for investments of subprojects of the WASIS which will result in affecting less than 200 people, but not physically displaced and/or less than 10% of their productive assets are lost. Detail outline of ARAP is given in Annex 3 attached to this RPF.

Baseline and socio-economic data

Socioeconomic survey: The purpose of the baseline socioeconomic sample survey of impacted persons is to establish monitoring and evaluation parameters. It will be used as a benchmark for monitoring the socio-economic status of displaced persons. The survey shall cover all major impacted PAPs and the survey shall also collect gender-disaggregated data to address gender issues in resettlement.

The socio-economic survey shall be carried out using a structured questionnaire, that would capture details of standard of living, inventory of assets, sources of income, level of indebtedness, profile of household members, health and sanitation, access to services and facilities, perceived benefits and impacts of the project and resettlement preferences of all major impacted households likely to be displaced. This information along with the census survey data would facilitate the preparation of a resettlement plan to mitigate adverse impact. As part of socio-economic survey, wide range of consultations with different impacted groups as well as other stakeholders will be conducted to ascertain their views and preferences. Based on the outcome of these consultations the designs changes, if required, and mitigation measures will be incorporated. Consultations will include women and their concerns and reactions to the project will be addressed through appropriate mitigation plan.

Resettlement Plan: The resettlement plan will be prepared based on the findings of the census and socio-economic survey and consultations. It will include the findings of the census of displaced persons, and their entitlements to restore losses, socio economic characteristics of the displaced persons, institutional mechanisms and implementation schedules, budgets, assessment of feasible income restoration mechanisms, development of resettlement sites and relocation, grievance redress mechanism, coordination of implementation in conjunction with civil works procurement and construction schedules and internal and external monitoring mechanisms. The resettlement plan should be structured as per the outline in Annex 2 and will be detailed as needed depending upon the magnitude and nature of impacts. The impacts and mitigation measures will be presented district/activity wise so to coordinate with the procurement and construction schedules of the activity.

The PAPs, thus, will be determined according to an appropriate socio-economic and census baseline Data. This is the source of information to identify the persons who will be displaced by the individual subproject, to determine who will be eligible for compensation and assistance, and to discourage inflow of people who are ineligible for these benefits. Based on the census, the following decisions can be made:

- 1) for providing initial information on the scale of resettlement to be undertaken;
- 2) for an indication of further socioeconomic research needed to quantify losses to be compensated and, if required, to design appropriate development interventions;
- 3) for establishing indicators that can/be measured at a later date during monitoring and evaluation.

This baseline data for subproject RAPs will include a number of persons; number, type, and area of the houses to be affected; number, category, and area of residential plots and agricultural land to be affected; and productive assets to be affected as a percentage of total productive assets.

Preparation of a subproject RAP

A full-scale RAP is prepared if the resettlement impacts are categorized as significant when about 200 or more people may experience major impacts, that is, or losing 10% or more of their productive (income-generating) assets.

Abbreviated RAP is prepared if the resettlement impacts are categorized as Relatively Significant (Category 2) when fewer than 200 people will be impacted or lose less than 10% of their productive (income-generating) assets. RAP will be prepared by PCU's Social specialist with the support of consulting service providers, for subprojects that have been determined to result in potential involuntary resettlement and/or land acquisition. When a RAP is required, the PCU submits completed studies along with their RAP's subproject application to the Resettlement Commission for appraisal, and subsequently to the World Bank.

After clearance from the LARC, the compensation, resettlement and rehabilitation activities of the RAP will be satisfactorily completed and verified by the communities before funds can be disbursed for civil works under the subproject. The RAPs will comply with the principles outlined in this RPF adopted for the project. The Social Impact Assessment and RAP for each subproject will be reviewed by MHCS and by the World Bank to ensure that they are produced in line with the World Bank OP 4.12. RAP must be approved by MHCS and disclosed on MHCS's and the World Bank's portals prior, to the invitation of bids for civil works. Disbursement of compensation payments and entitlements will be made prior to displacement and prior to handing over of the land parcels to civil work contractors.

V. IMPLEMENTATION ARRANGEMENTS

This section describes institutional arrangements for preparing, implementing and monitoring land acquisition and involuntary resettlement activities for the project including description of organizational procedures.

Project Coordination

The project institutional and implementation arrangements have been informed by WB's experience in the WSS sector in Uzbekistan. The key institutions involved in the implementation of the proposed project are the Ministry of Housing and Communal Services (MHCS), the Ministry of Finance, the Ministry of Investment and Foreign Trade, the Kommunkhizmat Agency under the MHCS at the national level, and regional State Unitary Enterprises (SUE) Suvokovas at the local level. Provincial governments (Khokimiyats) will facilitate project implementation at local level and will be indirect beneficiaries of the project. Overall institutional and implementation arrangements are illustrated in Figure 5.1. below.

