

**KYRGYZ REPUBLIC
OAO BISHKEKTEPLOSET
AGENCY FOR COMMUNITY DEVELOPMENT AND INVESTMENT (ARIS)**

HEAT SUPPLY IMPROVEMENT PROJECT (HSIP) (P157079)

RESETTLEMENT POLICY FRAMEWORK (RPF)

**BISHKEK
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ABBREVIATIONS AND DEFINITIONS

AA	Ayil Aimak (A cluster of villages united under one local government)
ARIS	Community Development and Investment Agency
AO	Ayil Okmotu (local government)
BTS	Bishkekteploset'
CHP	Combined Heat and Power
CO	Carbon Monoxide
DDE	Detailed Design Estimates
DH	District Heating
GRM	Grievance Redress Mechanism
IDA	International Development Association
IOL	Inventory of Losses
HSIP	Heating Supply Improvement Project
JK	Jogorku Kenesh
KR	Kyrgyz Republic
LPB	Low Pressure Boiler
LSG	Local self-government bodies
M&E	Monitoring and Evaluation
OM	Operational Manual
PAP	Project Affected Person
PDO	Project Development Objective
PIU	Project Implementing Unit
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
Census	A complete count of the population affected by the project activity including collation of demographic and property information. This will identify and determine the number of Project Affected Persons (PAPs) and the nature and levels of impact.
Compensation	The payment in kind or cash given in exchange for the assets to be acquired under the project
Cut-off date	Date of registry or census that serves as the eligible cut –off date to prevent any further encroachers or other persons willing to take advantage of benefits. The cut-off date will be the date of

commencement of the census for the Resettlement Action Plan.

Economic rehabilitation assistance

The provision of assistance in addition to compensation such as land preparation, credit facilities, training, or job opportunities, needed to enable PAPs to improve their living standards, income earning capacity and production levels; or at least maintain them at pre-project levels.

Involuntary resettlement

The involuntary taking of land resulting in direct or indirect economic and social impacts caused by:

- a) Loss of benefits from use of such land;
- b) relocation or loss of shelter;
- c) loss of assets or access to assets; or

d) loss of income sources or means of livelihood, whether or not the PAP has moved to another location.

Project affected Person (PAP)

Person or household exposed to direct economic or social impact caused by: A) involuntary taking of their land that led to (i) relocation or loss of shelter; (ii) loss of assets or access to assets; (iii) loss of sources of income or means of livelihood regardless of whether or not the said PAP physically relocates. B) involuntary restriction of access to legally marked parks and protected areas that adversely impact the life activities of displaced people.

Resettlement Action Plan (RAP)

A resettlement instrument (document) to be prepared when sites/locations are identified. RAPs contain specific and legally binding requirements to be abided by to resettle and compensate the affected party before implementation of the project activities.

Resettlement Assistance

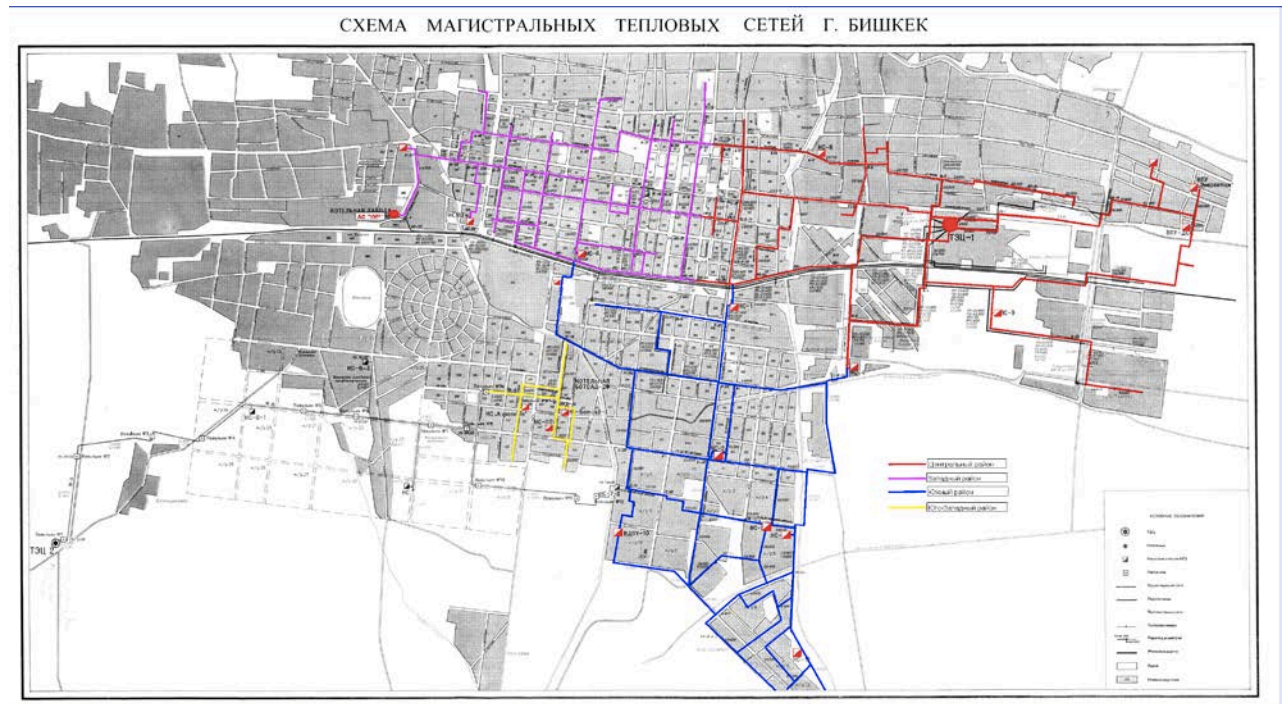
The measures to ensure that project affected persons who may require to be physically relocated are provided with assistance such as moving allowances, residential housing or rentals whichever is feasible and as required, for ease of resettlement during relocation

1. INTRODUCTION

1.1 PROJECT OBJECTIVES, COMPONENTS AND GEOGRAPHIC COVERAGE

The Project Development Objective (PDO) of the Heat Supply Improvement Project (HSIP) is to improve the efficiency and quality of heat supply in project target areas. The PDO will be achieved through: (i) improving supply reliability and efficiency of the district heating (DH) system in Bishkek (see Picture 1 below); (ii) implementing an efficient and clean heating stove program for low income households; and (iii) improving the energy efficiency of public buildings.

Picture 1. The map of main heating networks in the city of Bishkek.



The project is expected to provide benefits to more than 103,000 customers connected to the DH network operated by Bishkekteploset JSC (BTS); around 90,000 households and 29 public facilities are estimated to directly benefit from upgraded building-level substations, installed heat and hot water meters and the modernized transmission pipeline section. About 15,000 poor households will directly benefit from efficient and clean heating stoves and low pressure boilers (LPB) at subsidized price. Improved heat supply, higher comfort levels and better functionality in select public buildings (e.g. schools, hospitals, kindergartens, clinic centers, etc.) will benefit patients, students/ toddlers, doctors and teachers working and spending most of their days in these buildings.

The HSIP includes three components: (1) improving supply reliability and efficiency of the DH system in Bishkek; (2) promoting efficient and clean individual heating solutions for households and public buildings; and (3) improving energy efficiency in public buildings. A summary of activities to be financed under each Component is provided below.

Component 1: Improving supply reliability and efficiency of the DH system (estimated US\$31 million IDA financing). This component will be implemented by BTS and support activities aimed at improving the reliability and efficiency of the DH system in Bishkek. The Component consist of the following subcomponents:

Subcomponent 1.1: Priority investment program for DH rehabilitation (estimated US\$30 million IDA financing). This subcomponent will finance two priority investment packages and related consulting services (e.g. designs and supervision)¹. The proposed investment measures were selected based on a comprehensive pre-feasibility study and the following criteria: (i) impact on heat and hot water loss reduction, as measured by the economic rate of return; (ii) impact on supply reliability and quality assessed based on the technical condition of the DH network (e.g. age and condition of assets, breakdown statistics and number of customers connected); and (iii) complementarity with planned investments financed by BTS and other development partners. The two priority investment packages proposed for financing include:

Package 1: Modernization of individual (building-level) heat substations (estimated US\$16 million IDA financing). This package will support: (i) the installation and renovation of individual heat substations (IHS), including installation of heat and hot water meters with remote reading functions ('smart meters') in 1,931 residential buildings; and (ii) the installation of a preventive maintenance information system for substations.

