

UKRAVTODOR

**UKRAINE
ROAD SECTOR DEVELOPMENT PROJECT
(P149322)**

RESETTLEMENT POLICY FRAMEWORK

June 2015

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DRAFT RESETTLEMENT POLICY FRAMEWORK

Glossary of Key Terms

Cut-off date Refers to a day on and beyond which any person who occupies land or assets on land, required for project use, will not be eligible for compensation. The date is often the day when the assessment of persons and their property in the project area commences.

Compensation means payment in cash or in kind of the replacement cost of the acquired property and/or impacted assets.

Entitlements with respect to a particular eligibility category are the compensation and other forms of assistance provided to impacted persons in the respective eligibility.

Grievance procedure The processes established under law, local regulations, or administrative decision to enable property owners and other impacted persons to redress issues related to acquisition, compensation, or other aspects of resettlement

Involuntary land acquisition means the process whereby a person is compelled by government or a government agency to alienate all or part of the land he/she owns or possesses, to the ownership and possession of the agency, for public purpose in return for a consideration

Land acquisition means the taking of or alienation of land, buildings or other assets thereon for the purpose of the project

Project affected person (PAP): a person who loses assets and/or usage rights and/or income generation capacities (e.g. land, structure, crops, businesses) because these assets/rights/capacities are located in the land to be acquired or used, for needs of the project.

Relocation means the physical moving of PAPs from their pre-project place of residence, place of work or business premises.

Replacement cost means the amount that will be paid to replace the value for the land and all assets on it, without any deductions for depreciation. The replacement cost shall be calculated pursuant to approach described in the Operational Policy of the Bank 4.12 (version April 2013)¹.

¹With regard to land and structures, "**replacement cost**" is defined as follows: *For agricultural land*, it is the pre-project or pre-displacement, 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

Resettlement Policy Framework (RPF) refers to the present safeguard instrument (document) which is the overall Policy Framework for Compensation, Resettlement and Rehabilitation of PAP for the project implementation. The Policy Framework describes the process and methods for carrying out resettlement under the project, including compensation, relocation and rehabilitation of Project Affected Persons.

Resettlement Action Plan (RAP) means resettlement action plans prepared for specific sub-projects.

Resettlement means all the measures taken to mitigate any and all adverse impacts for the Project on PAPs property and/or livelihoods, including compensation, relocation (where relevant), and rehabilitation.

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.

BACKGROUND/ PROJECT DESCRIPTION

This Resettlement Policy Framework was prepared by the experts of the Project Implementation Unit – SE ‘Ukrdorinvest’ who work in cooperation with designers engaged in the preparation of the design documents. Ukrdorinvest has been conducting respective consultations with local population and local authorities. Resettlement Policy Framework has been reviewed and approved by the World Bank.

The Government of Ukraine is in the process of negotiating with the World Bank regarding financial assistance to its proposed Road Sector Development Project (hereinafter RSDP). The objective of the project is to improve transport connectivity and safety for domestic and international road users on selected sections of the East West M-03 road Corridor and to improve road financing and road maintenance operations in selected sections of the national roads network in Ukraine.

Project Components

The proposed project would be an Investment Project Financing (IPF) consisting of a loan in the amount of US\$800 million to the Ministry of Finance of Ukraine. The proposed loan will finance 100 percent of eligible expenditures including value added tax (VAT) and land acquisition costs. This project will be a continuation of RSIP and RSIP2, and will leverage returns on major road infrastructure investments in Ukraine, such as the EBRD and EIB funded improvements to European priority road corridors. The project will continue the improvement of the main road between Kiev and Kharkiv, the first and second largest cities respectively, strengthening economic and political integration with the East of the country. The project will also have a substantial component on capital repairs and maintenance to reverse the overall decline in the condition of the network. These elements will be complemented by an institutional program with a strong focus on the implementation of the sector’s renewed reform and innovation process including: (i) introduction of modern road safety and network management principles to reduce accident fatalities, protect network assets and move towards sustainable finance; (ii) support in implementation of prioritized maintenance plans and restructuring of maintenance industry; and (iii) the development of a robust pipeline of sustainably financed road investments. The project will include the following components:

Component 1: Road Rehabilitation and Safety Improvement (total estimated cost US\$500 million from IBRD loan). This component would continue finance for the improvement to motorway standard of the road between Kiev to Kharkiv. The road would provide a high standard and safe corridor to integrate with the EU extended TEN-T network and further the connection of Ukraine’s two largest cities. This component will finance the civil works for the improvement of approximately 100 kilometers of selected sections of the M03 highway, initially between Poltava and Valky. The road would be built to a category 1 standard which is a four lane divided highway with high safety specifications including central crash barriers and side crash barriers where required. The project would finance all necessary bridges, interchanges, bypasses site supervision and land acquisition.

Component 2: Program of Maintenance and Capital repairs (total estimated cost US\$350 million from IBRD loan): This activity will finance urgent maintenance and capital repairs on selected sections of the core national road corridors. The primary focus of this component will be on protecting the existing maintainable core network from further deterioration and undertaking capital repairs on priority sections to bring the road surface back up to maintainable condition. The following two sub-components will be financed:

Sub-component 2(i): Maintenance of Core National Road Corridors (total estimated cost US\$130 million from IBRD loan): This sub-component will finance 5 year performance based maintenance contracts on approximately 1,100 kms of the country's most strategic road network. This will include the M-06, M-07 and M-03 which are the main international and domestic corridors. These roads have been improved over the last decade and are generally in good or fair condition. The objective of these contracts is to maintain the roads in good condition through regular routine maintenance and timely periodic maintenance. This activity will build on the experience of the on-going performance based contract designed under RSIP and implemented using EBRD funds. It will also contribute to the MoI strategic objective of having 5,000 kms in the country under performance based contracts and the divestiture of the DAKs.

Sub-component 2(ii): Capital repairs on Core National Road Corridors (total estimated cost US\$130 million from IBRD loan): This sub-component will focus on capital repairs and maintenance of the Kirovograd – Mykolayiv – Kherson corridor (M-14 and R16) which is one of the principal corridors for the movement of grains to the ports. The total corridor is approximately 245km and some widening is anticipated for approximately 30km on the Mykolayiv to Kherson section which has high traffic volumes. This sub-component will include finance for design, site supervision and land acquisition if it is necessary.

