



STATE ROAD AGENCY OF UKRAINE

Project “European roads Ukraine III”

Resettlement policy framework

January 2020

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1. Introduction

1.1 Background

The Government of Ukraine is conducting negotiations with the European Investment Bank (hereinafter - EIB) and European Bank for Reconstruction and Development (hereinafter – EBRD) on obtaining of funds to finance the investment project "European roads III" (hereinafter - the Project). The aim of the Project is to improve the serviceability level of the roads along the routes of international transport corridors by construction of roads bypassing settlements, rehabilitation and capital repair of existing roads (Sub-projects). The project will be implemented within 5 years, from 2019 to 2024.

The State Road Agency of Ukraine (Ukravtodor) is the central executive body that will ensure the implementation of the Project. This Resettlement Policy Framework document (hereinafter - RPF) was prepared by Ukravtodor in close cooperation with the designer, the Project Implementation Unit (hereinafter - PIU) and is now disclosed for public consultations with the communities falling within the Project-affected area.

It is expected that the implementation of the noted investment project will contribute to enhancing traffic safety, speed, comfort and cost-effectiveness of passenger and cargo transportation and will have a positive impact on the regional and overall economic development of Ukraine, as well as Ukraine's international image.

1.2 Sub-Projects Description

The Project envisages the implementation of the Sub-projects specified in Table 1.

Table 1. List of Sub-projects

No .	Sub-projects description	Types of works	Expected positive results
1	Construction of North Section of Lviv Bypass Road, Lviv oblast	Construction	Enhanced speed, comfort, cost-effectiveness of passenger and cargo transportation and road safety
2	Capital Repair of M-05 Road Kyiv-Odesa on section km 143+028 – km 466+700, Cherkasy, Kyrovohrad, Mykolaiv and Odesa oblasts	Capital repair	Enhanced speed, comfort, cost-effectiveness of passenger and cargo transportation and road safety

1.2.1 Sub-project Construction of North Section of Lviv Bypass Road, Lviv oblast

The Sub-project provides for the new construction of North Section of Lviv Bypass Road, which will allow to ensure adequate conditions for passenger and cargo transportation in the context of the substantial increase in passenger and goods traffic to the countries of the European Union, as a result of which the Free Trade Agreement with the EU was brought into force and the visa regime was abolished for the Ukrainian citizens enabling travelling to the countries of the European Union. Apart from that, the construction of North Section of Lviv Bypass Road is part of “GO Highway” Project, which aims to connect the seaports of the Black and the Baltic Seas.

Sub-project's background and discussion of alternatives

The first design solutions related to the construction of North Section of Lviv Bypass Road date back to the mid-1980s of the last century. In the period from 1987 to 1991, the first section of bypassing road was constructed between M-10 Road Lviv - Krakovets and the village of Birky, Lviv oblast. However, the further works were ceased due to the unfavourable economic situation. In 2001, the design of Lviv-Krakovets concession road was developed comprising start-up facility III for North Section of Lviv Bypass Road, with the length of 24 km and Technical Category I-a, to be located between the village of Birky and the village of Zapytiv in Lviv oblast, with entry to M-06 Road Kyiv - Chop. This design was approved by the Cabinet of Ministers of Ukraine in 2003, and in subsequent years, land allocation for construction purposes was carried out on the site of start-up facility III, and the utilities were relocated outside the right-of-way of the road to be constructed. The project was not implemented for various reasons, but the design of start-up facility III served as a basis for the design documentation elaborated for the construction of North Section of Lviv Bypass Road, which is included in the Project "Improvement of Transport Corridors in Ukraine". The use of these design solutions is considered to be appropriate from the perspective of reduced allocation of land, since most of the land plots required for the construction purposes had already been allocated during 2003 - 2010, and the Lviv Road Service had obtained the acts for the right to permanent use of land.

As of May 2019, the design documentation for the construction of North Section of Lviv Bypass Road undergoes the state expert examination.

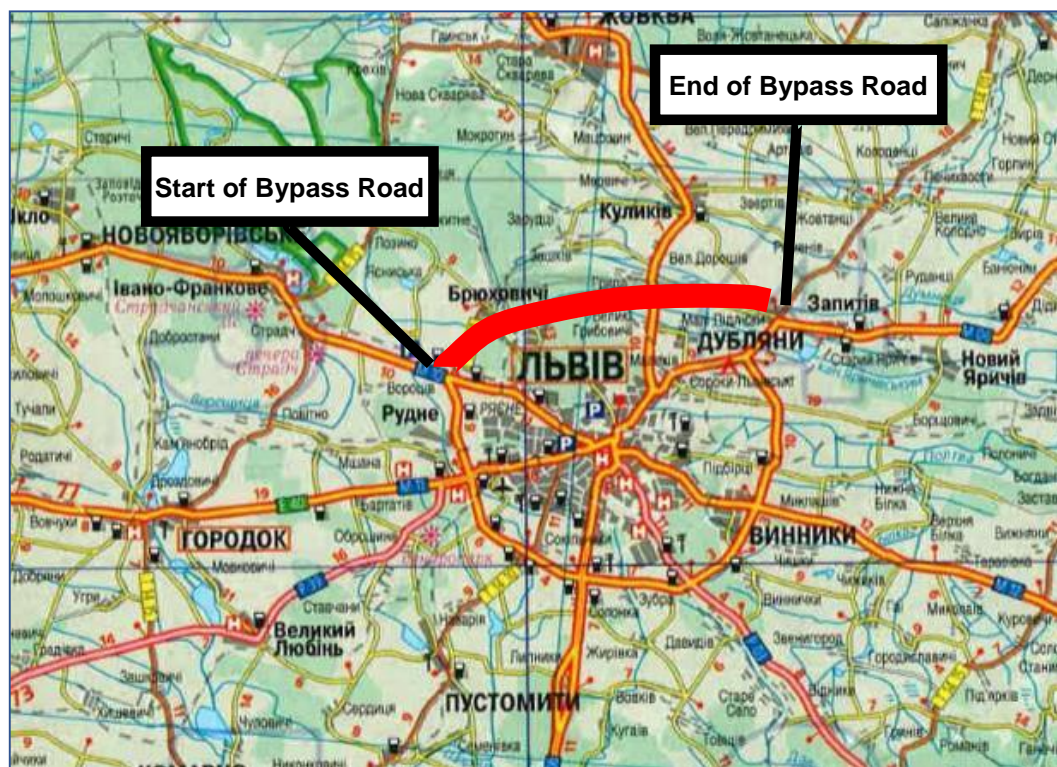


Fig. 1 Layout plan map of Lviv Bypass Road

Land allocation status

Based on the data provided by Lviv Road Service and the State Cadastre Authority, the required land allocation for the permanent use of the Service has been carried out during 2003-2010 throughout the whole extent of the main road. The need for additional land allocation will arise for the localities where traffic interchanges will have to be constructed.