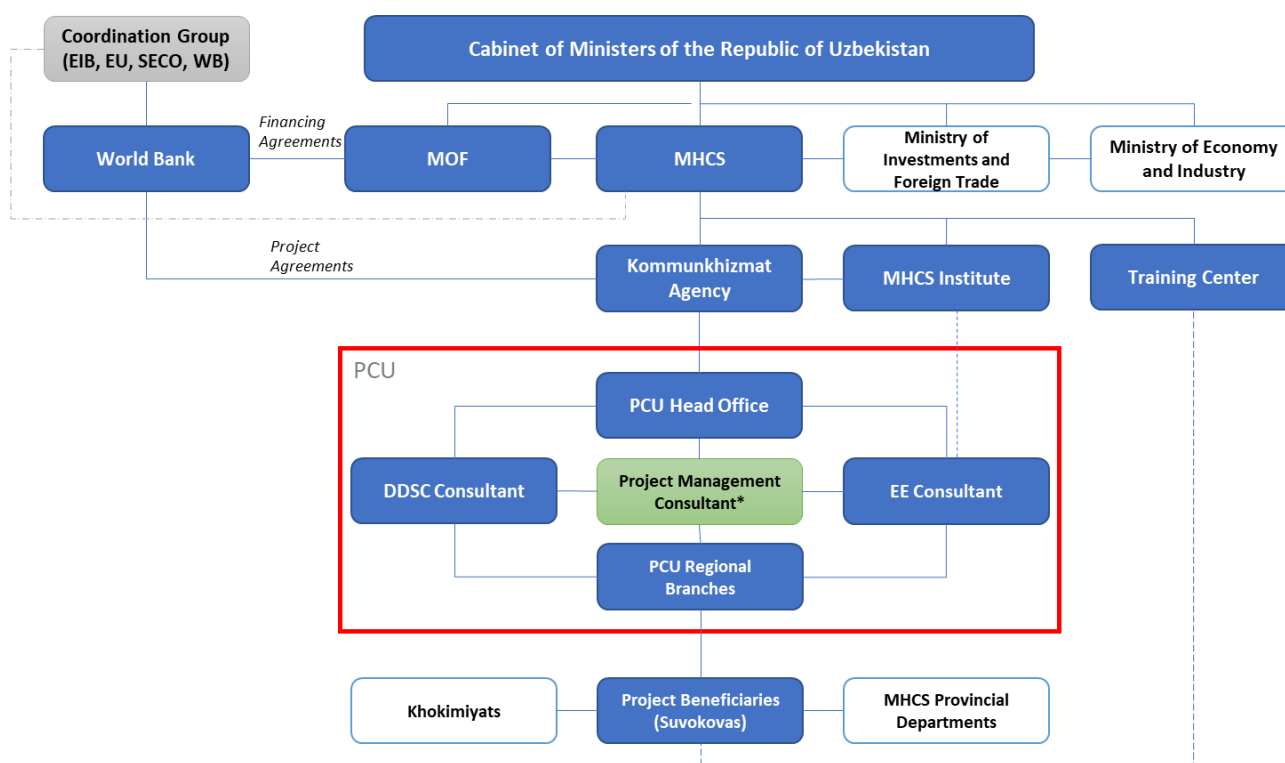


Figure 5.1 : Institutional implementational arrangements

National Level

Ministry of Finance (MoF). As the Recipient's representative, the MoF commits to the project development objectives and will cause the project to be carried out in accordance with the financing agreements.

Ministry of Investments and Foreign Trade (MIFT). The MIFT is a government agency responsible for coordinating the preparation and implementation of a unified state investment policy and attracting foreign investments in Uzbekistan and cooperation with international financial institutions. The MIFT will support any necessary legal and financial decisions in relation to the program (including related to involuntary resettlement), facilitate obtaining internal Government clearances, and provide oversight on the program reporting, related to progress and utilization of funds to the Bank and may bring any major issues to the attention of the higher-level management of the Bank.

Ministry of Housing and Communal Services (MHCS). The MHCS is the government agency mandated for the development of the water and sanitation services sector in country. MHCS will have direct inputs into all national-level activities under Component 1, have oversight role over the entire program, coordinate with concerned ministries, agencies, and provincial governments, guide Kommunkhizmat and the Suvokovas.

Kommunkhizmat Agency under MHCS. The agency is mandated for implementation of investment projects in Uzbekistan’s water supply and sanitation sector. The agency as the main project implementing agency will hold overall responsibility for project implementation, and accordingly will enter into project agreements with the World Bank, which will govern its roles and responsibilities. The Kommunkhizmat will provide general project oversight and regulation of Project Coordination Unit (PCU) activities and will be directly involved in contract management under Component 3. The Kommunkhizmat will act as the employer under the contracts and hand over rehabilitated/installed assets to the Suvokovas upon satisfactory completion. Responsibilities for promoting household connections and communication/engagement with consumers will rest with the Suvokovas, who will also coordinate with local authorities and other stakeholders and ensure land is properly allocated for the project purposes and in compliance with the Bank’s safeguards policies.

Project level

Project Coordination Unit. The existing PCU, established under the Kommunkhizmat Agency, implements two ongoing water supply and sanitation projects in Uzbekistan (Bukhara and Samarkand Sewerage Project, and Alat and Karakul Water Supply Project). Under the proposed project, the PCU will be supported by international and local consulting firms to facilitate project management, design and construction supervision and support the project implementation. The PCU will be responsible for day-to-day project management including procurement, financial management, disbursements, monitoring and evaluation, safeguards management, audit management, quality and compliance oversight, and progress reporting. The PCU will monitor and coordinate project activities including communications with the Bank and government agencies. The organizational structure of the PCU is presented in Figure 5.2.

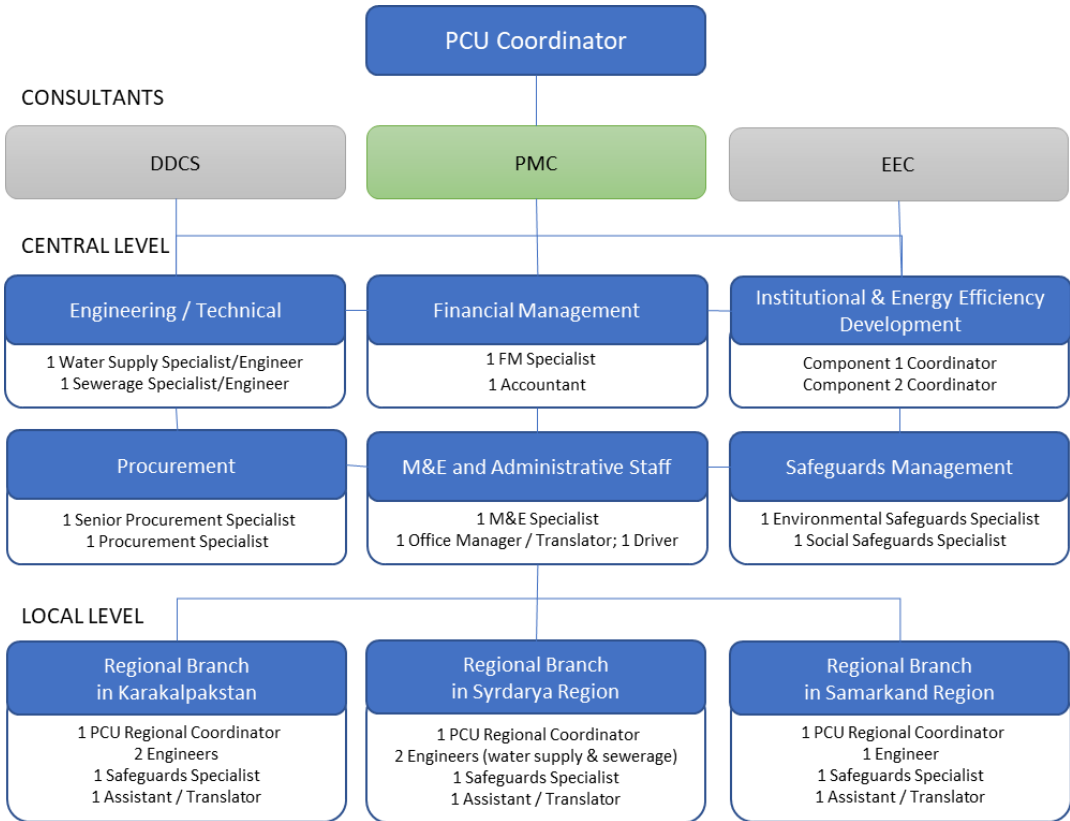


Figure 5.2: PCU Organizational Structure

The PCU will be supported by the Project Management Consultant (PMC), EE Consultant (EEC) and Detailed Design and Construction Supervision Consultant (DDCSC). The consultants will be contracted by the PCU and will have specific responsibilities to be described in their terms of reference. The PMC will be

an international firm staffed with a team of international specialists⁶ who will work side-by-side with the PCU on daily basis to support overall management of the program. The PMC will also be tasked with training and professional development activities to ensure strengthening of the Kommunkhizmat Agency's institutional capacity for investment planning, design and implementation.