Component 3: Network Management and Development (estimated cost of US\$15 Million from IBRD loan). This component will finance institutional support to implementation of road management reform and cover the following areas:

Sub-component 3(i): Road Safety and Network Management (total estimated cost US\$3 million from IBRD loan): This activity will finance activities to implement an integrated network management system consisting of a national system for e-tolling, weigh-in-motion system for axle load control and automatic speed enforcement cameras. A pilot system consisting of weight control and speed enforcement would first be installed on the improved sections of the M-03 road followed by the procurement of a national system. The following activities are envisaged:

- Support in the preparation of relevant legislation and implementation of agreed findings from the road safety capacity review;
- Support to increase social and key stakeholder awareness of interventions through public consultations;
- The preparation of a feasibility study and functional specification both for the M-03 pilot and subsequent national system;
- Procurement and installation of the equipment for the pilot on the M-03 corridor;
- The preparation of concession documents for an operator to finance, install and operate the national system;
- Consultants to oversee evaluation of the procurement process, supervise installation and monitor initial stages of operations and results.

Sub-component 3(ii): Maintenance Management (estimated cost of 5 million). Given the overall underfunding of the sector and in the context of the proposed reform of the maintenance industry and decentralization agenda, this sub-component would finance the institutional work required to implement key aspects of the reform agenda. It would also finance the necessary work to plan, implement and monitor the maintenance works in Component 2. The following key activities would be supported:

- Necessary data collection, planning, design, safety audits and project management support to ensure effective implementation of prioritized maintenance plans;

- Consultancy services to support Ukravtodor reform plans for maintenance industry including capacity building and institutional arrangements to facilitate implementation of improved systems and monitor subsequent implementation and impact.

Sub-component 3(iii): Preparation of Feasibility Studies and Design Designs (estimated cost \$9 million from IBRD loan). This component would finance the preparation of feasibility studies, associated social and environmental documents compliant with World Bank safeguard standards, detailed design and bidding documents for priority road improvement schemes. The objective of this activity is to prepare a pipeline of high quality projects for external financiers and also to support the MoI objective of divestiture of the design capacity from Ukravtodor controlled entities to the private sector. Two main road schemes will be supported:

- Boryspil Bypass - Boryspil bypass is part of the proposed Kiev ring road and will be one of the most heavily trafficked roads in the country. For this reason the feasibility study will also explore private finance options.
- Lviv – Kirovograd road – This 700 km corridor will form a key route between Lviv and the port cities in the south and will connect with the Kirovograd – Mykolayiv – Kherson section which is being financed in sub-component 2(ii).

Sub-component 3(iv): Project Management and Implementation Support (estimated cost \$9 million from IBRD loan): This sub-component will finance activities necessary for the effective implementation of the project including technical audits, financial audits, incremental operating costs (IOC) and consultancy services.

OBJECTIVES AND BASIC TERMS OF PREPARATION OF THE RPF.

As part of the preparation of the project, the Government of Ukraine to comply with the policy of the World Bank needs a Resettlement Policy Framework (RPF) to address the needs of Project Affected Persons (PAP). The RPF is written to the standards of the Government's own policy on Resettlement and the OP 4.12 policy of the World Bank². The PIU (Ukrdorinvest) will also be required to prepare one or more resettlement action plans (RAPs) upon availability of the designers' solutions. One RAP will be prepared to correspond with rehabilitation works on the linear sections of the M03 road. One or more RAPs will be prepared, to correspond with construction of bypasses once design is ready.

The objective of the RPF is to set out the policies, principles, institutional arrangements, schedules and indicative budgets for the resettlement to be caused by the project.

Ukrdorinvest prepares the RPF based on the consultations with all stakeholders during the preparation of the RPF. The RPF once cleared by the Bank will be disclosed in the Bank's Infoshop, on the web-site of the Ukravtodor (the Borrower) and on the web-sites of the respective rayon administrations in Poltava region.

The objectives of the individual RAPs to be prepared and implemented prior to vacating the land for construction works will be to specify the procedures to be followed and the actions to be taken to properly compensate and/or assist affected people and communities. The RAPs will identify the full range of people affected by the project and justify their displacement (if any) after consideration of alternatives that would minimize or avoid displacement.

²<http://intranet.worldbank.org/WBSITE/INTRANET/OPSMANUAL/0,,contentMDK:20064610~pagePK:60001255~piPK:60000911~theSitePK:210385,00.html>

PRINCIPLES AND OBJECTIVES GOVERNING RESETTLEMENT PREPARATION AND IMPLEMENTATION.

Land acquisition for the project will be governed by the following general principles:

- All possible steps will be taken to minimize acquisition of productive, privately owned land and to avoid acquisition of residential areas and businesses through careful selection of the needed plots and consideration of all possible alternatives;
- Related to the above, the project will use government owned land as much as possible for the needed structures.
- In case land acquisition is necessary, the property and inheritance rights of affected people will be respected and procedures specified in the RPF and relevant RAP will be followed;
- the preparation and implementation of the resettlement instruments will be done in a transparent manner with the participation of affected persons and relevant institutions.
- For those losing agricultural land, the project will place primary emphasis on providing acceptable replacement land of equivalent production value. Valuation of land, businesses, and other assets for which compensation is given will be based on full replacement cost as it is specified in the replacement cost definition³.
- Any infrastructure facilities such as roads, water pipes, and communication networks disrupted by the project will be replaced.
- Project will seek resolve compensation, registration and transfer issues with owners on a mutual agreement basis.
- Affected persons will be provided replacement land or compensated in full, without deduction for depreciation or for any other purpose, before⁴ the Implementing Agency/ Local Authorities would require to vacate the land for the construction works performance.
- The policy applies to all affected persons regardless of the total number affected, the severity of impact and whether or not they have legal title to land or assets. Particular attention shall be paid to the needs of vulnerable groups among those affected.

RAP PREPARATION, REVIEW, AND APPROVAL.

Upon availability of the information on the exact amount and type of land to be allocated, number of people affected, Resettlement Action Plans will be prepared for respective sections of the project.

- Taking into consideration that design for the bypass sections have not been evaluated as those to have final engineering decisions, there is not enough data to prepare Resettlement Action Plan(s) for the bypasses. Resettlement Action Plan for linear section of the Project is subject to preparation and approval of the Bank before appraisal of the Project. Resettlement

³ According to The Law “On Allocation of the Land Plots...” (No.1559-VI, Art.4 para. 6, Art.12 para 5 and Art.14, hereinafter – “The Law”) land plots owners (possessing either agricultural, or non-agricultural land) have a right for monetary compensation for their land or they may be suggested another land plot with like-kind characteristics within the same area (region).