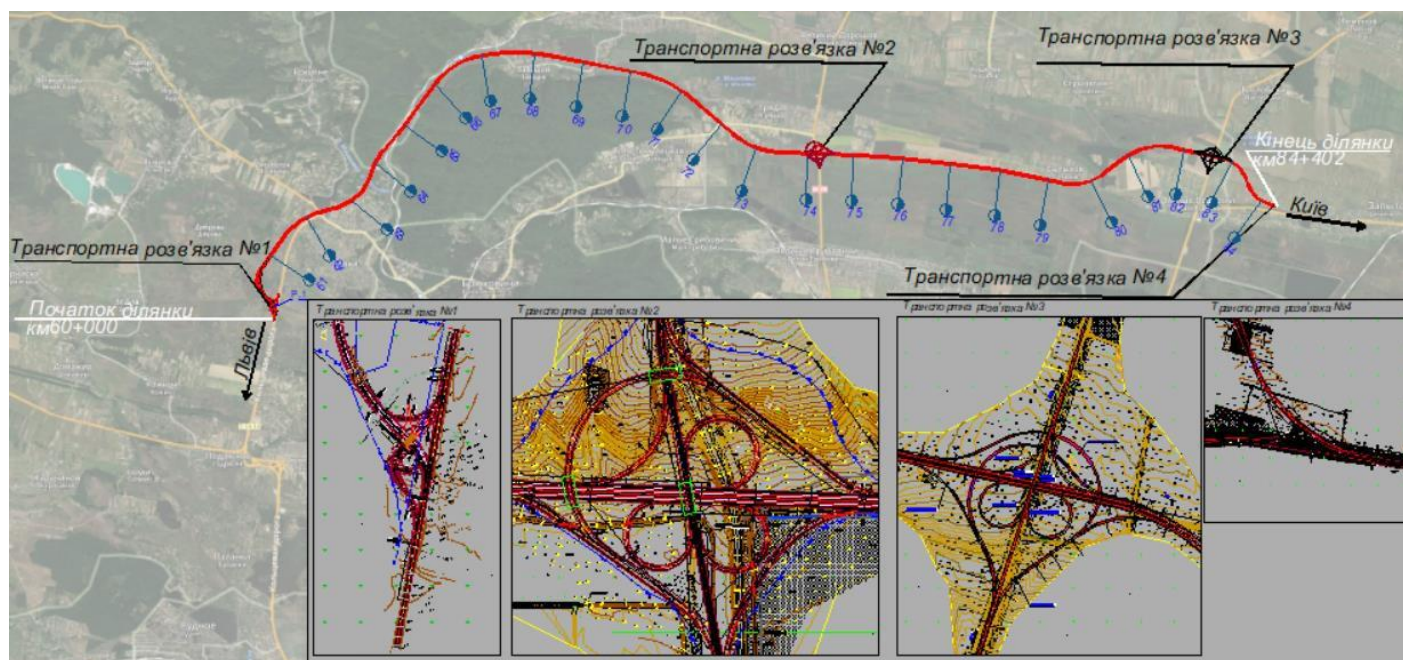


Fig. 2 Construction of North Section of Lviv Bypass Road. Layout plan of traffic interchanges included in the design

The information about land plots which was acquired given in Table 2.

Table 2 land plot which was acquired for construction of Lviv bypass

No	Cadastral number	Area	District	Village
1	4625880800:03:000:0005	42,3603	Yavorivskyy	Birky
2	4625880800:02:000:0017	14,5742	Yavorivskyy	Birky
3	4622784100:48:000:0001	0,6203	Zhovkivskyy	Zashkivska
4	4625880800:02:000:0023	6,4575	Yavorivskyy	Birky
5	4622784100:49:000:0001	12,5101	Zhovkivskyy	Zashkivska
6	4622784100:22:000:0001	5,6267	Zhovkivskyy	Zashkivska
7	4622784100:21:000:0001	4,3042	Zhovkivskyy	Zashkivska
8	4622784100:02:004:0008	2,1307	Zhovkivskyy	Zashkivska
9	4622784100:20:000:0001	7,0014	Zhovkivskyy	Zashkivska
10	4622786400:19:000:0001	0,3101	Zhovkivskyy	Nadychivska
11	4622786400:19:000:0002	0,0923	Zhovkivskyy	Nadychivska
12	4622782500:09:000:0001	9,6188	Zhovkivskyy	Gryadivska
13	4622782500:01:004:0001	7,2147	Zhovkivskyy	Gryadivska
14	4622782500:02:000:0002	24,2908	Zhovkivskyy	Gryadivska
15	4622782500:06:000:0001	22,6452	Zhovkivskyy	Gryadivska

16	4622710200:07:000:0001	24,5673	Zhovkivskyy	Dublianska
17	4622710200:10:000:0002	25,1924	Zhovkivskyy	Dublianska
Total, ha		209,5170		

According to the Table 2, 209,5 hectares of land were acquired and transferred to the Lviv road service in permanent usage. Land acquisition done in two rayon's: Zhovkivskyy and Yavorivskyy. The land acquisition process was organized in compliance with national legislation. The land acquisition was initiated by Lviv road service and implemented by Zhovkivska and Yavorivska state rayon administrations. During land acquisition process Lviv road service and other involved parties (local authorities) have not received any grievances from project affected persons. The court cases also absent. As for present time, part of this land used informally by local population for agricultural goals (approximately 5%). Users of this land will be informed about civil works accordingly and will be able to harvest their crop as required by entitlement matrix (Table 3).

According to the preliminary estimations, the additional 10,5 hectares of land needs to be acquired for the construction. This land is privately owned (according to the preliminary estimation – 50 owners). Most of them for agricultural usage, but residential land and buildings may also be affected by the Project as the road corridor passing through Birky, Zavadiiv, zashkiv and Gryada villages. In addition, the land for temporary usage during construction period may be required for storage of materials. Socio-economic census of project-affected individuals will be carried out during RAP preparation. The compensations will be provided according this RPF and national legislation.

A comprehensive plan for additional land allocation will be developed upon the final approval of the design by the state expert examination and the Cabinet of Ministers of Ukraine (estimated time – end of 2019). Following the approval of the design documentation, the Resettlement Action Plan will be delivered by Ukravtodor, will be disclosed for public consultations and published in official informational sources.

1.2.2 Sub-project Capital Repair of M-05 Road Kyiv-Odesa on section km 143+028 – km 466+700, Cherkasy, Kyrovohrad, Mykolaiv and Odesa oblasts

M-05 Road Kyiv – Odesa is a key arterial road in Ukraine that links the capital of Ukraine and its north-eastern territories with the seaports on the Black Sea located in the south. In addition, a seasonal increase in the traffic intensity is observed on this road during the tourist season. The Sub-project aims at improved technical, economic and environmental indicators on the specified section of M-05 Road Kyiv – Odesa in Cherkasy, Kyrovohrad, Mykolaiv¹ and Odesa oblasts. The project provides for the improved road characteristics to comply with Technical Category 1-b.