Package 2: Replacement and reconstruction of the 'Vostok' transmission network with pre-insulated pipes (estimated US\$14 million IDA financing). This package will finance the replacement and reconstruction of the most critical sections of one of the five main transmission pipelines, which delivers heat from the CHP plant to about 31% of BTS' customers located in the South of the city.

Subcomponent 1.2: Capacity building and implementation support. This Subcomponent will finance activities aimed at improving technical and operational capacity and practices within BTS, and ensure effective Project implementation. Specific activities include: (i) automation of BTS' billing system to ensure proper revenue accounting, facilitate the transition to consumption-based billing and improve billing accuracy for customers; (ii) targeted capacity building activities for BTS staff to strengthen technical and operational capacity, including enhanced customer orientation; and (iii) implementation support for effective Project management, including Project monitoring and evaluation (M&E) activities (e.g. customer satisfaction surveys), public outreach campaigns to affected customers, strengthening of BTS' Project Implementation Unit (PIU), Project audits and incremental operating expenses.

Component 2: Efficient and clean heating stove program (estimated US\$5 million IDA financing). This Subcomponent aims to improve access to affordable, efficient and clean solid fuel-fired heating stoves and LPBs for low income households without connection to a DH system and currently relying on traditional solid fuel-based heating solutions. Expected key benefits of switching to efficient and clean heating stoves and LPBs include: reduced solid fuel consumption and related household expenditures; significant reduction of PM_{2.5} and CO emission, which will help to decrease exposure to indoor and outdoor air pollution; improved comfort levels in terms

¹ The draft Terms of References (ToRs) for the design of the two investment packages have been agreed, and the procurement of consulting companies to prepare the design and bidding documents, and support construction supervision will be launched in early February 2017.

of higher indoor temperature; and enhanced user convenience by reducing the need for constant refueling and extensive cleaning of chimneys.

Component 3: Improving energy efficiency in public buildings (estimated US\$8.8 million IDA financing) This Subcomponent will finance energy efficiency investments in select public buildings (e.g. schools, kindergartens, hospitals and clinic centers) and related capacity building activities. Given their social outreach capacity and sizeable share in total energy consumption, public buildings are considered to be a good starting point for demonstrating the multiple benefits of energy efficiency and its importance as a solution to help address winter energy shortages. Specifically, improving energy efficiency in public buildings will help to reduce heat losses, enhance comfort levels and improve the efficiency and quality of heat supply in the selected buildings. Subject to current comfort levels, improving energy efficiency is also expected to help reduce energy consumption and decrease related public expenditures. This Subcomponent consists of two main activities.

1.2 JUSTIFICATION FOR AND SCOPE OF THE RESETTLEMENT POLICY FRAMEWORK

Based on planned project activities under Component 1, resettlement impact will be limited to temporary land acquisition, restriction of access and economic resettlement. No physical displacement or land acquisition is expected. There are no civil works under component 2 and, consequently, no resettlement impact. Civil works under component 3 are limited to existing public buildings and will also not involve any resettlement impact.

Under Component 1, the exact alignment of the transmission network and the scale of civil works will be known when detailed design estimate (DDE) documentation is completed.

As the alignment is not finalized and the scale of impact is not known at the moment, this calls for a framework approach. A Resettlement Policy Framework (RPF) provides guidelines for development of appropriate mitigation measures, including compensations for mitigation and reparation of the damages due to impacts of land acquisition and resettlement, caused by future project activities whose exact locations are not known yet. RPFs are applicable to all Heat Supply Improvement Project activities, which may have impacts in the form of:

- Resettlement or loss of shelter;
- Loss of assets or access to them;
- Loss of income sources or means of subsistence, regardless of the fact, whether people affected by the project impact (PAPs) are forced to resettle.

RPF also defines the following: (i) the scale of potential impacts (temporary or permanent) on the possible use of land by the project, access to the land, buildings / structures and sources of income; (ii) describe in detail the legal foundation for land acquisition; (iii) determine the mechanisms of compensation or assistance, resettlement procedures, eligibility criteria for compensation to the resettled population, methods of assessment; (iv) contain a matrix of the right for compensation, describe the processes of implementation, publication, dissemination of information and consultation procedures; and (v) grievance mechanisms and monitoring.

The RPF establishes resettlement objectives and principles, organizational arrangements, and funding mechanisms for any resettlement operation that may be necessary during project

implementation. The framework also estimates the probable number of affected persons and resettlements, and especially for financial intermediary projects, assesses the institutional capability to design, implement, and oversee resettlement operations. When during project implementation the extent of resettlement in any subproject becomes known, an RAP (or an abbreviated RAP, depending on the scale and severity of impacts) is prepared before the investment is approved for funding (OP 4.12, paras. 29–30).

RPF contains measures to ensure the following conditions:

- (i) PAPs are informed of their options of choice and rights related to the resettlement;
- (ii) PAPs participate in consultations on possible options for compensation, have the right of choice and are provided with technically and economically feasible alternatives of resettlement;
- (iii) PAPs are provided with the prompt and effective compensation at full cost of replacement² for the loss of assets related to implementation of HSIP;
- (iv) PAPs are compensated according to the scale and scope of impact;
- (vi) PAPs are able to utilize a grievance redress mechanism (GRM).

The RPF is developed based on the following principles:

- To avoid or at least minimize the need for involuntary resettlement at the design stage;³
- PAPs should at least be provided with adequate assistance to improve or at least to restore previous pre-project living conditions;
- PAPs should be fully informed and consulted on compensation / replacement options;
- Lack of the formal legal land title is not an obstacle to get compensation or alternative forms of assistance;⁴
- Special attention during the resettlement process should be given to socially vulnerable groups of population, such as ethnic minorities, female-headed

² OP 4.12 footnote 11, item 6(a) (iii); OP 4.12 Annex A footnote 1.

The cost of replacement for the land is equal to the market value of the land, which has the same production potential or use, located near the land exposed to impact, plus the cost of fees for registration of rights for land ownership, land use and land transfer.

The cost of replacement of buildings and facilities is equal to the market value of materials that will be needed for construction of the replacement structure, with location and quality similar or better than of the impacted structure, or repair of partially affected facilities, plus the cost of delivery of building materials to the construction site, plus the cost of work of contractors, and plus taxes for registration and re-registration of property rights. At this, depreciation of objects and costs of usable materials are not taken into account, as well as the cost of benefit of the project implementation.

³ The safeguard consultant will work closely with the designer/ engineer to foresee potential impacts and try to mitigate such impacts where/ when possible.

⁴ Under OP 4.12, displaced persons may be classified in one of the following three groups: (a) those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country); (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 laws of the country or become recognized through a process identified in the resettlement plan (see OP 4.12 Annex A, para. 7(f)); and (c) those who have no recognizable legal right or claim to the land they are occupying.

households, the elderly, and so on, providing them with proper assistance to improve the standard of living;

- Compensations must be paid to PAPs at full cost of replacement⁵ prior to land acquisition, without any deductions for other purposes.⁶

⁵ OP 4.12 provides the following definition for “replacement cost”: For agricultural land, it is the pre-project or predisplacement, whichever is higher, 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. For land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes. 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 valuation of an affected asset. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard. Such additional assistance is distinct from resettlement measures to be provided under other clauses in OP 4.12, para. 6.

⁶ According to OP 4.12, the resettlement action plan (RAP) provides “prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project” (para. 6).

2. LEGAL FRAMEWORK

2.1 LAND ACQUISITION AND RESETTLEMENT IN THE KYRGYZ REPUBLIC

The main legal document regulating the citizen' rights for land is the Constitution of the Kyrgyz Republic as of 2010, according to which land is under the state, municipal, private and other forms of ownership.

Article 12 specifies as follows (excerpt):

1. In the Kyrgyz Republic it is recognized the variety of forms of ownership and their equal protection is guaranteed.
2. Ownership is inviolable. None can be arbitrarily deprived of his property. Expropriation of property against the will of the owner is possible only through a court decision.
3. Land, sub-soil resources, air space, waters, and forests are an exclusive property of the Kyrgyz Republic; those are used for protection of the unified environmental system being a basis of life and livelihood of KR people and are under the special protection of the Government.
4. The extent and procedures used by owners to exercise their rights and ensure protection of those are regulated by the Law.