⁴ The exact deadline is not specified by The Law, however, Regulation of the Cabinet of Ministers of Ukraine No.284 says, that the compensation shall be paid *after the relevant decision of the local authorities and before the issuance of property title document for the new owner.*

planning screening will be used to identify the type and nature of potential negative impacts resulting from the activities proposed under the project and provide adequate measures to address these impacts. RAP shall be prepared by the team at Ukravtodor. The steps to be undertaken for each individual Resettlement Action Plan include a screening process, identification of Project Affected Persons. The goal of screening is to identify and consider resettlement issues as early as possible. Once resettlement issues and project affected persons are identified, the following steps should be undertaken: a RAP should be prepared by the Ukrdorinvest in consultation with the local authorities and PAPs.

- RAP shall be approved by the World Bank
- Once approved by the Bank the RAP shall be disclosed and public consultations with the PAPs conducted by the borrower prior to implementation of the RAP.

The RAP has to be fully implemented in order to address compensation issues for the losses sustained by PAPs prior to vacating the land for initiation of works.

Public consultation and participation during RAP preparation and implementation are essential because they afford PAPs the opportunity to contribute to both the design and implementation of the project activities and reduce the likelihood for conflicts as well as increased benefits being realized by PAPs. For the project to be successful and effective close consultations with local communities is a prerequisite. In recognition of this, particular attention should be paid to public consultation with potentially affected individuals/households.

The consultation process shall ensure that all those identified as stakeholders are consulted, the information about the project is shared with the public through notification in local newspapers, paper announcements in state offices or on information boards in the region, etc., to enable meaningful contribution, and enhance the local communities engagement in monitoring of the project.

ESTIMATED POPULATION DISPLACEMENT AND CATEGORIES OF AFFECTED PEOPLE.

As for now it is clear that eventual displacement will be made while implementing the project related to land allocation for road widening as well as for construction of three bypasses. It is expected that no more than 100 households will be affected. Categories of affected persons may include persons who have a legal title over land and property and those without it, those losing temporary access to land or assets or those losing permanent rights. The land allocated is divided under the following categories:

- Land not subject to compensation: village council land, village council reserve land, farming land, public use land;
- Land subject to purchase: private property (shares), private property (private farms), private property (vegetable plots), institutional property.

For more details please see Annex A.

On the basis of the information provided by Poltava Road Service there has been identified the following categories of people who would be affected by the project and would get the compensation:

Affected categories	Compensation measures
Private land owners	Provision of acceptable replacement land of equivalent productive value or compensation at full replacement cost of the land

Land leaseholders (land of village councils)	<p>Leaseholders i.e. commercial agricultural companies or other tenants losing land will be notified one year in advance to avoid crop or improvements losses. Lease agreements will be modified according to the law to reflect area of land to be withdrawn for the project (the land plots will be evaluated by the licensed evaluators).</p> <p>Significantly affected tenants, losing more than 20% of their productive land, will be provided with options for alternative land of at least the same quality for lease.</p>
Houses owners with respective land plots	<p>The owners will be provided of the alternative house of at least the same size and condition with the respective land plot of equivalent size and productive value or will be compensated for all the lost assets at full replacement cost. The dwellers of the houses will be supported with the relocation and registration in the new place if required.</p>
Land users who do not have ownership title (e.g. owners of small businesses along the road) ⁵	<p>Small businesses will be provided the. land for their further usage and proper formalization, i.e. they will be offered alternative land plots for the business reallocation while the land offered will be legally formalized for the purposes of the small business. The businesses will be supported in relocation of their assets.</p>
Land users who do not have ownership title (e.g. not formalized usage of agricultural land)	<p>Land users will be proposed mechanism for allocation of land for their further usage and proper formalization, i.e. they will be offered alternative land plots usage while the land offered will be legally formalized for the purposes of agricultural use.</p> <p>The informal land users will be compensated for any investment they have made in land improvements, lost harvest or perennial crops, structures.</p>
State land users (state authorities, local authorities, village councils)	<p>These land plots will be transferred to usage of Ukravtodor without any compensation.</p>
The users that are losing access to the public assets or resources they have been using before (pastures, recreation zones, etc)	<p>The use of public land plots acquired for the project will be monitored and in the unlikely case if some of them were used by the community members as hayfields, pastures or for recreation alternative opportunities or access paths will be created by the local authorities with the support of the borrower.</p>

⁵ Those, who use the land unofficially (squatters) are considered by national legislation as illegal land users and their land should be returned to official land owners (users) on the basis of a court ruling (see Art.212 of the Land Code of Ukraine)/ Such persons do not have right for a compensation. However, provisions on non-official land users and compensation to them were included in previous WB project with Ukravtodor (see Section 6 of the Second Road Safety Improvement Project).

Budget for compensation payments will be allocated from the proceeds of the Loan funds.

LEGAL FRAMEWORKS FOR RESETTLEMENT.

Where there is difference between national legislation and World Bank policy, the principles described in this Framework document and respective Resettlement Action Plan will be applied.

Land Acquisition

The following legal framework shall be used for the land acquisition purposes:

- The Constitution of Ukraine (Art. 13, 14, 41) stipulating that “no one shall be unlawfully deprived of the right of property. The right of private property is inviolable and “The expropriation of objects of the right of private property may be applied only as an exception for reasons of social necessity, on the grounds of and by the procedure established by law, and on the condition of advance and complete compensation of their value. The expropriation of such objects with subsequent complete compensation of their value is permitted only under conditions of martial law or a state of emergency” (Art. 41);
- Land Code of Ukraine (1 January 2002) (especially Articles 143, 146, 147, 149-151)
- The Civil Code of Ukraine (16.01.2003, No. 435-IV), determining the procedure for termination of the ownership rights for immovable property due to the acquisition or alienation of lands on which the property is located for public needs; and regulating issues related to protection of ownership rights (Articles 350-351);
- The Code of Administrative Proceedings of Ukraine (06.07.2005), determining the way proceedings related to acquisition of land plots for public needs are conducted, e.g., legal courts make judgments about the cases of forced alienation of land plots, and other immovable property objects located on these plots, for public needs within two months from the moment of claim filing;
- Law of Ukraine “On allocation (condemnation) of plots of land, other objects of private estate property situated thereon, for public purpose” dated 17.11.2009 #1559-VI
- Law of Ukraine “On regulation of urban planning” dated 19.05.2011 #3395-VI
- Law of Ukraine "On Land Assessment (Valuation)"⁶

⁶ The land plot value to be determined according to official procedure by a licensed valuator, engaged by local authorities (or by a land owner, but in such case the owner will not receive compensation for valuation expenses). Valuation agreement shall be signed, establishing valuation purpose.