Sub-project's background and discussion of alternatives

The planned capital repair of this M-05 Road section coincides with the existing alignment, therefore, no alternative routes are considered for the main road corridor. As of May 2019, the design documentation for the capital repair is being elaborated. When developing the design documentation, the designer will consider alternatives to some individual solutions, and the final

¹ Within the Mykolaiv oblast, the M-05 road operated by Odesa road service due to small road section which goes on the territory of Mykolaiv oblast (27 km).

version of the design will be disclosed for public consultations, as required by the applicable building codes.

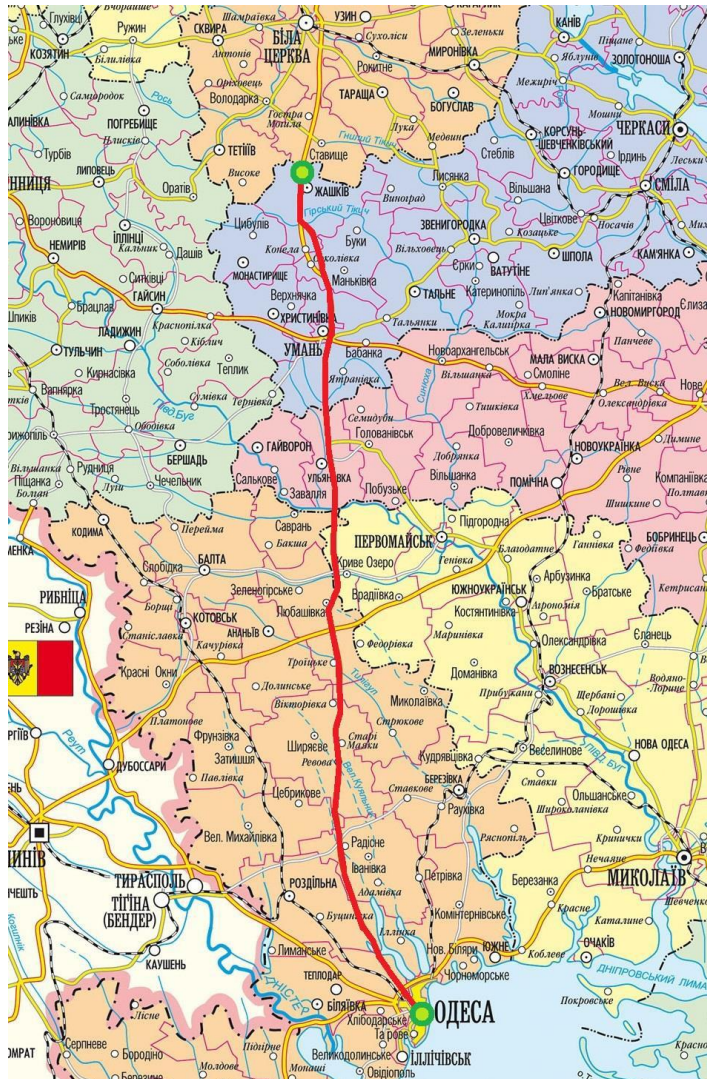


Fig. 3 Layout plan map of capital repair of section km 143+028 – km 466+700 of M-05 Road Kyiv – Odesa.

Land allocation status

The land plots required for the capital repair of the specified section of M-05 Road Kyiv-Odesa are in permanent use of regional Road Services, which is confirmed by the existing acts for permanent use issued by the State Cadastre Authorities.

It is expected that the capital repair works will not require extensive land allocation, though the implementation of some design solutions may cause a need for additional land allocation in order to accommodate the elements of road infrastructure (traffic interchanges, acceleration / deceleration lanes, rest areas, etc.). In the event that following the approval of the design documentation by the state expert examination and the Cabinet of Ministers of Ukraine a need will arise for additional land allocation, Ukravtodor will deliver the Resettlement Action Plan for the

purpose of this Sub-project in line with the principles set forth in this document. Also, the land for temporary usage during construction period may be required for storage of materials.

2. Objective and key principles of drafting the RPF document

The RPF document takes into account the needs of project-affected individuals and is drafted in accordance with the social and environmental standards of the EIB ², and EBRD Performance requirement 5 (PR5)³ and EBRD Resettlement guidance and good practise⁴ and the Ukrainian legislation.

The RPF objective is to identify strategies, principles, institutional mechanisms, legislative framework and procedures for resettlement or alienation of assets under the Project implementation, as well as to set forth the framework for the preparation of Resettlement Action Plans, should any be required in the course of the Project implementation.

This document was elaborated by Ukravtodor and will be finalized due consideration of the findings obtained during public consultations held with all stakeholders. The final RPF version, upon EIB and EBRD approval, will be published on the official websites of the lenders and Ukravtodor and in official information resources (if any) of the respective state rayon administrations on whose territories the Project will be implemented. Also the hard copies of this RPF will be available at Cherkassy, Kirovograd, Odessa and Lviv road services.

In accordance with the social and environmental standards of EIB and EBRD, Ukrainian legislation and best practices in implementing the resettlement process, when planning the resettlement process, Ukravtodor will adhere to the following principles:

- (i) should a need be revealed for the alienation of land plots or other privately owned assets, the Resettlement Action Plan will be delivered by Ukravtodor for each Sub-project. The Resettlement Action Plan will be elaborated in compliance with the requirements of EIB and EBRD and national legislation, and will comprise a complete registry of the project-affected individuals, set the cut-off date⁵ and include the comprehensive description of mitigation measures aimed at minimizing the adverse impacts of the Project.
- (ii) During project design elaboration, Ukravtodor and the design agency takes comprehensive measures to minimize the alienation of assets and the resettlement of individuals within the framework of the project implementation. This task achieved through optimizing design solutions and giving alienation priority to the assets, which are in state or communal ownership.
- (iii) the preparation and implementation of Resettlement Action Plans will be carried out in a transparent manner and by involving the project-affected individuals through consultations and disclosing the related documents in publicly available sources.
- (iv) the main principle of the resettlement process will pursue saving of the living conditions of the project-affected individuals at least to those levels existing prior to the start of the Project.
- (v) the project-affected individuals will not incur any material losses when being paid compensation for expropriated assets, re-registering the respective rights in favour of the local authorities and during implementation of resettlement arrangements.

² https://www.eib.org/attachments/strategies/environmental_and_social_practices_handbook_en.pdf

³ <https://www.ebrd.com/documents/environment/performance-requirement-5.pdf?blobnocache=true>

⁴ <https://www.ebrd.com/publications/resettlement-guidance-good-practice.pdf>

⁵ Cut-off date – the date on which the census for identification of the project-affected individuals is finished and disclosed to the public, and their eligibility for compensation is documented. In the event that the right to assets was acquired after the cut-off date had been set and publicly disclosed, such assets shall not be eligible for compensation.