In addition to the Constitution, the Land Code of the Kyrgyz Republic is an important body of legislation that regulates land rights. Below are the articles of the **Land Code** of the Kyrgyz Republic⁷ containing the most suitable issues on land use and land acquisition:

Article 4. Ownership of Land

1. In accordance with the Constitution of the Kyrgyz Republic, land may be the state, communal, private or other forms of ownership.
2. State - owned land shall include lands allocated to the state land users, lands of forest, water funds, lands of especially protected natural territories, lands of reserve stock, lands of frontier area, lands of the State fund of agricultural land, pastures of rural settlements, pastures in the zone of intensive use, as well as distant pastures, and other lands have not been transferred in private or municipal ownership.

State ownership shall also include lands of state livestock breeding, seed-growing, experimental farms, testing stations and areas, bases of education and scientific research institutions of agricultural profile formed on the lands of the State agricultural fund, except for the lands allocated as a land shares to the citizens residing and working in the given farms.

⁷ As of 2 June 1999 No45. The Laws of KR as in force on 28 December 2000 No 93, 4 January 2001 No 2, 4 January 2001 No 3, 12 March 2001 No 30, 11 May 2002 No 78, 17 February 2003 No 36, 9 July 2003 No 123, 5 December 2003 No 227, 23 June 2004 No 77, 7 February 2005 No 15, 28 February 2005 No 40, 4 June 2005 No 67, 20 January 2006 No 7, 25 July 2006 No 126, 28 December 2006 No 217, 26 February 2007 No 22, 26 February 2007 No 23, 17 October 2008 No 231, 26 January 2009 No 29, 11 March 2009 No 79, 26 May 2009 No 171, 22 July 2011 No 117, 16 November 2011 No 213.

The right of the State ownership to land shall be exercised by the Government of the Kyrgyz Republic on the entire territory of the Republic and by the local state administrations within jurisdiction established by this Code.

3. Lands within the borders of Aiyl Okrug (AO) and towns/cities belong to municipal ownership, except for land in private and state ownership.

Management and disposal of lands in municipal ownership shall be exercised by:

- within the borders of Aiyl Aimaks (AA) - by the executive body local self-government;
- within the borders of cities - by local self-government body;

Management of lands in the state ownership within the borders of AAs and towns shall be exercised by the bodies of local self-government in cases stipulated by this Code.

4. Pastures cannot be transferred to private ownership or lease.

Article 7. Terms of utilization of land plots by land users

1. The use of a land plot may be unlimited (without indication of term) or fixed-term (temporary).
2. The fixed-term (temporary) use of the land plot including the conditions of the lease agreement shall be recognized the use of land limited in term up to 50 years. After expiration of this period, the period of use of the land plot may be prolonged subject to the agreement of parties.
3. Land plots shall be provided to foreign individuals for fixed-term (temporary) use only.
4. As a rule, agricultural land of the State agricultural fund shall be granted for lease for the period of not less than 5 years.

Article 35. Transfer of a land plot. Payment for transfer of a land plot (excerpt)

1. An owner of a land plot or a land user may transfer his right to a land plot fully or partially to other individual or legal entity without any permission of state agencies unless otherwise provided by this Code, other legislative acts of the Kyrgyz Republic, and conditions of allocation of a land plot.
2. Upon transfer of a right to land plot by the owner or land user to other individual or legal entity the amount of payment for land plot shall be determined by the agreement of parties.

Article 53. Establishment of an easement

1. An easement may be established by the agreement of parties (voluntary easement) or, if necessary, by decision of the authorized agency (involuntary easement).
2. Encumbrance of land with an easement shall not deprive the land owner or land user to use and dispose his right to a land plot.

Article 56. Purposes of establishment of an involuntary easement

1. In cases provided by this Code and other legislation, an authorized agency may establish involuntary easement upon request of an interested party.
2. The involuntary easement shall be established to provide:
 - 1) access to a land plot if another access is impossible, extremely difficult, or requires incommensurate expenses;
 - 2) laying and operation of electric transmission lines, communications, water supply, heat supply, reclamation, and other needs that may not be provided without establishment of the involuntary easement.

Article 57. Indemnification of damages related to establishment of the involuntary easement. Fee for the involuntary easement (excerpt)

1. Infliction of loss upon a land owner or land user by establishment of the involuntary easement shall be subject to indemnification by the person in whose interests the easement is established.

Article 62. Termination of the title to a land plot

The title to land plot shall terminate in the following cases:

- 1) alienation of the right to land plot to another person;
- 2) foreclosure of the land plot being in ownership or in use upon the claims of creditors in accordance with legislation;
- 3) death of a land owner or land user in the absence of heirs;
- 4) voluntary waiver of the rights to land plot by the land owner or land user;
- 5) expiration of the term of the land use;
- 6) termination of labor relations or equivalent relations, based on which the official land plot was allocated for use;
- 7) impossibility of further use of the land plot caused by a natural disaster;
- 8) withdrawal of the land plot
- 9) disestablishment of the state or municipal land user, public association, social fund, and of a religious organization;
- 10) withdrawal of citizenship of the Kyrgyz Republic of the owner of the agricultural land plot or land plot, except in case of mortgage housing construction.
- 11) upon termination of the concession agreement, contract on mining concessions, production sharing agreements, as well as the termination of mineral rights;
- 12) termination of the agreement concluded in the framework of public-private partnership.

Article 66. Grounds for withdrawal of the land plot (excerpt)

1. Withdrawal of the land plot shall be allowed in the event of:
 - 1) utilization of a land plot in violation of its targeted use;
 - 2) withdrawal (redemption) of the land plot for the state and public needs in accordance with provisions of this Chapter;
 - 3) failure to use a land plot or part of the land plot allocated for agricultural production within three years;

- 4) failure to use within the specified period a land plot allocated for non-agricultural production in accordance with the legislation of the Kyrgyz Republic;
 - 5) failure to pay land tax within the period established by the tax legislation;
 - 6) failure to pay insurance fees within the period established by the Law of the Kyrgyz Republic «On Tariffs of Insurance Fees for the State Social Insurance».
 - 7) termination (cancellation) the mineral rights by the State body on use of subsoil recourses in cases provided by the Law of the Kyrgyz Republic “On Subsoil”.
4. The land plot may be withdrawn for satisfaction of the state and public needs subject to payment of the value of the right to land plot and indemnification of losses.

Article 68. Withdrawal of the land plot for the State and Public needs (abstract from the Article)

- 3 Upon calculation of the redemption price of the land plot, it shall include the market value of the right to land and of the buildings and structures located on the land, and the damages inflicted to the land owner or land user by termination of the right to land plot, including the losses connected with early termination of his obligations to third parties.

2.2 WORLD BANK POLICIES ON INVOLUNTARY RESETTLEMENT

The WB Operational Policy 4.12 is focused on prevention and/or minimizing the risks related to involuntary resettlement.

The overall objectives of the OP 4.12 are as follows:

(a) Involuntary resettlement should be avoided where feasible, or minimized, exploring all technically viable alternative project designs.

(b) Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the PAPs to share in project benefits. People to be resettled should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.

(c) Resettled people 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-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

The policy requires development of RAPs to minimize impacts of involuntary resettlement. RAPs will stipulate measures to ensure informing about possible resettlement options and entitlements, proposed and technically and economically suitable resettlement alternatives and ensuring prompt and efficient compensation of costs of full relocation based on the replacement cost for loss of assets directly resulting from the project implementation.

Where the impacts on total resettled population are small (less than 200 people), the abbreviated RAP can be prepared. For projects that have a significant impact on resettlement (more than 200 people), it is required to prepare the complete RAP. The policy requires that the following issues have to be taken into account in the process of resettlement planning:

1. Displaced persons as well as the residents of the host settlements should be provided with timely and relevant information, participate in consultations on resettlement options, and

have opportunities to participate in planning, implementing, and monitoring of the resettlement activities. Appropriate and accessible mechanisms for administration and redress of grievances should be established for these groups.

2. In new resettlement sites or in host communities, the necessary infrastructure and public services should be provided to improve, restore, or maintain accessibility and quality of service for the displaced persons and local residents. Alternative or similar resources to be provided to compensate the loss of access to common utility resources.

To achieve the policy objectives the WB requires, that particular attention is paid to the needs of vulnerable groups among the resettled population, especially those below the poverty line, the landless, the elderly, women and children, and ethnic minorities.