Regional Branches of PCU (RPCU). RPCU branches will be established in regional centers of selected project areas and will be located within the premises of the water utilities. Regional branches led by a local coordinator shall employ engineering, institutional, safeguards and administrative staff. Regional branches will be responsible for coordination of local level activities under Components 3 and 4. The RPCUs will also include a Social specialist, whose main duties would be to ensure that the project activities are implemented in compliance with the WB safeguards Operational Policies, and national laws and procedures. Among major responsibilities of the RPCU's Social Specialist will be responsible for the following:

- a) ensuring that project activities in compliance with social safeguards policy;
- b) ensuring that contractors comply with all ESMF and RPF requirements;
- c) coordinating of all social related issues at the city and district level;
- d) conducting ESMP supervision and monitoring and assessing social impacts and efficiency of mitigation measures, as well as identifying noncompliance issues or adverse trends in results, and putting in place programs to correct any identified problems;
- e) when in need, providing inputs, advises and consulting contractors in RAP implementation; and
- f) reporting to the PCU with regard to implementation of the social safeguards' assignments.

Project Management Consultant (PMC). PCU will be supported by the PMC which will be responsible for consultancy support to PCU during the project implementation period. The international and national social safeguards specialists of Project Management Consultant contracted by PCU will be directly involved in all RAP related activities including planning, implementation, inter-agency coordination, monitoring and reporting. They will have sufficient qualification and enough number of inputs. They will receive supports from relevant project officer and consultants and benefit from inputs from the Design Institute, district executive authorities and LRSCD as appropriate.

PMC will work closely with the engineering team and will collect all the necessary information to update the RPF (as appropriate) and prepare RAP based on detailed designs and will support PCU's safeguard specialist. The work for resettlement specialists of the PMC will be broadly segregated in two parts such as updating of draft RPF or prepare a RAP based on detailed design and in case of RAP, assisting the implementation of a RAP including preparation of monitoring reports. The resettlement specialists of PMC will assist Kommunkhizmat and PCU in the overall supervision of the project and ensure that RAP activities are implemented in a smooth and timely manner in accordance with the provisions of the RAP. They will closely work with PCU to ensure impacted persons are compensated before start of construction works, including ongoing rehabilitation measures

The PMC will also assist the PCU in project implementation and activities at national level under Component 1 and at local level under Component 4. The PMC will also be tasked with training and professional development activities to ensure strengthening of the Kommunkhizmat Agencies institutional capacity for investment planning, design and implementation including safeguards management.

Detailed Design and Construction Supervision Consultant (DDCSC). The DDCSC will provide support to the PCU and Kommunkhizmat Agency to advance the engineering designs and implementation of the infrastructure sub-projects under Component 3. The consultant will carry out the remaining detailed engineering designs, prepare technical specifications, cost estimates, procurement documentation, and other associated support to enable timely tendering and contract award. During construction, the Consultant will act as the Engineer (employers' representative) under FIDIC-based contracts and carry out supervision and contract administration procedures with reference to quality, cost and time controls to support implementation of the infrastructure activities. The Consultant will also be tasked certain activities to support management of environmental and social safeguards procedures to help ensure compliance with the World Bank's policies and procedures.

⁶ Including specialist support for procurement, contract management, safeguards management, technical design review, financial management, reporting, and monitoring and evaluation amongst others.

The DDCSC will work closely with technical-engineering staff of the PCU, Kommunkhizmat Agency and Suvokovas. DDCSC will work closely with the PCU/PMC to:

- (i) look for measures and alternatives to avoid and minimize land acquisition and resettlement impacts during detail design;
- (ii) assemble all documents required for compensation if any impact is determined during detail design;
- (iii) carry out topographic surveys of the expropriated land and replacement lands, if any;
- (iv) elaborate layouts indicating the location of worksites, permanent infrastructures and perimeter of required surfaces differentiating the land use patterns in the areas being occupied to serve as a base for the selection of compensation land;
- (v) conduct land marking and pegging of the land assigned for temporary use of land acquired, if any.

Regional and local level

Regional SUE “Suvokova” (in Karakalpakstan, Samarkand and Syrdarya) will be institutional beneficiaries of Components 3 and 4 of the projects. Each of these three Suvokovas have experience with implementation of IFI funded projects. Moreover, Samarkand and Syrdarya Suvokovas are benefitting from institutional support TA under the on-going Bukhara and Samarkand Sewerage Project and Syrdarya Water Supply Project and their capacity will be further reinforced through a corporate development program under the SECO Technical Assistance. The Suvokovas will be responsible for regional-level institutional strengthening activities under Component 4. Suvokovas will coordinate with local authorities and other stakeholders and ensure land is properly allocated for the project purposed and in compliance with the Bank’s safeguards policies.

Regional Government (Khokimiyats). Participating Suvokovas are subordinated to the MHCS and Khokimiyats. Khokimiyats will facilitate project implementation by timely land allocation for infrastructure facilities and supporting Suvokovas in communication with the population.

District Khokimiyats. District Khokimiyats are the final beneficiaries of the project implementation; it is required continuous assistance and presence during all the progress of the project. They will be responsible for the coordination of the implementing procedures and execution of the compensation together with Kommunkhizmat / PCU.

Land Resources and State Cadaster Department (LRSCD) for each District in the Project is responsible for identifying and verifying property boundaries and ownership. They also will clarify land allotment certificates for agricultural land that has been formally registered and transferred to the Immovable Property Registration Offices. LRSCD will play an enhanced role throughout the project implementation. It is responsible for: (i) identifying land losses incurred by land owners and land users plus agricultural output losses; (ii) determining the degree and area of land restitution, including removal and temporary storage of productive soil layer; (iii) determining the need for protective sanitary and water protection zones around constructions; (iv) preparing proposals on allocation of land plots of equal value under land for land; (v) investigating alternatives to acquiring currently used land through developing unused land; (vi) amending government edicts on land use and land ownership as well as other cadaster documents.

Land use planning insitute – Uzdavyerloyiha. This Design Institute is mainly responsible for land use designs in Uzbekistan. By the Resolution of Cabinet of Ministers #317, Uzdavyerloyiha is the authorized institution that develops documentation for land acquisition and land allocation and calculates agricultural losses due to permanent and temporary land acquisition. It is also responsible for identifying and verifying property boundaries and ownership for allocated land during the preparation of the Land Acquisition and Allocation Act (*otvod zemli*) or in common term Detailed Measurement Surveys (DMS). DMS should show in the documents the final list of PAPs and their affected lands should be in detail presented through the maps. It also prepares the Government Decree on Eminent Domain (*Dalolatnoma* in the Uzbek language) for affected lands. The Decree contains the agreement letters from affected households, the conclusions of the utility companies concerning the affected land’s status, reference letters regarding the legal status of the affected lands. *Otvod zemli* should reflect also the impacted assets and lands, and the amount of compensations to be paid to PAPs.

Mahalla. Self-government community representatives will be involved in resettlement activities to ensure the rights and interests of PAPs are adequately addressed. Implementation of RAP will require close coordination with the local mahallas. This coordination will help EA in the following: (i) dissemination of information related to RAP; (ii) checking timely disbursement of compensation to PAPs and (iii) obtaining early warnings on the grievances of PAPs, (iv) verifying as to whether the vulnerable households were identified according to requirement laid down in RAP; and (v) obtaining information regarding any unexpected impacts, if any, being incurred by affected households.