- (vi) the compensation for expropriated assets will be fully paid to the project-affected individuals, with allowances made for the respective investments. Determination of the compensation amount will be carried out exclusively by licensed assessment entities in accordance with the methodologies approved by regulatory acts in Ukraine. The transaction and relocation costs will be evaluated by regional road services and will be added to full compensation package.
- (vii) the provisions of this document extend to all project-affected individuals, regardless of their number and the degree of impact.
- (viii) when elaborating and implementing the RAP, particular attention will be paid to the needs of vulnerable groups, women and minorities, people who lives below the poverty line, ethnic minorities and displaced persons. The vulnerable PAP`s will be identified and their special needs will be assessed during RAP preparation.

3. RAP drafting and approval

Resettlement Action Plans for each of the Sub-projects will be elaborated following the approval of the design documentation by the state expert examination and the Cabinet of Ministers of Ukraine. Upon approval of design solutions, the Road Services in Lviv, Cherkasy, Kyrovograd, and Odesa oblasts will involve certified land management agencies for staking of project boundaries and obtaining a detailed list of land plots and other assets falling within the construction / capital repair area of the road and requiring alienation, their type and the project-affected individuals, including asset owners, tenants and asset users.

The purpose of Resettlement Action Plans will be to verify the list of the project-affected individuals (including tenants and informal asset users), determine the type and amount of compensation for loss of assets or income sources in order to ensure preserving the living standards and income of all affected persons.

RAP will have the following structure:

- (i) General description of the Sub-project for which a specific RAP applies, description of the objectives of RAP preparation
- (ii) Information on the potential impacts (both positive and negative) that were identified during RAP preparation
 - a description of the impacts that will directly or indirectly affect the need for assets alienation;
 - a description of the location of impacts;
 - a description of the alternatives having been assessed to minimize the alienation of assets;
- (iii) Disclosure of the results of socio-economic research, which is a necessary procedure in RAP preparation
 - a description of the census to record the project-affected individuals, including the assets subjected to alienation
 - characteristics of the project-affected households, including employment, living standards, income level, economic and social activity of household members, access to social infrastructure, information on vulnerable groups.).
- (iv) A review of the Ukrainian legislation and Lenders requirements regarding organisational arrangements guiding the alienation of assets for public purpose;
- (v) Institutional framework. A review of the stakeholders involved in the Project implementation, including their responsibilities;

- (vi) Rights Matrix (eligibility). Identification of the groups that might be adversely affected by the project implementation and types of envisaged compensation and livelihood restoration measures.
- (vii) Description of the Methodology for assessing the loss of assets depending on the nature of losses;
- (viii) Description of resettlement measures that will be envisaged to provide appropriate assistance to ensure that the resettlement process is in line with EIB and EBRD requirements;
- (ix) Description of the measures aimed at involving communities in RAP implementation, including a grievance mechanism;
- (x) Timetable for RAP implementation;
- (xi) Indicative budget;
- (xii) Arrangements for RAP implementation monitoring;

During RAP preparation the series of public consultations will be organized in localities where the project will have negative impact and resettlement issues. The information on conducting public consultations will be preliminarily disseminated in local mass media, local authorities and in public places. During consultations all interested parties will be informed about purpose Project activities, purpose of the RAP and about its content in clear non-technical terms on language which will be available for stakeholders. The elaborated RAPs will be disclosed on Ukravtodor and road services official websites. The hard copies of RAP on will be available in each community which affected by the Project.

Upon EIB and EBRD approval, RAPs will be published on the official websites of the Bank and Ukravtodor in Ukrainian and English.

4. Potential impacts

During preparation of this RPF some potential impacts were determined:

- Permanent loss of private agricultural and residential land and structures by persons who has a title deeds;
- Permanent loss of private agricultural and residential land and structures by persons who has no title deeds (informal users and squatters);
- Temporary loss of land;
- Loss of annual and perennial crops and trees;
- Loss of non-residential structures (fences, barns, sheds) and infrastructure (irrigation or other utilities).
- Loss of business structures (shops, places for trade along the road, workshops, fuel stations, tire-mounting stations, etc.)
- Loss of residential houses (physical displacement);
- Loss of sources of livelihood (economical displacement);
- Temporary or permanent loss of access to public infrastructure;
- Temporary or permanent loss of access to private land or structures;
- Temporary or permanent loss or limitation of access to business along the road;

The presence and intensity of this impacts for each road section which will be capital repaired under this project will be assessed during RAP preparation, where design documentation will be approved by Cabinet of Ministers of Ukraine and by the State expertise.

In case if impact will be identified, the mitigation measures will be taken according to the entitlement matrix (Chapter 4).

4. Categories of project-affected individuals and the rights matrix entitling compensation

Eligible project-affected individuals may be classified as follows:

- (i) persons who have formal legal rights to the land or fixed assets;
- (ii) persons who do not have formal legal rights to land at the time of the census of project-affected individuals, but claim to it and declared accordingly, provided that such claims are recognized under the national law;
- (iii) persons who have the old type of land ownership documents and are not registered in the state land cadastre;
- (iv) persons who do not have formal legal rights to the land or other assets, but use them;

The persons belonging to the first three categories (i), (ii) and (iii) will be paid compensation for the expropriated assets and, as necessary, will get assistance during resettlement. The persons belonging to the fourth category (iv) will get assistance during resettlement. In the event that the representatives of all the above listed categories grow agricultural crops on the land plots required to be expropriated for the purposes of the Project, such persons will be given the opportunity to harvest or receive the respective compensation. In case if informal users of residential assets need to be resettled, the adequate alternative housing with security of tenure will be provided.

A comprehensive rights matrix for compensation is presented in Table 2

Table 3. Rights Matrix (eligibility)

Type of impact	Category of PAP	Type of compensation
Permanent losses		
Permanent loss of agricultural and residential land	Owner of land	<ul style="list-style-type: none"> - Monetary compensation for loss of land, which is the market value of land (all administrative charges for lots division and title fees are covered by project costs) - Land-for-land compensation, equivalent in area and fertile characteristics (if suitable land is available). - In case where the part of land plot will be acquired and the rest of land plot can not be used rationally according to land purpose, upon request of land owner, whole land plot should to be acquired;
	Formal users (tenant) of land	<ul style="list-style-type: none"> - The tenants will be preliminarily notified (1 agricultural season before acquisition) of the project implementation to avoid loss of harvest or modernization losses and leasing payments for acquired land. The lease agreements will be amended in accordance with the law to indicate the land areas to be expropriated for the purposes of the project. - The user will be given an opportunity to harvest the crop or compensation for the crop will be provided.
	Informal users of land	<ul style="list-style-type: none"> - Assistance to identify replacement land/resources for use prior to land entry.