Valuation type – expert monetary valuation (para.2 art.8) (hereinafter – “the valuation”).

The land value shall be estimated on the date of valuation (section 5 of The Methodology).

The valuation procedure assumes following steps:

- Land inspection
- Land market analysis
- Estimation of land price type (market, liquidation or special price)
- Signing contract and valuation assignment
- Data collection and analysis
- The most effective land use estimation (for one year period)
- Selection of applicable valuation methods
- Land cost evaluation
- Signing valuation report

(para. 49 of The Methodology).

- Regulation of the Cabinet of Ministers of Ukraine of 17.11.1997 No. 1279 "On Size of and Procedure for Calculation of Agricultural and Forestry Losses Subject to Compensation" and Appendix.
- Constitution of Ukraine, Articles 13, 14, 41
- Law of Ukraine of 21.05.1997 No.280/97-BP "On Local Self-government in Ukraine"
- "Regulation on the State Committee of Land Resources of Ukraine", approved by Regulation of the Cabinet of Ministers of Ukraine of 19.03.2008 No 224
- Law of Ukraine of 06.10.1998 No.161-XIV "On Land Lease" (especially Article 32-1).
- "Procedure for Calculation and Compensation of Losses to Land Owners and Land Users" approved by Regulation of the Cabinet of Ministers of Ukraine of 19.04.1993 No.284
- Regulation of the Cabinet of Ministers of Ukraine of 11.10.2002 No 1531 "On Expert Valuation of Land Parcels"
- Law of Ukraine "On Valuation of Property, Property Rights and Professional Assessment Activities in Ukraine"
- Law of Ukraine "On State Land Cadastre" dated 07.07.2011 №3613-VI
- "Regulations for Notarial Actions in Ukraine" approved by the Ministry of Justice of Ukraine dated 22 February 2012 №296/5.

For the purposes of the project preparation and implementation the Client shall apply the rules and procedures set out in the following World Bank procedures:

Temporary Land Use during Construction

Compensation for the temporary use of land during construction is established in the following Regulations of the Cabinet of Ministers:

- Regulation of the Cabinet of Ministers of Ukraine of 17.11.1997 No.1279 "On Size of and Procedure for Calculation of Agricultural and Forestry Losses Subject to Compensation" and Appendix
- "Procedure for Calculation and Compensation of Losses to Land Owners and Land Users" approved by Regulation of the Cabinet of Ministers of Ukraine of 19.04.1993 No.284

The full text of OP 4.12 including Annex A on Resettlement Instruments is presented in Annex D.

If the valuated land belongs to public or municipal property, public expertise of the valuator's report shall take place (art.21 of The Law On Land Valuation).

The valuator's report shall be reviewed according to the law. The reviewer can be an official valuator with at least two years experience, or expert council of valuator's self regulating organization (art 22 of The Land Lease Law).

The valuator's report is valid for the period of one year from the date of its issuance (para.3.4 of The Procedure).

**Gaps between Ukrainian legislation and the requirements of the World Bank
Operational policy for Resettlement (OP 4.12)**

Ukraine Laws and Regulations

WB OP 4.12

Only registered structures/buildings are compensated for damages/ demolition caused by a project

All affected structures/buildings are compensated for damages/ demolition caused by a project at replacement cost

Only official land users are compensated for loss of income/business

Lease tenants whether legal (registered) or illegal (informal) are compensated for income/business losses regardless of the registration.

No specific provisions for the process of resettlement planning and its specific tools including preparation of any plan related to land acquisition and resettlement

Time bound implementable Resettlement Action Plan needs to be prepared before the disbursement of compensation

No provisions for

- income/livelihood rehabilitation,
- allowances for severely affected or vulnerable landowners/tenants

WB policy requires rehabilitation for income/livelihood, severe losses, and for expenses incurred by the landowners/tenants during the relocation process.

No compensation or assistance in respect of movable property is stipulated

The compensation should include:

- The cost of replacement improvements
- Relocation expenses
- Compensation for materials ruined during transportation
- Other transaction costs

Decisions regarding land acquisition and resettlement are discussed only between the titled landowners/official tenants and the Land Acquisition Authorities.

Information on quantification of affected items, value of assets, entitlements, and compensation/financial assistance amounts are to be disclosed to the landowners and tenants as prior to project appraisal. The general provisions of the RAP (including Entitlement Matrix) are made public, while individual data on losses/compensation are available only to the individuals /household affected by the project.

No specific plan for public consultation is provided under the Ukrainian laws.

Public consultation and participation is the integral part of WB's policy which is a continuous process at concept, preparation, implementation and finally at post implementation stage

No specific requirements to the grievance mechanism for out of court addressing of the concerns raised by the landowners/tenants

Transparent and easily accessible to the landowners/tenants mechanism with multiple information uptake channels and tracking system for the complaints received needs to be established and communicated to the landowners/tenants and the affected communities.

In case the gaps identified above are affecting the processes described in this RPF the WB OP 4.12 provisions will prevail.

ELIGIBILITY CRITERIA FOR IDENTIFYING VARIOUS CATEGORIES OF AFFECTED PEOPLE

PAPs will be entitled to compensation based on the status of their occupation of the potential project area.

Under the WB's OP 4.12, PAPs are defined as those who are affected by project activities which result in:

- Relocation or loss of shelter
- Loss of assets or access to assets; and/or
- Loss of income source, business or means of livelihood, whether or not affected person must move to another location.

All PAPs irrespective of their status or whether they have formal titles, legal rights or not, or encroaching illegally on land, are eligible for some kind of assistance if they occupied the project area before the cut-off date. Persons who take occupancy in the area after the socio-economic study are not eligible for compensation or any form of resettlement assistance.

The World Bank's OP 4.12 guidelines require compensation for lost, or impacted assets and replacement costs to both titled and non-titled landholders and resettlement assistance for lost income and livelihood.

It will be important to set a cut-off date at an early stage of the preparation process in order to avoid speculation and illegitimate claims at a later stage.

An appropriate cut-off date will be the time when the assessment of persons and their property in the sections of the project is carried out.

The establishment of cut-off date is required to prevent opportunistic invasions or migration into the chosen land thereby posing a major risk to the project.

The local authorities will play a crucial role in identifying users of land since most of them would have acquired the customary rights to use the land on their authorization.