Valuation firms. Valuation firms will comprise of an accredited private firm with valid license for valuation activities. These firms can be involved both by the PCU and if required by PAPs to estimate the replacement cost of the affected assets. The reports of the valuation firms will be used as a reference to pay compensation for affected assets.

In Table 10 below a respective institutional responsibilities and process steps of a Resettlement Action Plan (if any) to be implemented.

Table 10: Process steps and institutional responsibilities for implementation of the resettlement and/or land acquisition procedure

Steps	Institutions	Description of responsibilities	Remarks
Step 1	PCU/RPCU Social specialist	Identification of PAPs, public information, calculation of RAP budget.	Information on project effects needs on RAP, evaluation, and verification of PAPs
Step 2	PCU/RPCU Social specialist	PAP Consultation	Explanation on assets to be affected, identification of the best way for compensation, explanation of time of compensation, main actors on the implementation process, procedures to be undertaken and the rights for Grievances
Step 3	PCU/RPCU	Preparation of final RAP report	Preparation of RAP Report considering comments of WB and MHCS
Step 4	PCU, WB, MHCS	Submit RAPs to WB task team for review and no objection before implementing. Approval of the final report.	No objection from World Bank for the RAP. Formalizing the RAP report and including at project implementation ToR
Step 5	PCU /RPCU	Grievance committee creation	The Grievance committee needs to be formalized and specific contacts need to be given to the PAPs.
Step 6	Suvokovas and PCU/RPCU	Request for expropriation for public interest	Fulfill of criteria provided by law, especially the necessary documents that prove the expropriation needs
Step 7	Suvokovas, Khokimiyat and PCU/RPCU	Expropriation commission at Khokimiyats in consultation with PCU has to examine the request and documents. If the legal criteria are fulfilled the expropriation commission at Khokimiyats starts the expropriation procedures. If not, the request will be rejected.	Raising of expropriation commission, verification of documentation on proprieties, calculation and verification of compensation value

Step 8	Suvokovas, Khokimiyats, PCU/RPCU	Ensure that the Expropriation Commission decisions are based in GoU Legislation and WB guidelines and considers PAPs requests	Evaluation of compliance between interested parties' requests
Step 9	Khokimiyats, Suvokovas, PCU/RPCU, PAPs	Compile the agreement considering pretends of any parts and legislation	Give solution and incite agreements supporting PAPs requests upon legislation
Step 10	Suvokovas, PCU/RPCU	Agreement with PAP's about expropriation.	Important: the fair evaluation of the properties
		Publication of the notice for the expropriation – Declamation	The procedure must be followed carefully and respecting the right of the third persons to prevent the complaint to the Court
		Examine the suggestions and the complaints of PAPs by the process	The expropriation will be done for the persons who will accept to be compensated with the conditions published
		Prepare the draft decision for the Cabinet of Ministers	Preparation of DCM on PAP compensation
Step 11	Cabinet of Ministers	Approve the decision of the expropriation for the public interest; <i>OR</i>	DCM shall be implemented 1 month after declaiming on official newspaper
		Reject the proposal to MHCS with the suggestion to review, if it is not in conformity with the law. Pay the compensation to persons affected by the project.	
Step 12	Suvokovas, PCU/RPCU	Assistance on the relationship between PAPs and Local and/ Governmental authorities, verifications, and supervision of RAP implementation	Verification of compatibility of the agreement between interested parties.
Step 13	Suvokovas, PCU/RPCU, Grievance Committee	If needed, the assistance of PAPs on grievance procedures for administrative bodies, RAP procedures, compensation values etc and support PAPs grievances on the Court	If PAPs have grievances
Step 14	PAPs	Opening a Bank Account and reporting it at the Suvokovas and RPCU.	Institutional support of the compensation process
Step 15	Suvokovas, Khokimiyats (as appropriate), PCU/RPCU	Pay the compensation to persons affected by the expropriation before the civil works begin	Ensure that compensation is done with respect (amount and time) of agreements signed by interested parties and before starting the project implementation.

Step 16	PCU	Ensure that the process implementation has considered all pretend by both interested parties	Ensure that compensation is done in respect (amount and time) of agreements signed by interested parties
Step 17	PCU	Prepare the final report on RAP implementation	Considering that compensations will be finished before starting the project implementation.
Step 18	Suvokovas, PCU, PAP	Assignment of the disclosure process according to the interested parties demands and in respect of DCM	Ensure a signed document that shows the RAP is finished and the compensation is done.
			This document also will verify that in the future the expropriate lands are ownership of Suvokovas

Depending on the technical design if the RAP to be undertaken the specifications must be updated by the PCU in accordance with the project activities developments. It is crucial that the PAPs are informed about their rights and options, at which point they may discuss matters that need clarification. All information regarding cash compensation amount and size of land offered for compensation must be presented to each eligible PAP for consideration and endorsement before cash payment or land compensation can be affected. A committee of peers will be set up for grievance redress.

VI. PUBLIC CONSULTATIONS AND DISCLOSURE

The public consultations are the important part of the RAP implementation. PCU is responsible for organizing and conducting public consultations with different target groups (title and non-title holders, HH with low income, women headed HH etc) affected by each subproject prior to the move and involvement of PAPs in planning prior to completion of the site-specific RAP. The purpose of the public consultation is to inform affected community groups about the subproject. It is important for success of the project and its sustainability to offer PAPs the opportunity to express their opinion of any adverse environmental and social issues they feel may develop during subproject implementation. Any legitimate issue raised through the public consultation should be taken into account, included in the RAP and reflected in subproject implementation.

The best practice of previous WB projects demonstrates the efficiency of “a *two-way flow of information*” approach at the meetings in the subproject sites when PCU describe their activities to local communities, and local communities ask questions or raise their concerns in return. The requirement is documenting public consultations results and including them in RAPs.

To achieve the main goals of the RAP’s, to obtain cooperation, participation, and feedback and make process transparent, PAPs must be systematically informed and consulted during preparation of the resettlement plan about their options and rights, their ability to choose from a number of acceptable resettlement alternatives. Particular attention must be given to vulnerable groups to ensure that they are represented adequately in such arrangements.

Successful resettlement requires a timely transfer of responsibility from settlement agencies to the displaced persons themselves. Otherwise, a dependency relationship may arise, and agency resources may become tied up in a limited number of continually supervised schemes. Local leadership must be encouraged to assume responsibility for environmental management and infrastructure maintenance. At the planning stages when the technical designs are being developed and at the land selection/screening stage would initiate the compensation process.

The Resettlement committees together with community leaders and representatives are responsible to notify their members about the established cut-off date and its significance. The PAPs will be informed through both a formal notification in writing.