		<ul style="list-style-type: none"> - The informal users will be given an opportunity to harvest the crop or compensation for the crop will be provided.
Permanent loss of structures or residential houses	owner of structures or residential house	<ul style="list-style-type: none"> - Monetary compensation for loss of immovable structures including all adjacent facilities (fruit trees, outbuildings, etc.); - Compensation by providing a house to replace the affected house, at least equivalent in size and current status, including residential land at least equivalent to the advantages of the land taken (if suitable building is available). - Assistance to move; - If no reasonable alternative access can be provided and a owner of structures and residential land will permanently lose the access to the social infrastructure (access to the road, to the communal facilities, to the municipal infrastructure, etc) the owner will be resettled or his assets will be acquired.
	Formal user (tenant) of land	<ul style="list-style-type: none"> - Information about the acquisition of the house at least six months in advance of demolition to enable the tenant to find other accommodation - Assistance to move;
	Informal users of structures	<ul style="list-style-type: none"> - In case if people occupied the land and structures prior of the cut-off date, the compensation will cover structures loses and expenses for land improvement. In addition, resettlement assistance will be provided. - In case if informal users of residential assets need to be resettled, the adequate alternative housing with security of tenure will be provided
Loss of one-year crop	land owner, land user, informal user	<ul style="list-style-type: none"> - The crop owners will be given a possibility to harvest. When conducting public consultations in the RAP preparation stage, the owners will be notified of the planned activity and recommended to abandon sowing of the land plots required for the project needs. - In case when the opportunity to harvest the crop was not ensured, the crop owners will be paid compensation. The methodology of calculating the compensation for lost crop will be presented in RAP. In case when owners of the crop was notified about civil works in advance but planted the crop, the compensation for crop loses will not provided.
Loss of perennial plants		The owners will be paid compensation for loss of perennial plants based on their age and value, including the costs for the restoration of plantings. The methodology of calculating the compensation for lost perennial plants will be presented in RAP.
Loss of non-residential structures	Owner of non-residential structure and infrastructure (which could be the landowner or formal or informal user of land)	Cash compensation at full replacement cost

Loss of business structures (shops, places for trade along the road, workshops, fuel stations, tire-mounting stations, etc.)	Owners of business structures	<ul style="list-style-type: none"> - Cash compensation at full replacement cost or replacement of business structure. - The owners of business will be notified in advance (no later than 6 months before acquisition) for ensuring the opportunity to find a new location for business.
	Tenants of business structure	<p>Information about the acquisition of the business structure at least six months in advance of demolition to enable the tenant to find other premises</p> <ul style="list-style-type: none"> - The tenant of structure for business will be notified in advance (no later than 6 months before acquisition) for ensuring the opportunity to find a new location for business.
	Informal business structures along the road	<ul style="list-style-type: none"> - The users will be offered a mechanism for the use of land plots to do business legally in other territories. If necessary, in line with lenders requirements, assistance will be provided for business relocation. This users will be able to get an assistance for removal to the other place - The owner of informal structure for business will be notified in advance (no later than 6 months before acquisition) for ensuring the opportunity to find a new location for business
Public administrations	Lands of state or municipal property	The land will be transferred to the permanent use of Road Services without any compensation
Temporary losses		
Temporary loss of land	Owner	<ul style="list-style-type: none"> - Cash compensation at full replacement cost for the right to use land under contract, for the land use period; - Reinstatement of land after use. - The crop owners will be notified in advance will be given a possibility to harvest.
	Tenant	<ul style="list-style-type: none"> - The user will be given an opportunity to harvest the crop. In other case the compensation for the crop will be provided. - Assistance to identify replacement land/resources for use prior to land entry.
	Informal user	<ul style="list-style-type: none"> - Assistance to identify replacement land/resources for use prior to land entry.
Temporary or permanent loss of access to public infrastructure (hayfields, pastures, recreation areas, etc.)		Creating alternative access routes to these facilities
Loss of livelihood	Local population, local business	The livelihood restoration measures will be taken according EIB and EBRD requirements to the preproject level. In case if loss of livelihood will be identified during RAP preparation, the restoration action plan will be developed according to the

		livelihood restoration strategy. The livelihood restoration strategy described in Section 9.
PAPs with vulnerabilities	Land and structures owners/tenants/informal users	The RAP will define vulnerability criteria and identify affected vulnerable persons. Identified PAPs with vulnerabilities will receive additional assistance (assistance in registration of title deeds, searching alternative location for business, moving assistance, etc).

5. Legal framework applicable to alienation of assets and resettlement

The following legal framework will be used to acquire privately owned land:

- The Constitution of Ukraine (Articles 13, 14, 41) stipulates that "no one shall be unlawfully deprived of the right for property. The right for private property shall be inviolable." and "The expropriation of private property objects may be applied only as an exception for the reasons of social necessity, on the grounds of, and in the order established by law, and on terms of advance and complete compensation of the value of such objects. The expropriation of such objects with subsequent complete compensation of their value shall be permitted only under conditions of martial law or a state of emergency." (Article 41);
- Law of Ukraine "On Alienation of Land Plots and Other Objects of Immovable Property Located Thereon in Private Ownership for the Social Needs and on the Grounds of Social Necessity" of 17.11.2009 No. 1559-VI
- Land Code of Ukraine (of January, 1 2002) (in particular, Articles 143, 146, 147, 149-151)
- Civil Code of Ukraine (of 16.01.2003, No. 435-IV), which establishes the procedure for termination of title to immovable property due to the acquisition or alienation of the land on which the property is located, for national needs, and regulates issues related to the protection of property rights (Articles 3.50-351);
- Code of Administrative Procedure of Ukraine (of 06.07.2005), which establishes the procedure for conducting legal proceedings related to the acquisition of land for national needs.
- Law of Ukraine "On Regulation of Urban Development Activity" of 19.05.2011 No. 3395-VI
- Law of Ukraine "On Land Valuation" of 11.12.2003 No. 1378-IV6
- Decree of the Cabinet of Ministers of Ukraine of 17.11.1997 No. 1279 "On Amount and Procedure for Determining Agricultural and Forest Production Losses to be Refunded" and Appendix.
- Law of Ukraine of 21.05.1997 No. 280/97-BP "On Local Self-Government in Ukraine"
- "Procedure for Determination and Compensation of Losses to Land Owners and Land Users" adopted by the Decree of the Cabinet of Ministers of Ukraine of 19.04.1993 No. 284
- Decree of the Cabinet of Ministers of Ukraine of 11.10.2002 No. 1531 "On Expert Valuation of Land Plots"
- Law of Ukraine "On Evaluation of Property, Property Rights and Professional Appraisal Activity in Ukraine" of 12.07.2001 No. 2658-III
- Law of Ukraine "On State Land Cadastre" of 07.07.2011 No. 3613-VI

“Procedure for Performance of Notarial Acts by Notaries of Ukraine” approved by the Order of the Ministry of Justice of Ukraine of 22.02.2012 No. 296/5.