Owners of public land e.g. village councils will not be eligible for monetary compensation from the project. Public land will be transferred to 'Ukravtodor' at no charge. The project will, however, identify significantly affected tenants and users of public land and offer alternatives for land use or lease by these groups. Based on current assessments, it is not expected that there will be significantly affected tenants/users of public land given that: (i) the majority of public land needed concerns strips of land along the road where widening and rehabilitation will take place; and (ii) the majority of public land needed for the project is being leased to large agricultural companies. Nevertheless, provisions for significantly affected users and tenants are included in the Entitlements matrix in the effect such groups are identified in the course of the project.

The Matrix of Entitlements appears as Annex A of this document. The precise number of affected persons (private and public owners, businesses and tenants) will not be known until the detailed technical design is completed.

Land acquisition is not expected to include areas subject to informal occupancy or use. If such a case occurs, however, the actual landowner would be compensated for any land acquired and the user would be compensated for crops, fixed assets, business losses or other damages, land users who do not have legally formalized rights for such use would be still considered project affected people and would be eligible for compensation of their investments in land improvement, structures, lost harvest and perennial plants. Those losing significant portion of their land (residual plot is not economically viable) will be able to choose acquisition of the entire land as one of the options. In cases that relocation of some houses or businesses is unavoidable (which are expected to be no more than 10 houses) the compensation procedures would follow the principles discussed in this Framework.

METHODS OF VALUING AFFECTED ASSETS.

The evaluation of land shall be performed by the corporate entities properly licensed on the performance of land planning activity by the state as per para 3 Clause 17 of the Law of Ukraine “On Land Valuation”. The valuator shall be designated by a local executive body or local self-government body as per para 4 Clause 5 of the Law of Ukraine “On allocation (condemnation) of plots of land, other objects of private estate property situated thereon, for public purpose”. All costs shall be covered at the expense of the respective state budgets. In case owner of the land does not agree with the results of the valuation, (s)he is eligible to hire another valuator at his own expense. Results of valuation performed by privately hired valuator should be binding for all the parties, as The Law envisages the right of the owner to engage another valuator in case he disagrees with the results of valuation performed by the valuator invited by local authorities or project initiator (Art. 5, paras 4 and 5 of the Law of Ukraine “On allocation (condemnation) of plots of land, other objects of private estate property situated thereon, for public purpose”). The valuation shall be done in accordance to the Law on Land Valuation and methods described therein and in relevant provision of special procedures. Valuation results are to be confirmed by local state authorities. If the results of the valuation are not accepted by one of the parties they are eligible to take a legal action.

Each asset will be enumerated and inscribed on a register. Values for each types of asset will be pre-printed, shown to the affected person, and set against the type and number of such losses that the individual will sustain. The total compensation for that category of loss will be shown, and the total of all losses shown as well. The inventory and evaluation will be signed and a copy given on the spot to the affected person. The form will state, and the affected person will be notified, that the inventory will not be final until a second signed copy, verified by project supervisory staff, is returned to the affected person. At that time, a copy of the grievance procedure will also be given to the affected person.

According to the legislature of Ukraine land-for-land compensation will be offered to all affected persons losing land according to the procedure set out by the laws of Ukraine in case of the land availability.

Land owners (land users) who are not satisfied with the decision of the commission can appeal to the court, following procedures set forth by Ukrainian law. The ruling of the court also determines who pays the cost of litigation.

ORGANIZATIONAL ELEMENTS AND PROCEDURES FOR DELIVERY OF ENTITLEMENTS, INCLUDING THE RESPONSIBILITIES OF EACH ACTOR.

The location of the areas where land is needed must be announced through the mass media three months before construction begins, according to Article 146 of the Land Code and Article 350 of the Civil Code. Residents on or near where land is needed are contacted to gain their permission and their signatures are submitted as part of the documentation package that is required by the legal procedure in Ukraine. The notifications are made by Ukravtodor and respective Road Services in the region accountable to Ukravtodor via newspapers, web sites, and radio, through registered letters and posted announcements, and during consultations with the public. The compliance with the requirement is monitored by 'Ukravtodor'. The penalties are not envisioned for the cases where 'Ukravtodor' fails to meet the time advance notice requirement however 'Ukravtodor' is committed to honour the one-year prior notification for all land acquisition covered by this Policy Framework and has a track record of doing it in previous projects supported by the Bank.

Once the exact location and the amount of land or property needed is known, 'Ukravtodor' is then responsible for preparing a Resettlement Action Plan (RAP) with respect to the relevant land parcels per Ukrainian legislative requirements, which is being submitted as part of the documentation for a construction permit. Each RAP includes detailed information regarding the affected land, people, property, the amount of compensation and processes of compensation, and other relevant information. As it is described in the Resettlement Policy Framework the technical design of the motorway is prepared for 'Ukravtodor' by a design institute. The Resettlement Action Plans will contain information about each land plot, property and businesses to be withdrawn for permanent use. In addition, the Resettlement Action Plan includes a list of all trees and economically valuable plants that must be removed for construction or to secure the protected part of the right of way.

The Resettlement Action Plan with respect to the relevant land parcel must be approved by a local authority or an executive power body (depending on the land plot location), which makes decisions about the provision of land. The estimated cost of land to be provided for permanent use and for lease during the construction period is calculated by a properly licensed organization and approved by the local authority and/or the executive power body (depending on the land plot location). The cost estimate is calculated from the estimated value of each individual land plot and other affected properties. 'Ukravtodor' oversees the implementation and assesses the impacts.

'Ukravtodor' provides information about the Resettlement Action Plan with respect to the relevant land plot through mass media and public authorities. 'Ukravtodor' specialists then directly contact landowners and land users whose plots are to be affected to inform them about the evaluation, transfer and construction process.

When land needed for the purposes of the project belongs to a private landowner but a land owner does not have the land act⁷ the owner will be supported by "Ukravtodor" regional branch in getting the land act, and then the land plot or part of it will be acquired permanently and transferred to 'Ukravtodor' according to articles 92, 146-149 of the Land Code of Ukraine.

⁷ There may be cases, when a land owner does not have the act while other documents may confirm property title (sale and purchase agreement, inheritance documents, privatization documents, etc.). Even the fact, that a person openly uses some land for a long time (for more than 15 years) without any documents, gives the person a right to apply for ownership title (Art.119 of The Land Code of Ukraine).