2.3 COMPARISON OF REQUIREMENTS OF OP 4.12 WITH KYRGYZ LEGISLATION ON RESETTLEMENT POLICY

The main differences between the Land-Laws of the Kyrgyz Republic and WB Operational Policy 4.12 are outlined in the table 2.3.1 below.

Table 2.3.1. MAIN DIFFERENCES BETWEEN LAND-LAWS OF THE KYRGYZ REPUBLIC AND OP 4.12 “INVOLUNTARY RESETTLEMENT”

Provisions of the KR' Land Code	Requirements of the WB OP 4.12	Actions on implementation ⁸
<p>Compensation for acquired land only for titled landowners, i.e. for those PAPs who have formal document for the right to land use, or who are holders of customary rights.</p>	<p>Lack of formal title to land will not prevent PAPs from entitlements, i.e. those people without legal title to land and/or facilities/structures occupied or used by them, are entitled to compensation for various options of resettlement assistance according to the entitlement matrix, subject to that they cultivated/occupied the land before the eligibility cut-off date.</p>	<p>Within the HSIP, regardless of the presence or absence of legal rights to the land PAPs are entitled to compensation for structures, crops and trees, and rehabilitation measures in accordance with the WB OP 4.12.</p>
<p>Consultations with PAPs or communities in respect of land or asset confiscation are not required.</p>	<p>PAPs are to be fully informed and consulted on compensation, entitlements and resettlement options including location of new settlements. This includes consultations with participation of PAPs, information dissemination campaigns, and opportunities to participate in monitoring depending on the nature and scale of impacts. Resettlement plans to be developed and prepared in consultation with PAPs and other stakeholders.</p> <p>Separate consultations may be needed in order to provide women with information and sufficient opportunities to express comments.</p>	<p>During HSIP implementation, there will be obligatory consultations on resettlement options for PAPs. The consultations will be gender-sensitive and will account for necessary accommodations to engage women in the consultations.</p>
<p>There is no separate grievance mechanism on resettlement.</p>	<p>RPF and RAP set forth grievance redress procedures.</p>	<p>PRF provides for procedures for administration of grievances. The resettlement focused GRM will be a part of the project-level</p>

⁸ Implementation of international legal norms by the Project.

Provisions of the KR' Land Code	Requirements of the WB OP 4.12	Actions on implementation ⁸
		comprehensive GRM.
The lack of information disclosure procedures.	Information disclosure is a mandatory requirement. In keeping with OP 4.12, "as a condition of appraisal of projects involving resettlement, the borrower provides the Bank with the relevant draft resettlement instrument which conforms to this policy, and makes it available at a place accessible to displaced persons and local NGOs, in a form, manner, and language that are understandable to them. Once the Bank accepts this instrument as providing an adequate basis for project appraisal, the Bank makes it available to the public through its InfoShop. After the Bank has approved the final resettlement instrument, the Bank and the borrower disclose it again in the same manner."	The procedure for the disclosure of information is provided in RPF.
Compensation for land is carried out at the redemption price of the land plot, including market value of the rights to a land plot and of buildings and structures located on it, as well as losses caused by an early termination of obligations of the land owner to the third parties.	<p>It is preferably to allocate the land in exchange to acquired lost land plot, and the proposed plot should be acceptable for PAPs and it should match in size and fertility to the acquired land.</p> <p>If it is impossible to find a suitable land, then compensation to be made in cash or allocation of another plot with a surcharge on the cost of replacement. The cost of replacement for the land is equal to the market value of the land, which has the same production potential or use, located near the land exposed to impact, plus the cost of preparation of land to a condition similar to that of the land affected by the project, plus the cost of fees for registration and re-registration of rights for land ownership and land use.</p>	<p>Priority option is land-for-land compensation: to provide a replacement land plot at equivalent market value and quality as the original land plot. However, if replacement of land for land is not possible, compensation will be made in cash at the full cost of replacement.</p> <p>The Kyrgyz legislation does not stipulate for state duty for registration/re-registration of right for land ownership and use but during implementation of HSIP these costs will be covered by the borrower.</p>
Compensation for other assets (buildings, crops, trees, and the business income) is made to official users at market value.	The cost of replacement of buildings and facilities is equal to the market value of materials that will be needed for construction of the replacement structure, with location and quality similar or better than that of the structure under impact, or repair of partially affected facilities, plus the cost of delivery of building materials to	Compensation for any other assets that fall under the impact of the project (structures, crops and trees, as well as commercial losses / loss of income) will be made in cash or in

Provisions of the KR' Land Code	Requirements of the WB OP 4.12	Actions on implementation ⁸
	the construction site, plus the cost of work of contractors, and plus taxes for registration and re-registration of property rights. At this, depreciation of objects and costs of usable materials are not taken into account, as well as the cost of benefit of the project implementation.	kind, at the full cost of replacement ⁹ both to the official and non-official users.
Provisions on support to vulnerable PAP are not specified.	Under OP 4.12, vulnerable groups will be provided assistance. OP 4.12 stipulates that “particular attention is paid to the needs of vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples, ethnic minorities, or other displaced persons who may not be protected through national land compensation legislation.”	Vulnerable and poor PAPs have the right to appropriate additional measures to help prevent further negative impacts during implementation of the RAP. Additional assistance can be provided in the form of allocation of land and other property, the payment of cash benefits and compensations, employment and so on - depending on the specific conditions. Gender issues will be also taken into account. In addition, impact will be monitored to identify whether proposed additional measures for prevention of adverse impact are adequate and if other measures are required.
Payment for transportation costs and involuntary displacement is not specified.	The replacement cost includes delivery costs of building materials and relocation costs.	The replacement costs, which include delivery costs of building materials and relocation costs, will be included in the RAPs per the OP 4.12

⁹ The full cost of replacement is equal to the market value of materials that will be needed for construction of the replacement structure, with location and quality similar or better than that of the structure under impact, or repair of partially affected facilities, plus the cost of delivery of building materials to the construction site, plus the cost of work of contractors, and plus taxes for registration and re-registration of property rights. Depreciation of objects and costs of usable materials are not taken into account, as well as the cost of benefit of the project implementation.

Provisions of the KR' Land Code	Requirements of the WB OP 4.12	Actions on implementation ⁸
		requirements and definition of the full replacement cost (see footnote 8).
At DED development stage, proposals for acquisition of agricultural, high-yielding land are not applied when other land is available.	Any land acquisition and resettlement is to be avoided, or if it cannot be avoided, it should be minimized by exploring all possible options.	Consideration of alternatives, both placements and technical capabilities of subprojects, to avoid or minimize, as far as possible, the need for land acquisition and resettlement.
No compensation for temporary or permanent loss of income/livelihood is stipulated for. Compensations for impact on business, temporary acquisition and temporary restriction are not stipulated.	Requires compensation for loss of livelihoods and income as a result of temporary or permanent land acquisition.	Providing compensation for loss of land or assets, or for the temporary cessation of revenue. ¹⁰

¹⁰ Specific formula on how this compensation will be calculated will be established in the relevant RAP. The Table 3.2.1 Entitlement Matrix provides a general guide on how compensations will be calculated.

In case of differences between the Laws of the Kyrgyz Republic and the requirements of OP 4.12 “Involuntary Resettlement”, the principles and procedures of OP 4.12 will be applied.

3. ELIGIBILITY CRITERIA AND PROCEDURES FOR VARIOUS CATEGORIES OF AFFECTED PEOPLE

3.1 PRINCIPLES

The involuntary withdrawal of land results in relocation or loss of shelter; and loss of assets or access to assets or loss of income sources or means of livelihood, whether or not the PAPs must move to another location or not. OP 4.12 suggests the following three criteria for eligibility¹¹:

- (a) those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country);
- (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 laws of the country or become recognized through a process identified in the resettlement plan (see Annex A, para. 7(f));
- (c) those who have no recognizable legal right or claim to the land they are occupying.

Persons covered under categories (a) and (b) are provided compensation for the land they lose, and other assistance. Persons covered under category (c) are provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives set out in this policy, if they occupy the project area prior to a cut-off date established by the borrower and acceptable to the Bank. Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. All persons included in categories (a), (b), or (c) are provided compensation for loss of assets other than land.