A compensation dossier containing necessary personal information on, the affected party and those that s/he claims as household members, total land holdings, inventory of assets affected, and information for monitoring their future situation is compiled by LARC which arranges meetings with affected individuals to discuss the compensation process. This Documentation of Holdings and Assets information is confirmed and witnessed by representatives of Mahalla and members of LARC. These Dossiers are used for monitoring PAPs over time. All claims and assets will be documented in writing.

All types of compensation are to be clearly explained to the individual and HH involved. An Agreement on Compensation and Preparation of Contracts process includes the drawing up by the respective Resettlement Committees a contract listing all property and land being surrendered, and the types of compensation (cash and/or in-kind) selected. A person selecting in-kind compensation has an order form which is signed and witnessed. The compensation contract and the grievance redress mechanisms are read aloud in the presence of the affected party and the members of LARC and representative from Mahalla

At the stage of Compensation Payments all handing over of property such as land and buildings and compensation payments will be made in the presence of the affected party, the Chairman or members of LARC and representative from Mahalla.

Disclosure

This is very crucial for RAP implementation that the Resettlement Policy documents including ESMF, RPF, RAP (in case there will be any type of Involuntary resettlement), displacement announcement in regard to

the relocation of residence/business structures are subject to disclosure to the public through social media, websites, posters in Mahalla and Khokimiyats.

The main purpose of the disclosure meetings that were held on June 24-28 that covered 9 Mahallas was to introduce the information to explain the main statement of WB's safeguards policies in connection with WASIS (Annex #). Additional disclosure consultations were also conducted in August 2019.

The objectives of these public consultations were: to inform the public and stakeholders about the objectives and project developments and the expected of environmental and social impacts; to collect information and data from the public and/or the communities that will be affected by the project; and to ensure participation of the public and local communities in a process and support for the project. PCU explained about labor influx, restrictions of forced and child labor in this project. The minutes of the consultation meetings can be found in Annex 4 and the minutes of RPF disclosure meetings Annex 5.

After completing the technical design, public consultation meetings with all stakeholders will be carried out in the field for the dissemination of information regarding the rehabilitation process and entitlement framework for making the RAP preparation and implementation process transparent. Several documents of RPF, RAP and the R&R policy in Uzbek and Russian languages must be introduced to public. The documents available in the public domain will include Entitlement Matrix and RAP (summary in local language) and the list of eligible PAPs for various R&R benefits. All documents will be kept in PCU of Kommunkhizmat. As per Access to Information Policy of the WB, all safeguard documents will also be available at the World Bank Portal. The Kommunkhizmat will be responsible for disclosure and information dissemination on community level including a community display, meetings, and consultations.

Updating of Resettlement Policy Framework

This Resettlement Policy Framework will be updated in case of involuntary resettlement activities which are not described in this report will occur. Also, this RPF is subject for amendments in case applicable laws and policies are made and based on implementation experience and lessons learnt.

VII. MONITORING AND EVALUATION

Monitoring indicators on the social impacts among others the general project acceptance by community; success/acceptability of the compensation/ resettlement process; restoration of areas temporarily disrupted by construction.

The responsibilities for monitoring and evaluation are shared among the PCU/RPCU, Suvokovas and PMC. The PCU and RPCU Social specialists are responsible for record-keeping, management and internal monitoring of the GRM. The PMC responsible for coordinating external monitoring and evaluation of the project implementation. It's worthy to get opinion of PAPs representatives of the impacts and the effects of the project through a household survey to be undertaken as a monitoring and evaluation exercise.

Internal and external monitoring

PMC undertakes monitoring and verification of processes and activities in RAP implementation and would submit quarterly reports. The PMC would also undertake an end-term evaluation post RAP implementation to ascertain if the RAP objectives have been achieved. It is the responsibility of the PMC to identify gaps based on desk reviews and field visits and provide timely inputs for course-correction to PCU to improve implementation and outcomes, to recommend measures necessary to build capacity and provide requisite training to implementation staff and other stakeholders such as civil works contractor. Some of the key activities would include monitoring and verification of:

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

Impact Evaluation

Impact evaluation of the project must be taken up twice – during the project's midterm and again as an end term at the end of WASIS. End term impact evaluation exercise to be carried out within two months of completion of RAP implementation. This includes evaluation the RAP implementation – activities, processes, and outcomes; assertion if there are any pending issues and making recommendations towards the improvement of outcomes, if any. The key socio-economic indicators developed during social impact assessment and as presented in the RAP must be used for impact evaluation. It is recommended prior to commencing the evaluation exercise, these indicators be further refined and improved upon by the PCU in consultation with Kommunkhizmat agency.

Coordination with civil works

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

The bidders are required to submit the following as part of their technical bid: ESHS strategy and implementation plan; code of conduct; and declaration of past ESHS performance. Prior to starting

construction, the contractor will prepare and submit the ESMP to the PCU for acceptance. The ESMP will include a detailed explanation of how the contractor will comply with the project's safeguard documents and demonstrate that sufficient funds are budgeted for that purpose. The ESMP must be approved prior to the commencement of construction activities. The approved ESMP will be reviewed, periodically (but not less than every six (6) months), and updated in a timely manner, as required, by the Contractor to ensure that it contains measures appropriate to the civil works activities to be undertaken.

VIII. GRIEVANCES REDRESS MECHANISM (GRM)

Communities and individuals who believe that they are adversely affected by a World Bank supported project may submit complaints to the project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). Project specific GRM is developed on the basis of the existing complaint handling mechanism. Grievances may arise from members of communities who are dissatisfied with:

- (a) planning and design criteria,
- (b) community consultation measures,
- (c) actual implementation,
- (d) or any other.

Existing complaint handling mechanism in Uzbekistan

Any aggrieved person in Uzbekistan has several channels to raise his/ her complaints.

➤ On village (or mahalla) level:

- Physical visit to Mahalla Citizens' Assembly Office to meet with Chair;
- Call to President's Virtual reception (tel number is 1000 or 0-800-210-00-00) or send message to President's Virtual reception online (www.pm.gov.uz);
- Call to hotlines established at each district or regional Khokimiyat;
- Send written complaint (letter) to district/regional Khokim/ line Ministry/President;
- Attend meetings with district/regional Heads of Sectors on integrated socio-economic development of regions (4 sectors established in each district);
- Attend meetings with leadership of line ministries and agencies that have to regularly meet with people.

If aggrieved people are not satisfied with reply provided by Mahalla Chair, or he has received incomplete response, aggrieved people can apply to upper level, specifically to District and/or Regional Khokimiyat accordingly.

➤ District and/or Regional level:

- Physical visit to Khokimiyat on citizens reception days to meet with district and/or regional Khokim or his/her deputy;
- Call to hotlines established in each Khokimiyat
- Physical visit to Public reception offices under President's Virtual reception and established in each district nationwide
- Call to President's Virtual reception (tel number is 1000 or 0-800-210-00-00) or send message to President's Virtual reception online (www.pm.gov.uz)
- Send written complaint (letter) to district and/or regional Khokim/ line Ministry/President
- Attend meetings with district/regional Heads of Sectors on integrated socio-economic development of regions (4 sectors established in each district)
- Attend meetings with leadership of line ministries and agencies that have to regularly meet with people.