Compensation for temporary use of land during construction is regulated in the following Decrees of the Cabinet of Ministers:

- Decree of the Cabinet of Ministers of Ukraine of 17.11.1997 No. 1279 "On Amount and Procedure for Determining Agricultural and Forest Production Losses to be Refunded" and Appendix.
- "Procedure for Determination and Compensation of Losses to Land Owners and Land Users" adopted by the Decree of the Cabinet of Ministers of Ukraine of 19.04.1993 No. 284

The key principles and requirements of the European Investment Bank and European Bank for Reconstruction and development are set out in the guidances.

Table 4. Gaps between Ukrainian legislation and the requirements of the EIB and EBRD

Ukrainian Laws and Regulations	EIB and EBRD requirements	Gap Filling Measures
Only officially registered buildings are subject to compensation for damages / destruction caused by the project	All buildings are subject to compensation for damages / destruction caused by the project	The project will compensate all affected structures for damages/demolition caused by the project
Only officially registered land owners will be paid compensation for loss of profit / business caused by the project	Registered and non-registered tenants will be paid compensation for loss of profit / business caused by the project, regardless of registration.	The project will compensate all lease tenants (legal or informal) for income/business losses regardless of registration
There are no special provisions identifying the process of involuntary resettlement planning, as well as specific tools, including preparation of any plan pertaining to land expropriation and resettlement	Time-limited in terms of application, the resettlement action plan shall be prepared prior to the commencement of compensation	A Resettlement Action Plans will be developed to fill in the gaps
<p>No provisions are available for:</p> <ul style="list-style-type: none"> - Rehabilitation of income / livelihoods, - Assistance to landowners / tenants who have been severely affected by project activity <p>No compensation or assistance is envisaged with respect to the specified movable property</p>	<p>Lenders standards provide for rehabilitation of income / livelihoods, compensation for serious losses, and costs incurred by landowners / tenants during resettlement. Compensation shall include:</p> <ul style="list-style-type: none"> - Funds for improving living standards of displaced persons; - Costs for displacement; - Compensation for materials damaged during displacement; - Other transportation costs 	<p>If relocation will be required, the project will provide compensation to cover:</p> <ul style="list-style-type: none"> - the cost of replacement improvements; - shifting allowances; - compensation for deteriorated materials or goods during transportation; <p>rentals and other transactions costs</p> <ul style="list-style-type: none"> - The impact on livelihood will be assessed

		during RAP preparation and livelihood restoration measures will be defined.
Land expropriation and resettlement related decisions are exceptionally negotiated between landowners / official tenants and local authorities alienating assets	The information showing specific figures for the affected items, namely, assets value, social benefits and compensation amount / financial support will be disclosed to landowners and tenants prior to the start of preliminary project calculations. The general provisions of RAP (including the Rights Matrix (eligibility) for compensation) will be disclosed to public, whilst the personal data on losses / compensation will only be available to individuals / homeowners who have been adversely affected by the project. The project affected persons will be consulted on the provisions of the RAP.	The project will disclose the data on quantification of affected items, value of assets, entitlements, and compensation/financial assistance amounts to Project Affected Persons. The Resettlement Action Plan will be disclosed to public (personal sensitive individual information will be disclosed to Project Affected Persons only) through public consultations
The Ukrainian legislation lacks a special plan for public consultations.	Consultations with stakeholders and public involvement are an integral part in RAP preparation and implementation	The project will carry out a comprehensive consultative process with Project Affected Persons, local and state authorities, other stakeholders as being required through public disclosure meetings, individual consultations and public consultations

6. Methodology for assessing lost assets

The redemption price of the assets subject to alienation will be established by licensed appraisers for valuation activities. Where the owner is entitled land-for-land compensation, the redemption price will cover the cost of producing land use planning documents required for obtaining the title to this land plot, as well as the costs associated with the state registration of the respective title. Pursuant to Article 5 of the Law of Ukraine “On Alienation of Land Plots and Other Objects of Immovable Property Located Thereon in Private Ownership for the Social Needs and on the Grounds of Social Necessity”, the value of the land plot subject to alienation or land-for-land transfer will be determined on the basis of its expert monetary valuation conducted in accordance with the Law "On Land Valuation". Expert monetary valuation of land which is held in connection with the purchase of land for public purposes is carried out to determine the value of land subject to alienation based on the capitalization methodical approach of net operating income or rental income of land use (“capitalization”) taking into account its intended purpose

(use) established on the date of the decision on resettlement taken by the local authorities (Paragraph 2 of Article 19 of the Law of Ukraine "On Land Valuation". The methodical approach based on the capitalization of net operating or rental income shall involve determining the value of the land plot in the most efficient use, taking into account the established encumbrances and other land related restrictions. The net operating income shall be determined based on an analysis of market rates of the rental payments for land. The rental income shall be calculated as the difference between the expected income from the products obtained on the land (actual or imputed), production costs and the manufacturer's income⁶.

The reports on the expert monetary valuation of land plots being alienated shall be subject to review, state expert examination of land management documentation in the cases and manner prescribed by law. The land valuation officer will be appointed by the local executive authorities. In the event that the owner disagrees with the alienation of his / her real property based on the assessment carried out by the licensed appraiser appointed by the executive body or the local executive authorities, he / she may involve another licensed appraiser to determine the value of real property or to conduct a review of the evaluation report of such property. In this case, the cost of such services will be borne by the property owner. The alternative valuation if commissioned by the landowner cannot be accepted by the local executive body. It will just give the owner an alternative opinion to consider when deciding whether to accept the offer from the local executive body. Any alternative amount can only be determined by the court (who will appoint independent valuator).

The redemption price of the expropriated assets will be agreed with the asset owner during official negotiations between the owner and the local executive body, as stipulated in Article 11 of the Law of Ukraine "On Alienation of Land Plots and Other Objects of Immovable Property Located Thereon in Private Ownership for the Social Needs and on the Grounds of Social Necessity".

For filling gaps between Ukrainian legislation and EIB and EBRD requirements, other types of compensation or assistance in resettlement stipulated by Table 3 will be provided by Ukravtodor during RAP implementation. The identification of all PAPs and required types of compensation for each person will be taken during RAP preparation.

Under the Ukrainian legislation, the land-for-land compensation will be offered to all project-affected individuals who face loss of land in accordance with the procedure established by the Ukrainian legislation, in the case of land availability.

Assets owners dissatisfied with the decisions of the local executive body, may apply to the court for procedures defined by the Ukrainian legislation. The court decision also determines the party to pay the litigation costs.