The acquisition price shall include the market value of the land plot and property located thereon, as well as the full amount of losses suffered by the owner as a result of the land plot acquisition, including lost benefits. The owners of the land who would be affected by the project and will become part of the resettlement/land acquisition process shall not bear any expenses with regard to registration of purchase agreements, taxes etc. These expenses shall be covered by the state authority executing its right of land purchasing. The Law of Ukraine on “Allocation of land for public needs”, namely para 2 Clause 14 stipulates that the Authority in charge of the land purchasing shall cover all the expenses related to the purchasing that arise during land allocation, inclusive, but not limited to taxes and registration cost.

Following an agreement with the owner of the land plot to be purchased, the authority that took a decision on the land purchase for public needs will provide the owner either with another land plot of equivalent size and productive value within the same district that is the plot taken or with monetary compensation for the land (para 5 Clause 12 Law of Ukraine “On allocation (condemnation) of plots of land, other objects of private estate property situated thereon, for public purpose”).

If the landowner agrees, he (she) may be provided with another land plot or property the value of which shall be taken into consideration when calculating the acquisition price.

The amount of compensation is calculated separately for each specific plot of land according to the Regulation of the Cabinet of Ministers of Ukraine of 17.11.1997 No.1279, where a table with the prices paid per 1 hectare of land set for different regions on one side and for different land use purposes (building structures, tillage, haymaking, pastures, plantation, etc.).

If the land is obtained from the state fund (i.e., it is not private property), that is currently being used as agricultural land by the private companies, the compensation is calculated according to the Regulation of the Cabinet of Ministers of Ukraine of 17.11.1997 No.1279. The quality of land, its use rate and yield must be taken into account in this case as well.

Land owners and land users are compensated in accordance with the "Procedure for Calculation and Compensation of Losses to Land Owners and Land Users" approved by Regulation of the Cabinet of Ministers of Ukraine of 19.04.1993 No. 284, taking into account the Provision of this RFP and OP 4.12”, as these requirements differ, which also specifies the rights and access to compensation of losses for land owners and users.

The valuation for the purposes of acquisition for public purposes is aimed to define land price for the purpose of alienation based on the following method:

- Capitalization of the net operating or rent land use revenue (“the capitalization”), considering its permitted use, established on the date the resettlement decision, made by local authorities (para.2 art 19, The Law On Land Valuation).

*This is the only specific requirement for the valuation of the alienated land for public purposes.

The other requirements are general and are applicable to all land valuation cases, and no specific benefits for the resettled people are envisaged.

The capitalization method determines land price based on it’s the most effective use and with consideration of encumbrances and other burdens relating thereto.

Net operational revenue is determined based on the analysis of the land lease market rates.

Rent revenue to be determined as difference between expected revenue from the products, cultivated on the land plot (real or provisional), and production expenses and the producer’s profit (para.7 of The Methodology).

For the purposes of calculating of the land price based on the method of capitalization of revenue from the rent payments, the net operational revenue shall be determined as a difference between rent payments revenue and annual disbursements for such land plot (para.14 of the Methodology).

Special provisions on calculation methods are stipulated for agricultural land, owned by private business, e.g. managing costs are considered (para. 12-14, part III of The Methodology).

While evaluating hayfields and pastures the land is evaluated together with the vegetative cover. The following aspects are considered: location, vegetative cover and soils conditions, productive level, environmental conditions (para.16 of The Methodology).

Depending on market conditions the market price for the expropriated assets should be **pre-project** or **pre-displacement**, whichever is higher.

‘Ukravtodor’ shall pay compensation to owners of the trees cut after the parcel acquisition within 2 months after the land acquisition plan is approved with respect to the relevant plot. The amount of compensation is determined according to Regulation of the Cabinet of Ministers of Ukraine of 17.11.1997 No. 1279: the valuation of perennial plantings is based on the plant age and condition.

There are three plant age periods:

- 1) planting and keeping (before fruiting, the value consists of expenses made during this period)
- 2) fruiting (several approaches are applied to determine cost of the plants)
- 3) liquidation (the value is the cost for liquidation) - para.19 of the Methodology.

In order to determine the scope of the losses and the full compensation of their real costs, a private state licensed company is hired that creates a commission to perform the land plots cost calculation. Thereafter a separate report is being prepared by its experts. Such commissions are created in compliance with the legislation to ensure the compensation process for losses is carried out in a transparent way.

Land for land compensation will be offered and will be the preferred option of compensation upon consent of the land owners. There is land available for the compensation to allow the option for land replacement to be offered to each affected land owner. However, per Ukrainian law, owners will also be given the option for monetary compensation. Hence it is not possible to guarantee in advance that land-for-land replacement will be applied in the case of each project-affected person. In case the land compensation is chosen by the land owner he or she will be offered a similar plot of land, allowing for a land swap at no additional cost to the owner. In case the proposed plot is of less value the owner will receive the monetary compensation of the difference. When the owner of the land chooses a plot of land that is of higher value than that one owned by him/her, (s)he could choose it and compensate the difference to the state budget. Monetary compensation for land will be calculated on the basis of the law and independent licensed institutions will be engaged in the process. The law stipulates procedure of land cost evaluation and it is based on the area, land properties, and location.

To comply with OP4.12, the livelihood of the affected people should not be worsened due to the construction of infrastructure financed by the Bank. At the minimum, the affected people’s livelihoods should be restored to its original status before the Bank intervention.

If Ukravtodor or Road Service in the regions identifies any land users who have not officially registered their rights for this land before cut-off date, the Client shall take all the steps required to assure allocation of the land plots to such land users that would have similar or equal conditions of using it.

IMPLEMENTATION SCHEDULE, INCLUDING HOW RESETTLEMENT WILL BE LINKED TO THE CIVIL WORKS.

Ukravtodor will be assisted in preparing the Resettlement Action Plans with respect to the relevant land plots, but will retain full responsibility for implementing the plans. The Resettlement Action Plans will include the full budget for compensation, to be paid by Ukravtodor. After a local self-government or an executive power authority (depending on the land plot location) and a landowner jointly sign a purchase or lease contract, 'Ukravtodor' deposits the compensation amount directly in the current account of the local self-government or the executive power authority (depending on the land plot location), which will pay the compensation to affected persons.

Consultation with local communities. Affected persons and communities will be notified twice through the mass media of plans to construct the needed structures for some part of rehabilitation sections. In addition, announcements will be posted in offices of local administrations and in local self-governments or executive power authorities (depending on the relevant land plot location). Affected persons will also be contacted individually at least two times: when 'Ukravtodor' applies for design preparation and when 'Ukravtodor' applies for a construction permit. The negotiations occur both at the first and at the second notification and continue until an agreement is reached or 'Ukravtodor' files a request for court intervention.