Overview general concept of GRM

Grievance Redressal Committee (GRC) will be established at four-levels, one at Mahalla level and the others at district, region, and PCU to receive, evaluate and facilitate the resolution of PAP's concerns, complaints and grievances. The GRC will provide an opportunity to the PAPs to have their grievances redressed prior to approaching the State Authority. The GRC is aimed to provide a trusted way to voice and resolve concerns linked to the project, and to be an effective way to address PAP's concerns without allowing it to escalate resulting in delays in project implementation.

The GRC will aim to provide a time-bound and transparent mechanism to voice and resolve social impact concerns linked to the project. The GRC is not intended to bypass the government's inbuilt redressal process, nor the provisions of the statute, but rather it is intended to address PAP's concerns and complaints promptly, making it readily accessible to all segments of the PAPs and is scaled to the risks and impacts of the project.

The RAP will have a mechanism to ensure that the benefits are effectively transferred to the beneficiaries and will ensure proper disclosure and public consultation with the affected population. The GRCs are expected to resolve the grievances of the eligible persons within a stipulated time.

The GRC will continue to function, for the benefit of the PAPs, during the entire life of the project including the defects liability periods. The response time prescribed for the GRCs would be three weeks. Since the entire resettlement component of the project has to be completed before the construction starts, the GRC, at Mahalla and District will meet at least once in three weeks to resolve the pending grievances. Other than disputes relating to ownership rights and apportionment issues on which the State has jurisdiction, GRC will review grievances involving all resettlement benefits, relocation and payment of assistances.

Mahalla will assist the impacted persons in registering their grievances and being heard. The complaint / grievance will be redressed in 3 weeks’ time and written communication will be sent to the complainant. A complaint register will be maintained at Mahalla/ District/ PCU level with details of complaint lodged, date of personal hearing, action taken, and date of communication sent to complainant. If the complainant is still not satisfied s/he can approach the jurisdictional State Authority. The complainant can access the appropriate Authority at any time and not necessarily go through the GRC. The grievance redressal procedure is shown in the following Figure 3 and described below in Table 11.

Figure 3: Grievance flow.

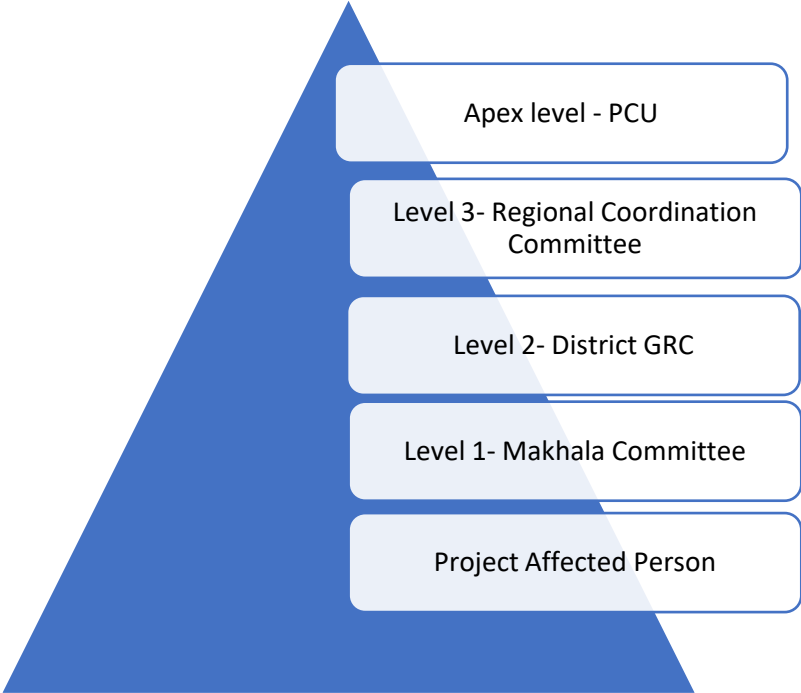


Table 11: Grievance Redress Mechanism and Levels

Level/Steps	Process
Level 1 – local Mahalla committee	The aggrieved person applies directly to local Mahalla committee (MC) or working office of Contractor. PCU/RPCU Social specialist will be in charge for receiving and registration complaints and PCU will collect information about received complaints from Mahalla committee and working Contractor offices on weekly base. If the issue is not resolved, then, either the applicant and/ or MC raises it to the next level – Project specific GRC at District level, headed by the District Khokimiyat.
Level 2 – working office of Contractor and	The alternative entry point for complaints will be also Khokimiyats due to their obligations defined by national legislation: (i) Khokimiyats of the respective

Level/Steps	Process
district Khokimiyats	<p>districts (cities) are obliged to notify owners of residential, production and other buildings, constructions and plantings on the made decision in writing for signature not later than six months prior to demolition, (ii) there is a 1st deputy of Khokim responsible for industry, capital construction communications and utilities, who is usually responsible for any issues/complaints regarding the construction and land allocation.</p> <p>After registration of received complaints, PCU Social specialist will review nature/specificity of the complaint and will forward it to relevant party for resolving. In parallel, district Khokimiyats representatives will inform PCU in Tashkent about received complaint and further actions undertaken for its solution. Depending on nature of complaint it may go to Contractor, Land Resources and State Cadastre Department (LRSCD), Mahalla or district branch of Nature Protection Committee. At this level complaint are to be resolved within 2 weeks. Failing which, the issue can be escalated to level 3.</p>
Level 3 – regional level: regional Khokimiyats and Regional Coordination Committee	<p>Regional Khokimiyat. Regional Coordination Committee set up by the GOU will hear the matter. Most issues are expected to be resolved at this level.</p>
Apex Level – PCU WB secretariat in Tashkent	<p>In case the grievance was not redressed on the first stage or applicant is not satisfied with the decision made/solution, s/he can submit the grievance directly to secretariat PCU in Tashkent. In accordance with established procedure, the secretariat of PCU will review the compliant and will forward complaints to respective department to made decision on its redress. In case the grievance is not related directly to the project, the further instance will be recommended to the applicant where s/he should apply for the decision making.</p> <p>In case, if the compliant is required more time and resources for resolution, the PCU may establish complaint handling team with following members such as representatives from secretariat PCU, district Khokimiyat: LRSCD and Mahalla or village assembly of Citizens or/and farmer’s councils, or/and women association. All complaints will be resolved within 15 days after the receipt of the complaint, and in case additional details are required, a maximum of 30 days will be used to resolve and close the complaint with prior notification of complainant.</p>
Court	<p>If the issue was not solved or the applicant is dissatisfied with the decision/resolution, the aggrieved person may submit grievance to Economic Court (Court of Law) where decision will be made in accordance with relevant national legislation. However, PAPs can approach the court of law at time during the grievance redressal process independent of GRM and the grievance mechanism should not impede access to the country’s judicial or administrative remedies</p>

The GRM for the project takes into account the national legislation, the specificity of the project sites and results of public consultations. The purpose of GRM is also to enhance accountability to project beneficiaries and to provide channels for feedback to project stakeholders on project activities. Such a mechanism allows for the identification and resolution of issues affecting the project, including: complaints regarding security measures, staff misconduct, misuse of funds, abuse of power and other misconduct. By increasing transparency and accountability, GRM aims to reduce the risk that the project/sub-projects will unintentionally harm citizens/beneficiaries and serve as an important feedback mechanism to improve the impact of the project.