It is therefore clear that all project affected persons irrespective of their status or whether they have formal titles, legal rights or not, squatters or otherwise encroaching illegally on land, are eligible for some kind of assistance if they occupied the land or had use of it, before the entitlement cut-off date.

¹¹ Para 15 OP 4.12

3.2 ELIGIBILITY CRITERIA AND RIGHT TO COMPENSATION

Table 3.2.1 Entitlement Matrix

Project Impact	PAP Category	Asset Affected	Compensation Guide
Temporary acquisition of land for works and construction	Land owners and renters	Land	Rental for land based on market tariffs taking into account the rates as of the current period and land restoration and all assets located on the land in the previous condition.
	Informal user	Land	Restoration, replacement or compensation of all assets damaged or removed. In the case of loss of income, compensation in the amount of confirmed lost income shall be paid.
Permanent acquisition of land for works, construction or as part of first sanitary protection area. ¹²	Land owners and renters	Land	Replacement land of equivalent market value as priority option within the acreage and fertility. In case of non-availability of land, cash compensation at market rate and replacement value will be paid, including fees for registration and re-registration of rights and the costs for recovery of land to ensure the condition of affected land. If the remainder of the plot is not economically viable the entire plot will be purchased upon the owner's request.
	Informal user	Land	Land compensation is not envisaged. However, if a land plot was used as a means of subsistence then such means are restored.

¹² The term "first sanitary protection area" refers to the territory immediately around the project site; the distance/radius of the area is determined by the type of civil works.

Project Impact	PAP Category	Asset Affected	Compensation Guide
		Assets	Compensation in cash for linked assets at replacement value.
Permanent acquisition of legal structure.	Owner of structure	Any structure including fence, sanitation structure etc.	Replacement with structure of equivalent value or compensation in cash at replacement value and the right for usable materials.
Permanent acquisition of illegal structure	Owner of structure	Any structure including house, fence, sanitation structure etc.	Replacement with structure of equivalent value or compensation in cash at replacement value and the right for usable materials.
Restriction of access to houses	Tenant or House owner	Section of residential compound temporarily affected or access to house affected by works	Recovery of lands up to its initial condition. In-kind compensation for affected need such as alternative car parking facility. Disturbance allowance set on the basis of minimum wage for each week (7 days) of disturbance calculated on a pro rata basis (a specific formulation of the allowance would be established in the relevant RAP).
Vendors or business entrepreneur	Owner of business	Temporary loss of business due to works.	Cash compensation of estimated business loss assessed from records of preceding 3 months or equivalent business (if no records). Disturbance allowance equivalent to 7 days of business profit Compensations and assistance for relocation
	Employees of business	Temporary loss of employment	Cash compensations for temporary loss of employment; compensations will be determined based on the records of preceding 3 months of employment.
Tree owner	Owner	Non-fruit trees	Timber or cash equal to the value of timber

3.3 METHODS TO DETERMINE CUT-OFF DATES

The cut-off date will be used to protect the project from opportunistic claims for compensation. Cut-off date is a date when the census of PAPs and asset inventory starts in the project area.¹³ Once detailed subproject designs are finalized and resettlement-affected sites are determined, the HSIP Safeguards specialist will conduct a detailed census of PAPs and an inventory of their assets. Consultations will be carried out with PAPs to inform them about the project and its impact. Measures will be taken to inform PAPs and get their feedbacks, which might result in change of project scale to minimize the need in resettlement.

¹³ OP 4.12, footnote 22.

4. RESETTLEMENT INSTRUMENTS IMPLEMENTATION ARRANGEMENTS AND PROCEDURES

4.1 OVERVIEW

As the implementing agency, BTS has the responsibility over the preparation and timely implementation of all resettlement activities. These activities consist of:

- a) preparation, disclosure, and timely implementation of resettlement instruments (RPF and RAPs);
- b) supervision and coordination of resettlement-related impact assessments;
- c) hiring and supervision of safeguards consultant(s) and asset valuers;
- d) management of public consultations;
- e) management of GRM;
- f) signing compensation agreements with PAPs and timely distribution of all resettlement-related payments;
- g) monitoring of the implementation of resettlement activities.

Specific management of resettlement tasks has been assigned to the PIU within the BTS. The Safeguards specialist, who is hired by the PIU, will be tasked to assist with resettlement-related activities.

This section describes the arrangements that build on responsibilities already in place to ensure that the requirements of this RPF are met for each project activity. Should these institutional structures change, this will need to be reflected in RPF and further RAPs.

4.2 SCREENING OF PROJECT ACTIVITIES

The first step in the process of preparing individual RAPs is the screening process to identify the land/ areas in accordance with project activities that may result in resettlement impacts. This screening will be carried out by HSIP Safeguards specialist in cooperation with BTS staff and representatives of Bishkek municipalities to identify the types and nature of potential impacts related to the activities proposed under this project, and to provide adequate measures to address them.

It also ensures that the avoidance or minimization of resettlement is a key criterion when designing RAP for project activities under the project.

Screening will be undertaken in accordance with established screening criteria and documented as a report on screening of potential social impacts described in Annex 1.

No design will be finalized unless it is clearly determined that every effort has been made to minimize resettlement impacts. In case resettlement impacts will be identified, then a RAP for this site will be prepared.

4.3 SOCIO-ECONOMIC PROFILING AND INVENTORY OF LOSSES

If the screening process will determine that land acquisition will be required, the next step will be the conduction of a census/inventory of all PAPs. This census will reflect their assets and

income sources in order to set required compensation (both in appropriate cases and other assistance). This activity will be carried out by HSIP Safeguards specialist at the same time as the inventory and evaluation of all assets affected for each individual PAPs.

During census, the date of completion will be specified according to the cut-off date methodology. The census will show that if there are some resettlement issues, a RAP will be developed based on the data collected.

The screening process will entail direct consultation with the PAP(s). During the consultations, the HSIP Safeguards specialist will explain the overall resettlement approach, describe grievance redress procedures, and provide detailed information about entitlements. Information will be conveyed relying on plain language. The PAPs will be provided with the opportunity to express their feedback and concerns.

In case some PAPs will not be able to participate in the consultations (because of travel or illness), the Safeguards Specialist will schedule another date for consultations.

4.4 DEVELOPMENT OF THE RAP(s)

Following the socio-economic census and identification of affected parties, RAPs will be prepared by BTS.

It will be prepared in consultation with affected parties, particularly in relation to setting the cut-off date, eligibility to receive compensation as well as disturbances to livelihoods and income-earning activities, methods of valuation, compensation payments, potential assistance and timeframes. The basic elements of a RAP, as outlined in OP 4.12 are provided below. Each element of a RAP is described in this RPF, but more detailed guidelines for preparing a RAP are available on the World Bank's website¹⁴ or in the World Bank's Involuntary Resettlement Sourcebook.¹⁵

It is expected that in this project, the impacts on the entire displaced population will be minor (i.e. affected people are **not** likely to be physically displaced and less than 10% of their productive assets will be lost). Overall it is expected that fewer than 200 people will be affected in any activity, so that abbreviated RAPs (as defined in OP 4.12) can be prepared. Also, for any given RAP it is likely that only a handful of people will be affected as RAPs will be prepared for individual sub-projects that require land acquisition. Thus it is proposed that the RAPs will contain a number of standardized sections (project description, legal and institutional framework, eligibility and entitlement matrix etc.) that are already found in the RPF, followed by a section specific to the affected site, and the PAP(s) along with their assets (inventory of losses, compensation and resettlement costs and budget, socio-economic profile etc.). While household-level data is essential to the RAP, for the purposes of privacy, information identifying individuals or households in the RAP need not be publicly disclosed.

¹⁴ Annex A of OP 4.12: <https://policies.worldbank.org/sites/ppf3/PPFDocuments/090224b0822f8a4f.pdf>

¹⁵ The Resettlement Sourcebook is available at:
<http://documents.worldbank.org/curated/en/206671468782373680/pdf/301180v110PAPE1ettlement0sourcebook.pdf>.

RAP for each subproject will include the information on baseline census and social and economic assessment, eligibility matrix and compensation rights, compensation amounts, rights related to additional impacts identified during census or assessments, description of resettlement areas, and the programs for improvement and recovery of income sources and livelihood, schedule for implementation of resettlement activities, detailed cost estimates and grievance redress mechanisms.