Resettlement Action Plans will be disclosed at public meeting with affected persons as well as through local media or Ukravtodor websites.

The resettlement shall be supervised by the local authorities. For each subproject, resettlement items will be integrated into the sub-project implementation schedule. No subprojects will be accepted without completed land acquisition information and either RAP or statement that no RAP is needed.

The land allocation procedure was started in 2014 on the basis of the Order of Poltava Oblast Administration Head. Urban planning rationale was approved in July-August 2014. Following this procedure, the Poltava Road Service authorities will negotiate land allocation issues with the State Land Cadastre authority. No construction will take place where there is land acquisition or land withdrawal without entitlements paid.

GRIEVANCE REDRESS MECHANISMS.

It must be emphasized that the risk of complaints will be reduced to minimum owing to the fact that the farmers to be resettled will be involved in the evaluation committee and will have an opportunity to reach consensus during joint discussion. Should such consensus not be reached, farmers may submit prejudicial claims to local authorities against the decisions of the evaluation commission. If potentially affected persons oppose the location of the proposed structures, they can register an objection during the discussions and design plan. Once the Land Acquisition and Resettlement Plans has been adopted with respect to the relevant land plot, affected persons can negotiate with 'Ukravtodor' and local self-governments or executive power authorities (depending on the relevant land plot location) a compensation for the purchase of land and the lease of land during the construction period.

Grievances related to any aspect of the project will be addressed through negotiation, which will aim at achieving a consensus settlement. PAPs may follow the procedures outline below:

- Grievance form will be filled by a person affected by the project and submitted to local office of Ukravtodor in Poltava region, i.e. Poltava Road Service;

- If no understanding or amicable solution is reached, or affected person did not receive a response within the reasonable response period (usually 1 working week), the affected person can appeal to a designated office at Ukravtodor, the Sector on Community Affairs. Head of this Sector is responsible for registering and processing appeals received, contact details: press@ukravtodor.com.ua, phone: 044 287 5178. A person designated by the PIU to register claims and grievances and follow up to resolve them at the local level, namely Safeguard Expert, contact details: mail@ukrdorinvest.com.ua, 044 287 70 60. Contact details for the responsible executives as well as established response period (1 working week) will be shared with PAPs at public meetings. The grievances shall be registered and the report on how they were dealt with shall be submitted to the Bank on an annual basis.
- If an affected person is not satisfied with the decision received, he/she can as a last resort appeal to a court of competent jurisdiction.

The grievance procedure shall be introduced at local level during the public hearings of RFP and further public hearings of the RAP. Moreover the grievance procedure mechanism shall be available for local population at self-government bodies of the districts concerned.

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

BUDGET AND FUNDING ARRANGEMENTS.

As for now there is no possibility to estimate the budget of the resettlement due to the following reasons:

- there is no final data on the resettlement and land allocation required for the project;
- the land plots shall be bought at the market rate, that will be determined on the date of purchase

Ukravtodor shall be responsible for resettlement land acquisition will be funded from the loan proceeds.

The following procedure shall be applied.

The ownership right to a house, other buildings, constructions and plants as a result of acquisition of the land plot they are located on, may be terminated on an agreement of two parties.

The ownership right to a house, other buildings, constructions and plants as a result of acquisition of the land plot they are located on, may be terminated by a court ruling, through the purchase thereof and with mandatory compensation of all losses before the purchase.

The court may rule to demolish the house, other buildings, constructions and plants located on a land plot subject to acquisition, or to move them, if the owner so wishes, to another land plot and restore them there, if possible.

When those items are demolished or moved to another land plot, the owner shall be entitled to a prior compensation of losses, including expenses for the land plot improvement and lost benefits.

The house shall not be demolished until the individual who owns the house and lives there, his (her) family, or any tenants and their family who live in the house are provided with a new dwelling. The dwelling size and procedure of the provision thereof are specified by law. To be in compliance with OP 4.12, the new dwelling should be at least equivalent to the one acquired, while allowing same access to transport networks, social institutions and livelihoods, same or better set of utilities of the dwelling. The Client shall be responsible for arranging reallocation for the affected people if any and shall cover the registration cost and taxes that might arise related thereto.

The amount of compensation for houses, other buildings, constructions and plants shall be based on the valuation thereof (according to the Law of Ukraine “On Valuation of Property, Property Rights and Professional Assessment Activities in Ukraine”), which, as noted above, corresponds to the World Bank’s requirement of “replacement cost” to enable the person to purchase similar land or property, while the taxes and registration fees are covered by the Authority in charge of the land allocation

As noted earlier, the project takes all the necessary steps to avoid affecting houses or businesses, including change of design. However, in case business is affected by the land acquisition, the owner will be compensated for the land as well as the inventory. In addition, the owners will be compensated for costs related to the relocation of the business and the loss of income during relocation. In the unlikely case of relocation of a business, it should be relocated to a place where the comparable income (same neighbourhoods and location) can be earned.

METHODS FOR CONSULTATION WITH, AND PARTICIPATION OF, AFFECTED PEOPLE.

Consultation is to be conducted for the Resettlement Policy Framework, which sets the parameters by which resettlement will be carried out, and for the individual RAPs which will be prepared for each subproject.

Public consultation and participation is essential because they afford PAPs the opportunity to contribute to both the design and implementation of the project activities and reduce the likelihood for conflicts as well as increase benefits being realized by PAPs.

For this project to be successful and effective close consultations with local communities is a prerequisite. Particular attention would be paid to public consultation with potentially affected individuals/households.

Stakeholders for the purpose of this project shall be defined as all those people and institutions that have an interest in the successful planning and execution of the project. This includes all persons and institutions positively and negatively affected by the project. Records of public consultations will be kept by the PIU.

The consultation process shall ensure that all those identified as stakeholders are informed and have the chance to participate in the consultations. Information about the project will be shared with the public, to enable meaningful contribution and to enhance success of the project.

MONITORING ARRANGEMENTS.

‘Ukravtodor’ shall designate a person to monitor land acquisition procedures and report to ‘Ukravtodor’ and the World Bank any irregularities and shortcomings in implementation of the Resettlement Action Plan with respect to the relevant land plot or any unexpected negative impacts on affected persons.

The PIU will cooperate closely with regional authorities and road service for monitoring resettlement and compensations of PAPs in subprojects. For resettlement, each six months the Poltava region road service will select a random sample of subprojects with resettlement, visit each, and report on the progress of resettlement. The results will be summarized in a report to the project managers and the Bank which uses key performance indicators selected by the project and agreed in the RAP as reporting topics. Qualitative comments on resettlement progress will also be provided.