Grievance Redress Service – WB GRM window

Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

IX. COSTS, BUDGETING, AND FINANCING

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

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

The Kommunkhizmat Agency, will provide an adequate budget for all land acquisition compensation and R&R assistance from the counterpart funding (including from local budget, or by Special Fund under Cabinet of Ministers as appropriate). The budget estimates and its sources will be reflected in RAPs. **The World Bank loan will not be available for land acquisition, compensation and R&R assistance paid in cash.** Other associated activities including consultancy services are eligible for financing.

The budgets to be prepared shall include all costs for preparing and administering the RAP(s), for the compensations as well as for monitoring and evaluating the RAP(s). The eligibility for financing various aspects through the World Bank loan will be defined specifically in the financing agreement. However, all non-eligible but required activities / costs for the RAPs shall be borne by counterpart funds. Each RAP prepared by the Kommunkhizmat Agency and their PCU, shall include a detailed budget. A sample template is provided in Table 12.

Table 12: Sample Budget for RAP

Description	Cost Estimate	
	UZS	USD
Direct Cost (A)		
Building and Structures (transaction costs, relocations cost etc)		
Crop loss (Permanent and temporary)		
Orchards and trees loss (Permanent)		
Subtotal (A)		
Indirect Cost (B)		
Allowances for vulnerable PAPs		
Subtotal (B)		
Indirect Cost (C)		
The inflation rate, Increase of the minimum wage [TBC (%)]		
Subtotal (C)		
Administrative Costs (D)		
Resettlement consultants (including social-economic and census surveys, implementation and internal monitoring)		
Valuation company costs		
Administrative costs		
Internal and external monitoring costs		
Subtotal (D)		
Total (A) + (B) + (C) + (D) costs:		
Contingency [TBC] %		
TOTAL: Land acquisition and resettlement budget		

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

- a) *Technical assistance* for RAP implementation covers monitoring and preparation of the expropriation case application file. For the implementation of these projects Kommunkhizmat will use World Bank loans to cover the costs of technical assistance.
- b) *Expropriation*. The overall responsibility for *resettlement and expropriation* for the Project is under the Cabinet of Ministers and the Kommunkhizmat Agency. The financial responsibility for the expropriation procedures, including the compensation to be paid, resettlement costs, etc., lies with the Kommunkhizmat Agency. Costs for the expropriation procedures shall be managed through the Kommunkhizmat Agency budget for the functioning of the special expropriation commission for covering the costs of any fees for the registration of new land titles and issuing of certificates of land/real property possession for all PAPs.
- c) *Land Acquisition*. Any required land acquisition will be financed by the Government of Uzbekistan's budget (counterpart funds to the project). The Cabinet of Ministers (CoM) is responsible for issuing the expropriation decision and authorizing the funds required, which will be delivered to PAPs as soon as the DCM is published publicly. The land acquisition, transfer must be fully completed, and compensation payment made before any civil works can be executed on the expropriated property.

The estimate of the overall cost of resettlement and compensation will be determined during the socio-economic and census study. Disbursements based on budgetary requirements, established by the RAPs in consultation with PAPs and local stakeholders, will be made through PCU with support of relevant District/Regional Khokimiyats and Mahalla Committees.

Annexes

Annex 1. Sample draft ToR for valuation of affected assets

Objective and scope of work

The main objective of this company will be: To carry out valuations of affected assets, as well as the calculation of applicable allowances under the finalized RAP/RPF to comply with Uzbekistan's legislation and policies and WB's OP 4.12 referring to the prepared draft RAP's provisions. Particularly, the valuator shall ensure that all valuation is done based on "Replacement cost" as it is defined by WB's OP 4.12, namely:

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

Where market conditions are absent or in a formative stage, PAPs and host populations will be consulted to obtain adequate information about recent land transactions, land value by types, land titles, land use, cropping patterns and crop production, availability of land in the project area and region, and other related information.

If necessary, the baseline data on housing, house types, and construction materials will also be collected. Qualified and experienced experts will undertake the valuation of acquired assets. In applying this method of valuation, depreciation of structures and assets should not be taken into account.

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

- 1) To carry out an inventory of affected assets (building, crops, trees, other improvements to be affected by the project) in the presence of PAPs, and if it is impossible to ensure their presence, the works shall be implemented with the participation of the local Khokimiyat's' representative. The inventory shall be carried out in a way to ensure that all details are available required by RAP provisions (types of crops, types, and ag of trees, materials of buildings and other improvements etc.). The inventory shall be carried out also for temporary impacts.
- 2) The inventory data shall be included accurately in the forms agreed with the Client beforehand and shall be analyzed by comparing the information provided by cadaster data and property rights certificate/technical document where available.
- 3) All data shall be entered into the consolidated database. The format of the database shall be agreed with the Client.
- 4) The Valuator shall prepare Valuation Report for each unit (property) with clear separation of each asset/property and losses with final summary particularly:
 - Valuation of affected properties/assets (building, crops, trees and other improvements)
 - Calculation of compensation for business and affected employees
 - Calculation of transportation costs for movable assets.
 - Calculation of allowances defined by RAP (allowance for relocation, severe impact, vulnerability etc.). The list of PAPs entitled for allowances will be provided by the Client.
- 5) The calculation for the applicable allowances (if any) can be included in the Valuation Report or separate Calculation Report can be prepared to be agreed with the Client.

Annex 2. Outline of the Resettlement Action Plan

Table of content Resettlement Action Plan (RAP)

The scope and level of detail of the resettlement plan vary with the magnitude and complexity of resettlement. The plan is based on up-to-date and reliable information about:

- (a) the proposed resettlement and its impacts on the displaced persons and other adversely affected groups,
- (b) the legal issues involved in resettlement.

The resettlement plan covers the elements below, as relevant. When any element is not relevant to project circumstances, it should be noted in the resettlement plan.