7. Organisational arrangements for compensation procedure and responsibilities of each party

Following approval of the design documentation, the Road Services in the regions falling within the Project implementation area will take measures prescribed by the Land Code of Ukraine and aimed at coordinating the project location with the local authorities. In addition, the Road Services will involve land management organizations that have a corresponding license for land surveying activities and access to the data of the State Land Cadastre to set out the design boundaries and determine the required additional land allocation. As soon as the necessary quantities of additional land allocation and other fixed assets located thereon have been determined and the list of asset owners have been compiled, Ukravtodor will deliver the respective Resettlement Action Plans. Depending on the land allocation quantities and their geographical

⁶ <https://zakon.rada.gov.ua/laws/show/1531-2002-%D0%BF>

location, Ukravtodor will decide on the number of required RAPs to be prepared (one RAP for all regions or separate RAPs for each region).

Upon obtaining EIB's and EBRD's approval of RAPs, the Road Services in the regions will be authorised to take measures aimed at alienating of the land plots required for the Project implementation in line with the current Ukrainian legislation. The Road Services will negotiate with the owners for their prior consent for lots division of land plots, will place orders for delivery of technical documentation including the valuation procedure for the land plots and the real property located thereon. Upon obtaining the owner's consent for the lots division of the land plot and the real property objects located thereon, as well as for the delivery of the technical documentation, the Road Service will apply to the local executive authorities (State Raion Administrations) with a request for assets acquisition.

Based on the documents provided by the Road Service, the Head of the State Raion Administration will issue an Executive Order for assets acquisition. The State Raion Administrations will initiate negotiations with the assets owners and obtain a written consent of the owner for the acquisition of the land plot, which is supported with the relevant records (protocol). Following the owner's confirmation of his / her consent for the asset alienation, a purchase / sale contract is signed between the owner and the local executive authority, according to which the State Raion Administration undertakes to pay the agreed price of the asset within 10 days after conclusion of the contract, and the owner is obliged to waive the land plot or a real property object during the equivalent period.

After the conclusion of the contract and payment of compensation to the owner, the purpose of the land plots is changed for 12.04 "For placement and operation of buildings and structures of road transport and road industry" according to the state land classification system, and the land plots are further transferred to the Road Service for permanent use and registered accordingly in the State Land Cadastre.

In the event that no agreement has been reached between the owner and the local executive authority on the asset alienation, in accordance with Articles 15 and 16 of the Law of Ukraine "On Alienation of Land Plots and Other Objects of Immovable Property Located Thereon in Private Ownership for the Social Needs and on the Grounds of Social Necessity", the latter shall appeal to the administrative court with a claim on the forced alienation of an asset during 6 months from the date of State Raion Administration's order. The court decision on the forced alienation of a land plot and other real property objects located thereon, together with the documents confirming the provisional and full payment of the redemption price to the former owner or the state registration of the title to real property provided in lieu of the alienated assets, is the basis for state registration of the property right of a state or a territorial community to these objects.

No works can be commenced on the land plot until the owner is paid the full compensation of the asset value. In the event that the alienation process in relation to a land plot or real property, due to the reasons beyond control of Ukravtodor or the local authorities, causes delays in the works under the project (this may be the procedure for the owner's entry into the inheritance, the long absence of the owner in Ukraine's territory, registration of the land plot in the State Land Cadastre, the restrictions imposed by the court for the assets alienation due to inheritance disputes, etc.), the local Road Service will request the owner to provide a written consent to perform the works while the alienation procedure is in place or the documents required for alienation are prepared. Preliminary full compensation cost is made by depositing funds by State rayon Administration on the local notary's office account according to the Order of Ministry of Justice of Ukraine from 22.02.2012 No. 296/5 till the disputes, inheritance etc. issues will be resolved.

8. Disclosure of Resettlement Policy Framework Document and RAP

The draft this document was agreed with the Lenders and published on the official website of Ukravtodor and on the websites of the Road Services in the regions falling within the Project implementation area, as well as on the official websites of State Rayon Administrations (if any) for any proposals and comments from all stakeholders. In addition, the hard copies of RPF are available at offices of Cherkasy, Kirovograd and Odessa road services and state rayon administrations. During disclosure period any writing grievances were received by Ukravtodor, regional road services or local authorities.

The stakeholders still may forward their proposals and comments in the following manner:

- In written form to the following address: 03150, Kyiv, 9, Fizkultury st.;
- To the following e-mails: kae@ukravtodor.gov.ua, forec@ukravtodor.gov.ua;
- By Telephone: (044) 287 51 78;
- Place an electronic request on the website of Ukravtodor at the following link:
https://ukravtodor.gov.ua/4497/elektronne_zvernennia.html

Upon completion of the comments collection period, a series of consultations were being arranged at the local level in the project implementation area. The disclosure report attached to this RPF as Annex 1.

The stakeholders were notified in advance (14 days before the consultations) of the consultations to be held by placing the information on the date, venue and time on the websites of the local Road Services and the State Rayon Administrations and advertisements in local media and local billboards. The hard copies of final RPF will be available at regional road service offices and each state rayon administration during project implementation stage. The document available on appropriate language for local stakeholders.

Each of the RAPs will be published as described in the above procedure. During RAP preparation stage, when socio-economic survey will be done and all project affected persons and assets will be identified, a series of public consultations will be arranged in Lviv, Cherkasy, Kirovograd, Mykolaiv and Odesa oblasts with the representatives of local communities and project-affected individuals to ensure that the project-affected individuals get the opportunity to participate in project implementation. The advertisements with the information about agenda, venue and time of public consultations will be available in local media, websites and public places no later than before 14 days from date of consultations. In the course of consultations during RAP preparation, the stakeholders will be informed about design solutions, terms of the project implementation, quantities of land acquisition and a detailed description of the grievance mechanism. In addition, all stakeholders will receive a short guide with the explanations of the goals and content of RAP. This Land acquisition Guide will be developed in clear non-technical terms for people who have not profile education in road sphere.

Where necessary or at the request of local communities, additional consultations with stakeholders may be arranged during RAPs preparation and implementation in order to minimize the likelihood of social tension in the communities due to resettlement process.

9. Livelihood restoration strategy framework

In the process of project implementation, there may be a need to apply livelihood strategies to affected people. This strategy covers owners of assets, tenants and informal users of assets. The main goal of this strategy - to restore the quality of life of project affected persons as minimum to the pre-project level or even increase it. The compensation for loss of assets will be paid according to the entitlement matrix but, in some cases compensation may not guarantee of full livelihood restoration and some additional measures may be required. The livelihood restoration may be needed as at individual level as on the level of community (in case if the level of community and public services were decreased or access to them became harder; if some community recreation areas were affected by project, etc).

For community level the project design will be updated or special plans for restoration of community services will be undertaken. The restoration of community affected infrastructure will be consulted with local authorities and users.