4.5 DISCLOSURE AND APPROVAL OF RAP(s)

After the RAP has been prepared, a number of steps must be followed:

1. Draft RAP is subject to discussion with municipal authorities, PAPs and other interested party. A draft copy of RAP will be shared in advance.
2. Following the discussion, comments and proposals are reflected in the RAP.
3. The RAP will include a section describing the consultation process. The minutes of the consultations will be included as an annex.
4. The BTS Safeguards specialist will submit the prepared RAP to the Project Coordinator for approval.
5. Following incorporation of comments from public disclosure, and Project Coordinator approval, the RAP must also be formally sent to the World Bank for review and approval.
6. Following the approval of the RAP by the World Bank, it will be disclosed on the World Bank's info-shop website and in-country by the BTS and disseminated again to all stakeholders. The RAP should be available to the PAPs and other interested parties in the manner, language and format most appropriate to the country context.

No changes to the RPF entitlement matrix, eligibility criteria, compensation rates or other entitlements to assistance will be made without prior approval of the World Bank.

4.6 ESTIMATES OF AFFECTED POPULATION AND ASSETS IN THE PROJECT AFFECTED AREAS

It is impossible to fully exclude the cases of temporary or permanent use of private land during works. It is still uncertain, whether permanent land acquisition will be needed, or temporary use of it will be needed. While the project area where civil works under Component 1 is known, the exact alignment and the extent of civil works is not yet finalized.

The Project does not envisage demolition of any structures during implementation, though, at this stage, it is impossible to exclude the probability of demolition of small structures (e.g. fencing). Taking into account that affected people/assets are not defined, impact assessment will be carried out.

While the area for the construction and rehabilitation of the heating pipeline is known, the design and exact placement of the pipelines are not yet determined. The safety norms and regulations for pipeline installations that indicate the distance to various types of infrastructure and safety areas for pipeline placement will be applied to the design of the network and as such will determine the resettlement impact.

A visual assessment of the planned route of the transmission pipeline proposed to be rehabilitated and constructed was carried out. Based on the visual assessment, there are an estimated three businesses (a gas station, two cafes) and two municipal bus stops that will potentially be impacted by the installation of the heating pipeline. The anticipated impact may include: a) temporary restriction of access due to civil works; b) temporary loss of business due to civil works; and c) removal of non-fruit trees.

5. METHODS OF VALUING AFFECTED ASSETS

This section sets out the guidelines for determining the value of affected assets.

5.1 TYPES OF COMPENSATION PAYMENTS

Compensation in cash and in-kind for use of land and other assets fixed based on the entitlement matrix will be paid for the following assets:

- Land;
- Structures, buildings, and installations;
- Harvest (in cash or crops) and trees;
- Temporary loss of business or employment for the period of relocation or construction.

Moreover, cash compensation will be paid for disturbances in:

- Domestic and economic activity;
- Storage of goods;
- Replacement of lost services;
- Or other assistance as stipulated in the entitlement matrix (Tables 3.2.1.).

All these types of compensation are approximate, current market prices or other valid sources of prices will be applied to calculate actual compensation amounts when developing detailed RAPs. If necessary, additional assistance may be rendered to vulnerable households.¹⁶ All compensations in cash will be duly reviewed to reflect all economic changes and purchasing power. An authorized/certified valuator will calculate compensations to be incorporated in RAP at market value, following the Kyrgyz legislation and in strict compliance with requirements of OP 4.12 “Involuntary Resettlement”.

In cases when the project is delayed and/or resettlement occurs at a later stage, the project will rely on an authorized/certified valuator to calculate compensations to be incorporated in RAP at market value. The RAP will be revisited after 2.5 years after it was prepared but not implemented to address any economic changes in the country (ex. inflation, market fluctuation) and to ensure that the compensation amounts are adequate.

5.2. PREPARATION OF ASSET INVENTORY

During the census each asset will be enumerated and inscribed on an inventory and a valuation of the asset carried out using the principles and guidance of the RPF. Copy of inventory list of assets will be sent to PAPs. The total list of affected assets and their assigned values including any additional compensatory measures will be recorded in a register and shown to the affected person for agreement. At this time, is indicated that after approval by WB and Project Coordinator, a copy of the grievance procedure will also be given to the affected person as stated in the grievance redress mechanism.

¹⁶OP 4.12, para.32.

5.3 VALUATION METHODS

5.3.1 Replacement cost approach

The replacement cost approach is based on the premise that the costs of replacing productive assets is based on damages caused by project operations. The approach involves direct replacement of expropriated assets and covers an amount that is sufficient for asset replacement, moving expenses and other transaction costs.

Land plot replacement cost is defined as a mean value of land of equal size and purpose over last three years and located in the subject area plus the cost of recovery of the land up to condition similar to the condition of affected land plot, plus the fees for registration and re-registration of land ownership.

Cost of replacement of buildings and structures¹⁷ is defined by the cost of materials to be required for construction or repair of affected building or structure, plus costs for transportation of construction materials to construction site, plus costs for contractors' services, and plus the fees for registration and re-registration of land ownership.

5.3.2 Schedule of rates from Appropriate Ministries

The Ministry of Agriculture and Water Resources has a compensation matrix for damages during land acquisition, crop loss, and cutting of fruit trees. When applied, rates current for the period of actual replacement must be used.

The State Agency for Construction and Architecture under the Government of the Kyrgyz Republic (GoK), the Construction Departments have a schedule of rates for preparing estimates for construction projects, which the consultant can use to assess costs for construction materials and labor. When applied to calculate replacement cost, rates current for the period of actual replacement must be used.

5.4 COMPENSATION FOR VARIOUS ASSETS

5.4.1 Compensation for Land

In the event of permanent land acquisition of titled land, the first premise is provision of replacement land. In the case where no alternative land is available within a reasonable distance such as to minimize disruption to other aspects of socio-economic life, cash compensation at full replacement value should be provided (see reference 1).

In addition, the PAP will be compensated for any permanent improvements made to the land (for instance irrigation structures) based on current market labor, equipment and materials costs.

Where land lost is only a small proportion of total land owned by the PAP, but renders the remaining land as unusable, the compensation provided should be calculated based on the total land affected (i.e., the actual land lost plus the remaining unusable land).

¹⁷ OP 4.12 footnote 11; OP 4.12 Annex A footnote 1.

5.4.2 Calculation of Crops and Fruit Trees Compensation Rate

The current prices for the crops will be determined, taking into account the rate recommended by the Ministry of Agriculture and the highest market price, whichever is higher. Where land is rented, if crop is or has been grown, the compensation calculation will be based on the previous year's revenue.

Where land is rented, the owner will also get compensation for the entire agricultural season.

Where land is owned, aside from the replacement land or cash compensation for land, the owner will also get compensation for the entire agricultural season.

Prices for the crop currently or earlier cultivated on the affected land will be used to calculate the compensation amount. In addition, PAPs will be encouraged to harvest their produce before loss of land. In order to ensure that this is possible, and that appropriate market prices are received for yields, there needs to be sufficient consultation beforehand so that harvesting can be properly planned.

The value of the labor invested in preparing agricultural land will be compensated at the average wage in the community for the same period of time. The rate used for land compensation should be updated to reflect values at the time compensation is paid.

Fruit trees will be compensated to the owner by estimating the value of a seedling of a fruit tree considering the number of years needed to grow the tree to full maturity, and the cost of fruit crop produced by this tree within the indicated period.

5.4.3 Compensation for Buildings and Structures

The preferred option is to provide alternate structures (huts, storage facilities etc.) of improved quality where possible.

The second option is provision of cash compensation at full replacement value. Replacement values will be based on:

1. Measurements of structures and detail of materials used;
2. Prices of these items collected in different local markets;
3. Costs for transportation and delivery of these items to acquired/ replacement land or building site;
4. Estimates of construction of new buildings including labor required;
5. Any associated taxes, registration fees;
6. No deduction for depreciation and salvage materials can be made.

Compensation will be made for structures that are (i) abandoned because of relocation or resettlement of an individual or household or (ii) destroyed or became unusable for owners as a result of subprojects.

5.4.4 Compensation for Community Assets

Compensation will be provided for community assets identified through the socio-economic survey. In all cases these will be provided in kind and new facilities will be constructed or partially affected facilities will be repaired.

5.4.5 Compensation for Loss of Businesses

Compensation will be paid for the lost income and production during construction period (time lag between losing the business and re-establishment). This will be estimated based on the daily or monthly income of the affected parties.