1. **Description of the project.** General description of the project and identification of the project area.
2. **Potential impacts.** Identification of
 - (a) the project component or activities that give rise to resettlement;
 - (b) the zone of impact of such component or activities;
 - (c) the alternatives considered to avoid or minimize resettlement; and
 - (d) the mechanisms established to minimize resettlement, to the extent possible, during project implementation.
3. **Objectives.** The main objectives of the resettlement program.
4. **Socioeconomic studies.** The findings of socioeconomic studies to be conducted in the early stages of project preparation and with the involvement of potentially displaced people, including
 - (a) **the results of a census survey covering:**
 - i. current occupants of the affected area to establish a basis for the design of the resettlement program and to exclude subsequent inflows of people from eligibility for compensation and resettlement assistance;
 - ii. standard characteristics of impacted households, including a description of production systems, labor, 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;
 - iii. the magnitude of the expected loss--total or partial--of assets, and the extent of displacement-economic;
 - iv. information on vulnerable groups or persons as provided for whom special provisions may have to be made; and
 - v. provisions to update information on the impacted people's livelihoods and standards of living at regular intervals so that the latest information is available at the time of their displacement.
 - (b) **Other studies describing the following:**
 - i. land tenure and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, non-title-based usufruct systems (including fishing, grazing, or use of forest areas) governed by local recognized land allocation mechanisms, and any issues raised by different tenure systems in the project area;
 - ii. (ii) the patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the project;
 - iii. (iii) public infrastructure and social services that will be affected; and
 - iv. (iv) social and cultural characteristics of displaced communities, including a description of formal and informal institutions (e.g., community organizations, ritual groups, nongovernmental organizations (NGOs) that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.
5. **Legal framework.** The findings of an analysis of the legal framework, covering
 - (a) the scope of the power of eminent domain and the nature of compensation associated with it, in terms of both the valuation methodology and the timing of payment;
 - (b) the applicable legal and administrative procedures, including a description of the remedies available to displaced persons in the judicial process and the normal timeframe for such procedures, and any available alternative dispute resolution mechanisms that may be relevant to resettlement under the project;

- (c) relevant law (including customary and traditional law) governing land tenure, valuation of assets and losses, compensation, and natural resource usage rights; customary personal law related to displacement; and environmental laws and social welfare legislation;
- (d) laws and regulations relating to the agencies responsible for implementing resettlement activities;
- (e) gaps, if any, between local laws covering eminent domain and resettlement and the Bank's resettlement policy, and the mechanisms to bridge such gaps; and
- (f) any legal steps necessary to ensure the effective implementation of resettlement activities under the project, including, as appropriate, a process for recognizing claims to legal rights to land--including claims that derive from customary law and traditional usage.

6. Institutional Framework. The findings of an analysis of the institutional framework covering

- (a) the identification of agencies responsible for resettlement activities and NGOs that may have a role in
- (b) project implementation;
- (c) an assessment of the institutional capacity of such agencies and NGOs; and
- (d) any steps that are proposed to enhance the institutional capacity of agencies and NGOs responsible for
- (e) resettlement implementation.

7. Eligibility. Definition of PAPs and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.

8. Valuation of and compensation for losses. The methodology to be used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation under local law and such supplementary measures as are necessary to achieve replacement cost for lost assets.

9. Resettlement measures. A description of the packages of compensation and other resettlement measures that will assist each category of eligible PAPs to achieve the objectives of the policy. In addition to being technically and economically feasible, the resettlement packages should be compatible with the cultural preferences of the displaced persons and prepared in consultation with them.

10. Site selection, site preparation. Alternative relocation sites considered and explanation of those selected, covering:

- (a) institutional and technical arrangements for identifying and preparing relocation sites, for which a combination of productive potential, locational advantages, and other factors is at least comparable to the advantages of the old sites, with an estimate of the time needed to acquire and transfer land and ancillary resources;
- (b) any measures necessary to prevent land speculation or influx of ineligible persons at the selected sites;
- (c) procedures for physical relocation under the project, including timetables for site preparation and transfer; and
- (d) legal arrangements for regularizing tenure and transferring titles to resettlers.

11. Housing, infrastructure, and social services. Plans to provide (or to finance resettlers' provision of) housing, infrastructure (e.g., water supply, feeder roads), and social services (e.g., schools, health services); plans to ensure comparable services to host populations; any necessary site development, engineering, and architectural designs for these facilities.

12. Environmental protection and management. A description of the boundaries of the relocation area; and an assessment of the environmental impacts of the proposed resettlement and measures to mitigate and manage these impacts (coordinated as appropriate with the environmental assessment of the main investment requiring the resettlement).

13. Community participation. Involvement of resettlers and host communities,

- (a) a description of the strategy for consultation with and participation of resettlers and hosts in the design and implementation of the resettlement activities;
- (b) a summary of the views expressed and how these views were taken into account in preparing the resettlement plan;
- (c) a review of the resettlement alternatives presented and the choices made by PAPs regarding options available to them, including choices related to forms of compensation and resettlement assistance, to relocating as individuals families or as parts of preexisting communities or kinship groups, to sustaining existing patterns of group organization, and to retaining access to cultural property (e.g. places of worship, pilgrimage centers, cemeteries); and

- (d) institutionalized arrangements by which PAPs can communicate their concerns to project authorities throughout planning and implementation, and measures to ensure that such vulnerable groups as indigenous people, ethnic minorities, the landless, and women are adequately represented.

14. *Environmental protection and management.* A description of the boundaries of the relocation area; and an assessment of the environmental impacts of the proposed resettlement and measures to mitigate and manage these impacts (coordinated as appropriate with the environmental assessment of the main investment requiring the resettlement).

15. *Grievance procedures.* Affordable and accessible procedures for third-party settlement of disputes arising from resettlement; such grievance mechanisms should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms.

16. *Organizational responsibilities.* The organizational framework for implementing resettlement, including identification of agencies responsible for delivery of resettlement measures and provision of services; arrangements to ensure appropriate coordination between agencies and jurisdictions involved in implementation; and any measures (including technical assistance) needed to strengthen the implementing agencies' capacity to design and carry out resettlement activities; provisions for the transfer to local authorities or resettlers themselves of responsibility for managing facilities and services provided under the project and for transferring other such responsibilities from the resettlement implementing agencies, when appropriate.

17. *Implementation schedule.* An implementation schedule covering all resettlement activities from preparation through implementation, including target dates for the achievement of expected benefits to resettlers and hosts and terminating the various forms of assistance. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.

18. *Costs and budget.* Tables showing itemized cost estimates for all resettlement activities, including allowances for inflation, population growth, and other contingencies; timetables for expenditures; sources of funds; and arrangements for timely flow of funds, and funding for resettlement, if any, in areas outside the jurisdiction of the implementing agencies.

19. *Monitoring and evaluation.* Arrangements for monitoring of resettlement activities by the implementing agency, supplemented by independent monitors as considered appropriate by the Bank, to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; involvement of the PAPs in the monitoring process; evaluation of the impact of resettlement for a reasonable period after all resettlement and related development activities have been completed; using the results of resettlement monitoring to guide subsequent implementation.

Annex 3. Outline of Abbreviated Resettlement Action Plan

An abbreviated plan covers the following minimum elements:

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

ANNEX 4: MINUTES OF PUBLIC HEARINGS IN NUKUS, KATTAKURGAN AND GULISTAN

Venue and date: Nukus city – 11.11.2019, Kattakurgan city – 12.11.2019, Gulistan city – 13.11.2019. Public consultation on land acquisition and resettlement were held from 11.11.19 to 13.11.19. The consultations covered the issues of resettlement mechanisms, methods and procedure of compensation payment, eligibility, entitlements and the project specific grievance mechanism. For a list of participants, topics, suggestions and questions, please see Annex 8 to the Environmental and Social Management Framework.