Livelihood restoration of project affected persons may applicable in such situations as:

- Physical resettlement
- When the land to be acquired or restricted is an only source for income
- When persons will lose the job or business as result of project implementation.

The Livelihood restoration measures might be necessary will be identified during socio-economic study within the framework of RAPs preparation. RAPs will be contain the livelihood restoration plan applying the following principles:

- Livelihood restoration measures will be developed taking into account not only physical persons but also community sustainable development;
- The elaborated livelihood restoration measures will be consulted with Project affected peoples and communities members.
- The livelihood restoration measures will be implemented prior start of resettlement process for avoiding of period when resettlement or economical displacement have been done but the livelihood restoration measures not provided yet.
- During implementation of livelihood restoration the gender differentiated approach will be followed because as usual women and girls are more vulnerable to displacement. The livelihood restoration activities will take into account women`s needs and preferences.

10. Grievance Mechanism

Population displacement and the resettlement process can raise several grievances and complaints on the part of the project affected persons. They include grievances related to land acquisitions, entitlements and compensation, disruptions to livelihoods, services and facilities, issues, etc.

The grievance mechanism for land acquisition livelihood restoration process have 2 levels:

- Local level
- A person (or a group of persons) may apply to the Road Service in the region or to the State Rayon Administration with a written request describing a problem or a proposal, in any format. The authority contacted by a person will address the grievance and respond to the complainant within the timeframe established by the Law of Ukraine "On Citizens' Appeal". Grievances can be either signed by persons (group of persons) or anonymous. Grievances will be addressed and resolved during 30 days. If the grievance / appeal don't require additional measures (i.e. request for information) the response will be given during 15 days. In case if grievance resolving is impossible during 30 days, the complainant will be informed about terms extension (in case if complainant mentioned his contact

information). The total term of resolving the issues may not exceed 45 days. The grievances, received from persons with vulnerabilities will be considered first and as soon as possible.

Contacts of local road services:

Lviv road service for Lviv bypass construction:

79053, Lviv, Volodymyra Velykogo str.,54

tel.: +38 (032) 263-20-33

e-mail. sadlo@i.ua

website: <https://lv.ukravtodor.gov.ua/>

link on online filing in and submitting of grievance form:
<https://lv.ukravtodor.gov.ua/hromadskosti/6738.html>

M-05 capital repair

Cherkassy oblast

Cherkasy road service:

18006, Cherkassy, Shevchenko ave., 389

Tel.: +38 (0472) 71-45-43, +38 (0472) 71-45-34

e-mail: sad_cherkassy@ukravtodor.gov.ua

website: <https://ck.ukravtodor.gov.ua/>

link on online filing in and submitting of grievance form:
<https://ck.ukravtodor.gov.ua/hromadskosti/5676.html>

Kyrovograd oblast

Kyrovograd road service:

25015, Kropyvnytskyi, Poltavska str., 38

Tel.: +38 (0522) 37-91-12

e-mail: sadko@ukravtodor.gov.ua

website: <https://kr.ukravtodor.gov.ua/>

link on online filing in and submitting of grievance form:
<https://kr.ukravtodor.gov.ua/hromadskosti/7446.html>

Odesa oblast

Odesa road service:

65031, Odesa, Hrushevskogo str., 49

Tel.: +38 (050) 417-17-50

e-mail: sad-od@ukravtodor.gov.ua

website: <https://od.ukravtodor.gov.ua/>

link on online filing in and submitting of grievance form:
<https://od.ukravtodor.gov.ua/hromadskosti/6974.html>

Project level

In the event that the complainant is not satisfied with the grievance resolution at the local level, he / she is entitled to apply directly to Ukravtodor and the Project Implementation Unit (PIU) to the following contacts:

- Ukravtodor: 03150, Kyiv, 9, Fizkultury st.
e-mail: kae@ukravtodor.gov.ua
Tel.: (044) 287 -51 -78

- PIU: SE “Ukrdorinvest”: 03150, Kyiv, 51, Antonovycha st., Office 701
e-mail: mail@ukrdorinvest.gov.ua
Tel.: (044) 287 -70 -60

The term of addressing and resolving grievances – up to 30 days.

In the event that no agreement is reached on the grievance, the complainant, as a last resort, may apply to the court of competent jurisdiction in accordance with the procedure established by national legislation.

For each of the RAPs, a grievance mechanism will be developed both at the local level and at the level of Ukravtodor based on this RPF. The channels for filing complaints will be listed in RAPs and communicated to the public during the consultations.

The PIU and Ukravtodor have a capacity for regular monitoring of grievance addressing process. All grievances that will be received at both the local and the project levels during RAPs preparation, implementation and RAP post-implementation monitoring and the actions taken by the parties to resolve these grievances will be recorded in the grievance log and sent to EIB and EBRD on a yearly basis or upon a request.

11. Measures to monitor land acquisition and compliance with Lenders requirements

In order to monitor the land acquisition and grievance redress process, an expert will be involved in the project by Ukravtodor, who will report to Ukravtodor, EIB and EBRD on any violations of land owners rights, any additional negative impacts on the population, will maintain the grievance log, monitor the number of land plots required for acquisition, and deliver appropriate reports.

Ukravtodor will work closely with PIU, which will be providing daily support to the project implementation, regional Road Services and local authorities. The Road Services will report to Ukravtodor on the progress of the compensation process and the number of land plots subject to alienation, as well as on the grievances received from the stakeholders and the measures taken to address them.

The monitoring indicators given in Table below

Indicator	Additional notes	Frequency
Overall information about RAP implementation	<ul style="list-style-type: none">- The amount of land plots which need to be acquired- The amount of structures needed to be acquired:- Amount of PAPs (by groups) that claim to compensation- Number (and percentage) of land plots/houses/businesses for which compensation agreements were signed	Quarterly
Number of formal and informal households that have to be physically displaced	Data will be received through the census/survey.	Quarterly

Number of formal and informal businesses that have to be relocated		
Number of grievances regarding RAP implementation received	Grievances which were received by all project implementation parties and how they were addressed.	Quarterly

After RAP completion, the independent will be carried out to ensure that any livelihood restoration and land acquisition measures is substantially completed.

12. Budget

To the date of this RPF preparation, the design for civil works is still under preparation and it is not possible to determine the budget for land acquisition, compensations payments and implementation of mitigation measures. The budget for compensations and mitigation measures will be specified during RAP preparation, where the project design will be prepared and approved by Cabinet of ministers of Ukraine.

Summary

During the public disclosure of draft RPF the interested parties were informed about the Project activities, terms of project implementation, previous design, land acquisition procedure, channels for grievance submission. The local authorities, NGOs, population and opinion leaders were able to make their suggestions for design. This suggestion will be considered by design organization during design elaboration.

The next round of consultations will be undertaken during preparation of Resettlement action plan. It is planned that these consultations will be organized directly in settlements where land acquisition or taking of livelihood restoration measures will be required.