6. IMPLEMENTATION SCHEDULE

The activities involving land acquisition or loss, denial or restriction to access will include compensations and other assistance required for relocation and preparation of land to be resided by PAPs, providing them, if needed, with proper conditions. Acquisition of land and related assets may take place only after all compensations have been paid in full¹⁸ and where applicable, resettlement sites and moving allowances have been provided to displaced persons. Civil works can start only after the RAP is implemented in full to the satisfaction of the Bank.

The measures to ensure compliance with this RPF will be included in the RAPs that will be prepared for each site involving land acquisition. A RAP will include implementation schedule to address resettlement, including all stages: from preparation to completion of works with indication of specific terms for achievement of intended benefits both for PAPs and local population and cease of various assistance forms. RAPs will be disclosed in accessible manner in public places both in draft and final versions. Following the valuation process all RAPs should include relevant measures to link resettlement with construction works.

The timing mechanism of these measures would ensure that no individual or affected household would be displaced (economically or physically) due to civil works activity before compensation is paid and resettlement sites with adequate facilities are prepared and provided for to the individual or homestead affected. Construction works cannot be launched until complete implementation of the RAP. If a resettlement need occurs in the process of construction, the policy procedures will be also triggered. Compensation will be paid to PAP after his or her written approval.

¹⁸ Cost of compensations are based on the market value of the assets. Payment in full refers to giving all funds due to PAPs (with no outstanding payments).

7. GRIEVANCES REDRESS MECHANISMS

The GRM of the BTS is guided by two documents – the Law on Citizens’ Appeals and the Internal Guideline of the BTS. In keeping with these two documents, beneficiaries and stakeholders can make complaints, appeals, suggestions, and/or provide feedback on any issues that have to do with the BTS and its affiliate offices.

The BTS maintains a variety of channels through which beneficiaries and PAPs can provide feedback – a telephone hotline, the website of the BTS (<http://www.teploseti.kg/contacts/>), staff members, email, and the post. A limited number of petitions are also received through one-on-one meetings between the BTS staff and citizens. In keeping with the Law on Citizens’ Appeals, the director of the BTS and his/her deputies are obliged to have appointments with citizens once a week during designated hours.

The resettlement-related GRM is part of the comprehensive project-level GRM. A designated GRM staff will operate the GRM and provide regular updates on feedback/petitions received and processed.

7.1 GRIEVANCES REDRESS PROCESS consists of the following steps:

During the initial stages of the valuation process, the affected persons will be given copies of grievance procedures as a guide on how to handle the grievances;

1. The first step in the grievance process will be to verbally contact a representative of the BTS or appeal by phone (the BTS hotline telephone number will be provided on the information boards of local municipalities or indicated in the announcement placed on popular public places). The BTS representative or the hotline operator will record the petition in the special registry and notify the petitioner about the receipt of the petition. The petitioner will also be informed about the duration for the consideration of the petition and the next steps. If the petition cannot be resolved within 5 days, then it will be reviewed at the next level.
2. The affected person should file his/ her grievance, related to any issue associated with the resettlement process or compensation in writing to HSIP Safeguards specialist. The grievance note should be signed and dated by the aggrieved person. Anonymous and confidential complaints will be considered too. HSIP Safeguards specialist will be the direct liaison with the complainant and define validity of grievance and notify the aggrieved person on forthcoming assistance. The answer will be provided within 14 working days, within which meetings and discussions with the aggrieved person will be conducted. If the grievance relates to asset valuation, the project will carry out repeated asset valuation unless and until a consensus is reached by the both parties. Subsequent valuations can be carried out by independent appraiser at the expense of dissenting party. The BTS will assist to the aggrieved person throughout all stages of grievance redress to ensure that the grievance is being redressed properly.
3. Depending on the nature and seriousness of the petition, an investigation may be conducted by a special commission formed by the director of the BTS, which will include the director, the Safeguards specialist and other staffers. The information provided by the complainant will be verified by site visits, meeting with people involved in the issue, meetings with the complainant himself/herself, review of documents, etc. The commission will then prepare a report

containing recommendations and submits it to the BTS director who then makes the final decision on the petition.

If the petitioner is not satisfied with the decision of the BTS, and if a response to the petition is not provided within 30 working days, the petitioner is entitled to take the case to adjudication at local courts.

7.2 HANDLING GRIEVANCES RECEIVED

The process of in-take and review of grievance is the following:

A designated specialist in the PIU will ensure weekly transmission of grievances received from the PAP to BTS, along with the proposed/ agreed actions. The grievances review follows the requirements of BTS and at first, are registered in the appropriate logbook.

The designated person assigns an individual number to each grievance and the review process is reflected in a matrix, developed in the OM and RAP. The following information is captured in the matrix:

- Date the grievance received;
- Date the grievance registered;
- Date the grievance responded/ resolved;

Information about the grievances and the GRM will be shared with the WB on regular basis.

8. BUDGET FOR IMPLEMENTATION OF RESETTLEMENT

At this stage, it is not possible to estimate the exact number of people who may be affected since the technical designs and details have not yet been developed; it is also not certain that the project design will definitively require temporary or permanent land acquisition. It is therefore not possible to provide an estimated budget for the total cost of resettlement that may be associated with implementation of HSIP.

Detailed and accurate budget will be drawn up in each RAP and financed through the administrative and financial management rules and manuals like any other activity eligible for payment. BTS is responsible for all resettlement-related expenses.

The budget will include:

1. compensations to PAPs according to the RAP;
2. Payment for services of the consultant for social issues;
3. Information campaign costs, including costs for communication, organization and facilitation of consultations (lease of premises, printing of information materials and other expanses);
4. Expenses related for information disclosure;
5. Monitoring expenses;
6. Expenses associated with grievance redress mechanism.
7. 10% for contingencies

9. MECHANISM FOR CONSULTATIONS with PAPs

Public consultations were held on March 10, 2017 in the central office of ARIS in Bishkek. The consultations, which brought together 28 participants, were devoted to the discussion of the Environmental and Social Management Framework and the Resettlement Policy Framework as part of the Heat Supply Improvement Project conducted with participation of interested parties. The minutes of the consultations are available in Annex 1.

Participants of the consultations consisted of representatives of Bishkek municipality, representatives of architecture agencies, environmental services, and PAPs.

The project teams and the participants of the consultations agreed that the project needs to regularly reach out to and consult with the PAPs in the following manner at each stage of the project:

1. Following the identification of the construction site, the HSIP team will visit PAPs to inform them on the project, its scope and impacts and to receive their opinion. This may result in a change to the project scope in order to minimize the need for resettlement;
2. Once the inventory and valuation of assets is complete, HSIP Safeguards specialist/consultant will present and discuss the details with PAPs and whether or not the inventory is accurate and the valuation is acceptable to them;
3. Once the RAP is complete the PAPs will be provided with copies thereof in a language and format acceptable to them;
4. Prior to implementation of the sub project the amount of cash or in kind (land) offered for compensation will be discussed with each eligible PAP for consideration and endorsement before transfer of the asset is effected;
5. PAPs are entitled to have a third party (in this case, represented by deputies of the local councils) at the steps leading up to this final transfer. At any point PAPs can instigate a complaint using the grievance redress process described above.

When holding the consultations some socio-cultural factors should be taken into account. These factors include low literacy rate, cultural obstacles to participation of population, particularly women, and ways of elimination of those (e.g. choosing appropriate time and venue for and format of consultations to ensure maximum participation).¹⁹

Informational materials in that format and language acceptable to participants (Kyrgyz, Russian) will be provided prior to consultations. Population will have enough time to consider and discuss provided information before resettlement activity takes place. Communities' opinion will be taken into account when elaborating and implementing RAP, and, if needed, when implementing the project at larger scale.

¹⁹ In conducting consultations, the project team will take into account the following conditions: the timing is convenient for women, elderly people and citizens with disabilities. The venue is easily accessible for women, elderly people and citizens with disabilities. Information materials (brochures, booklets) will be easily available and accessible and easily comprehended by people.

Information on participants (age, gender, interest group), discussed issues, type of provided information, raised questions and answers to them was included in minutes of consultations. Minutes of the consultations will be included in the final copies of the RPF and RAPs.

10. ARRANGEMENTS FOR MONITORING AND EVALUATION

10.1 OVERVIEW

The arrangements for monitoring will fit the overall monitoring plan of the entire project which will be implemented through the BTS. All RAPs will set goals by which to evaluate their success which will include:

- (i) affected individuals, households, and communities being able to maintain their pre-project standard of living, and even improve on it;
- (ii) the local communities remaining supportive of the project;
- (iii) number of complaints and appeals, upon which the decision was taken.

In order to assess whether these goals are met, RAPs will indicate parameters to be monitored, institute monitoring milestones and provide resources necessary to carry out the monitoring activities. All collected data will be gender-oriented. HSIP safeguards specialist/consultant will institute an administrative reporting system that will:

- Provide timely information about all resettlement arising as a result of project activities;
- Identify any grievances that have not been resolved and require resolution;
- Document the timely completion of project resettlement obligations;
- Evaluate whether all PAPs have been compensated in accordance with the requirements of this RPF;
- Alert project management to the necessity for land acquisition in the project's planned activities²⁰

The objective will be to make a final evaluation in order to determine:

- Amount of compensations to PAPs in full and in a timely manner;
- Standard of living of PAPs and maintaining their pre-project standard of living;
- Specific impacts on vulnerable households.

Indicators will be set within each RAP. Data will be gathered by the BTS specialist at regular intervals (e.g., quarterly or half yearly depending on circumstances) and compared over time.

10.2 MONITORING OF RESETTLEMENT IMPLEMENTATION

The HSIP safeguards specialist will be responsible for the following tasks:

- I. Collection and accumulation of basic information on all physical or economic displacement arising from the project, including the data on:

²⁰ Proper timing and sequencing of project activities is necessary to ensure the civil works do not start before the RAPs implemented in full.

- a) Number of sites requiring the preparation of RAPs;
 - b) Number of households and individuals physically or economically displaced by each activity;
 - c) Length of time from design finalization to payment of compensation to PAPs;
 - d) Timing of compensation in relation to commencement of physical works;
 - e) Amount of compensation paid to each PAP household (if in cash), or the nature of compensation (if in kind);
 - f) Number of people raising grievances in relation to each sub-project;
 - g) Number of resolved and unresolved grievances.
- II. Ensuring timely payment of compensations to PAPs or households.
- III. Maintaining a complete database on resettlement activities, which will be included in official documents under HSIP.

11. INSTITUTIONAL RESPONSIBILITY

Several agencies and parties will be involved in the preparation and implementation of safeguards policy under the project. These include the Ministry of Finance, the BTS as the implementing entity of Component 1, HSIP Safeguards specialist. The State Committee for Industry, Energy and Mining will have overall policy responsibility for the preparation and implementation of the Project. A Project Advisory Committee (PAC), chaired by the State Committee and involving all key stakeholders, will facilitate implementation and provide strategic advice on project implementation, including on safeguards-related issues.

The BTS has the responsibility over the preparation and timely implementation of all resettlement activities, including: preparation, disclosure, and timely implementation of resettlement instruments (RPF and RAPs); supervision and coordination of impact assessments; hiring and supervision of safeguards consultant(s) and asset valuers; management of public consultations; management of GRM; signing compensation agreements with PAPs and timely distribution of all resettlement-related payments; monitoring of the implementation of resettlement activities.

Below is the table describing responsibility for implementation of RPF.

Table 11.1

No	Responsible Party	Activities
1	The BTS	Responsible for: a) preparation, disclosure, and timely implementation of resettlement instruments (RPF and RAPs); b) supervision and coordination of impact assessments; c) hiring and supervision of safeguards consultant(s) and asset valuers; d) management of public consultations; management of GRM; e) signing compensation agreements with PAPs and timely distribution of all resettlement-related payments; f) monitoring of the implementation of resettlement activities.
2	HSIP Safeguards Specialist	Responsible for: a) supervision and coordination of the impacts surveys; b) RPF and RAP preparation and disclosure; c) management of public consultation; d) assistance in compensation agreements preparation and signing; e) RPF and RAP implementation monitoring.

Annex 1. Minutes of public consultations

MINUTES

of the public consultations devoted to the discussion of the Environmental and Social Management Framework and the Resettlement Policy Framework as part of the Heat Supply Improvement Project conducted with participation of interested parties

City of Bishkek

March 10, 2017

Venue of the consultations – the central office of ARIS

Number of participants - 28

THE ORGANIZING COMMITTEE

Raimbekov Uran Kamiljanovich – first deputy general director of OAO Bishkekteploset¹

Abykeev Almaz Keneshovich – coordinator of the Village Investment Project -3, ARIS

AGENDA:

Discussion of the ESMF and the RPF as part of the HSIP

PRESENTERS

After the welcome remarks, Raimbekov U.K, deputy general director of Bishkekteploset and Abykeev A.K, coordinator of ARIS, made presentations on the components of the project: Component 1: Improving supply reliability and efficiency of the DH system (estimated US\$31 million IDA financing); Component 2: Efficient and clean heating stove program (estimated US\$5 million IDA financing); Component 3: Improving energy efficiency in public buildings (estimated US\$8.8 million IDA financing).

The next presenter – Kutmanova E.V, the consultant on environmental and social issues, made a presentation on the ESMF and the RPF. As part of the presentation, Kutmanova provided a detailed description of various parts of the prepared documents, its main objectives, and its mechanisms for implementation.

Following Kutmanova's presentation, the participants of the public consultations engaged in a lively discussion of the technical aspects of the projects, its components, and the contents of the ESMF and the RPF, and they openly expressed their views. The participants raised the following issues:

Question 1: What is the selection criteria of beneficiaries (schools) under component 3?

The response by Abykeev A.K: During the first year, beneficiaries will be selected based on the list that will be approved by the Ministry of Education and the Ministry of Health of the Kyrgyz Republic. In the subsequent years, there will be a more regional coverage whereby each oblast will present its own lists of potential beneficiaries. ARIS has recommended to include municipal buildings into the list of beneficiary entities (in addition to public schools).

Question 2: Regarding the reconstruction of the DH (district heating) system of the Oktyabr' rayon [one of four administrative districts of the city of Bishkek]. When will the reconstruction begin and what is the timeline for completion? Will you be able to complete the reconstruction works before the start of the next heating period?

Response of Raimbekov U.K: According to the initial plan, the reconstruction plan envisioned civil works in residential areas, which increased the risk of project impacts on people and the risk of resettlement. To avoid such impacts and minimize potential negative impacts on residents, we have decided to conduct construction of heating pipeline along the new route. The new pipeline network will not depend on the existing DH; therefore, we do not expect disruptions in the supply of heating to the residents.

Question 3: Will the project start this year?

Response of Abykeev A.K: No, the project will start next year.

Question 4: What is the primary cost of heating stoves under component 2?

Response of Abykeev A.K: A heating stove costs USD 150; the cost of the low pressure heating stove is USD 250.

Question 5: Will there be an increase in [heating] tariff?

Response of Raimbekov U.K: It is anticipated that from 2018 to 2021, there will be an increase of the tariff from 7 to 10 percent; but this increase is unrelated to the project, this increase is linked to the plan of the development of the city of Bishkek [the plan has been prepared by the Bishkek city mayor's office].

Suggestion 6: We recommend that you start the project in colder regions of the country, for example Ak-Su and Alai raions.

Response of Abykeev A.K: Thank you for the recommendation; we will ensure that in the future all regions [of the country] are covered by the project.

Question 7: You mentioned in your presentation [on environmental issues] that the auto vehicles of construction workers will be inspected. How will this requirement be implemented in practice?

Response of Kutmanova E.V: When conducting tenders for the selection of construction companies, the Project Implementing Unit [PIU] of Bishkekteploset will conduct a thorough inspection of the technical equipment of the contractor company, including its vehicles, which will be considered in the final decision on the selection of project contractors.

Question 8: How will the selection of contractors will be conducted under component 1?

Response of Raimbekov U.K: Yes, there will be a tender on the selection of contractors.

Question 9: Will civil works implemented at night time?

Response of Raimbekov U.K: The civil works will be conducted only during daytime and during working days. The ESMF has described in detail the measures designed to reduce negative impact, including noise; this provision/document is part of tender documents.

Question 10: Who is responsible for the environmental monitoring?

Response: The Project Implementing Unit [PIU] is responsible for the environmental monitoring.

DECISIONS ADOPTED:

1. The ESMF and RPF are to be considered as applicable for the implementation as part of HSIP.

Chair

Abykeev A.K.

Secretary

Kerimbekova M.