TEMPLATE FOR THE DESIGN OF SUBPROJECT RAPs.

At a minimum, the individual RAP will include the:

- i. nature of the subproject,
- ii. Description of the scope and scale of land acquisition and related impacts,
- iii. the number of people affected,
- iv. baseline census (persons and assets affected)
- v. socio-economic survey information (for larger subprojects)
- vi. a matrix that shows – in the same terms as the RPF – the entitlements of the categories of affected people, expected compensation and assistance (see sample matrix in Annex)
- vii. a description of resettlement sites and programs for improvement or restoration of livelihoods and standards of living,
- viii. the subproject budget, implementation schedule, monitoring arrangements, grievance procedures and a commitment to follow the RPF guidance and requirements in all general matters.

ANNEX A
Entitlements Matrix

Project Component	Element	Project Impact	Category of Project Affected Persons (PAPs)	Entitlement
<p>Component I Upgrading of 139,3 kilometres of the existing 2x2 lines motorway between Poltava and Kharkiv,</p> <p>Road Rehabilitation and maintenance of some 2000 km throughout the country</p> <p>Component II Road safety systems improvement .</p>	<p>Road widening or rehabilitation</p> <p>Construction of bypasses or interchanges</p> <p>Road safety improvements, including road rehabilitation as well as construction of additional structures (Component II)</p>	<p>Land withdrawal for permanent use;</p> <p>Loss of agriculture or productive land;</p> <p>Loss of residential land and housing</p> <p>Businesses</p> <p>Loss of significant portion of land</p> <p>Loss of full land plots</p> <p>PAPs being owners of the residential houses along the road</p>	Private land owners	<p>Provision of acceptable replacement land of equivalent productive value or compensation at full present reproduction value of the land, damages, which would be calculated to ensure it would be equal to the replacement cost.</p> <p>The acquisition price shall also the full amount of losses suffered by the owner as a result of the land plot acquisition, including lost benefits. The market price of the land depends on its quality, average yield, and is calculated with a capitalization period of 33 years. This corresponds to the World Bank's requirement of "replacement cost. The owners shall be offered moving assistance in case of displacement,</p> <p>The owner will be compensated for the land as well as the inventory. In addition, the owners will be compensated for cost related to the replacement of the business and the loss of business during replacement. Business should be relocated in a way that there will not be any lowering of income for the owner.</p> <p>In addition to the foregoing, if the residual portion of the land after acquisition for the project needs is not economically viable, PAPs losing significant portion of land shall be proposed to sell/ exchange the entire plot upon their choice.</p> <p>Prior to civil works start the Contractor shall visit the residential houses along the road and shall prepare special register with the description of the buildings' condition. Upon the civil works completion any damage shall be remedied by the Contractor.</p>
			Owners of residential plots and housing	Owners will be provided with acceptable replacement housing and plot. Compensation will be provided for every type of expenses for land registration to be paid by the respective authorities, moving assistance in an amount estimated through compensation valuation commission in consultation with PAPs.

			Socially vulnerable groups (to be defined in RAP; examples may include elderly persons living alone, people with disability, persons and households living below the poverty line)	Will be eligible for additional forms of assistance namely: , assistance with registration in social welfare and healthcare care institutions, assistance with accessing social services such as schools and hospitals (in case of moving to different village or town where access to new social institutions is required), compensation for /assistance in making a new dwelling disability friendly.
			Land users, including informal or illegal users	The actual landowner would be compensated for any land acquired and the user would be compensated for crops, structures or other fixed assets, and business losses or other damages. The land users would be provided alternative land plots of at least the same productivity for further usage.
			Tenants of public land (e.g. village council) land.	Large leasers e.g. commercial agricultural companies or other tenants losing less than 20 % of their productive land will be notified one year in advance to avoid crop losses. Lease agreements will be modified in accordance with the law to reflect area of land to be withdrawn for the project. Significantly affected tenants, losing more than 20% of their productive land, will be provided with options for alternative land of the same productive value for lease.
			Public Owner (State or Municipality)	Transfer without compensation
	Land withdrawal for temporary use. Lease of land for the period of construction	Private Owner	Compensation for disruption; compensation for crop damage; land returned to original physical condition for handover	
		Land Users	Compensation for loss of harvest at the fair market price; land returned to original physical condition for handover to the pap's use.	
		Public Owner (State or Municipality)	Use agreement, with or without compensation	
			Users of public land for pastures	Alternative pasture opportunities provided, safe passages to access to the grazing areas.

* Compensation to the market price of the land depends on its quality, average yield, which is calculated with a capitalization period of 33 years. This corresponds to the World Bank's requirement of "replacement cost" enabling the person to purchase similar land.

Annex B
Sample Outline of Resettlement Action Plan

1. Description of the Project

- 1.1. Background to Second Road Safety Improvement Project
- 1.2. Project Area [include also the administrative regions covered]
- 1.3. Elements of Project that Affect Land Acquisition

[Add maps or refer to an Annex with the maps]

- 1.4. Population and Project Affected People
 - a. Population and settlements
 - b. Economic conditions and livelihood activities
 - c. Agricultural areas
 - e. Business activities

2. Potential Impacts

- 2.1 Project components and activities that give rise to resettlement
- 2.2 The alternatives considered to avoid or minimize resettlement

3. Objectives of Land Acquisition and Resettlement Policy Framework

4. Census of Project Affected People

4.1 Introduction – who conducts the census and in what period of time; What is the Cut-off date [if census for different road sections is conducted in different times, there may be different cut-off dates for the different road sections]

4.4 Lands acquisition process

4.5 PAPs' awareness about the Project, readiness to participate and suggestions about the land acquisition process

[include references to any consultations and notifications to owners that have taken place]

4.6 Risks related to land acquisition

5. Legal Framework

6. Institutional Framework

7. Eligibility / Right to Compensations and Assistance

- private owners
- lessees/tenants

[describe arrangements with village councils, and with private owners]

8. Valuation of and Compensation for Losses

[describe valuation system including the institutions involved]

[describe method of valuation/compensation of land per classification used in Ukraine]

Type of land/soil	Value/ha		

[describe method of valuation/compensation of crops/livestock if applicable, loss of yields]

[describe methods of valuation/compensation of housing]

11. Provision with Housing, Objects of Infrastructure, and Social Services

[with special attention on vulnerable groups and persons to be resettled from their homes]

12. Environmental Protection and Management

13. Public Participation

15. Grievance Procedures (Procedures for consideration and resolution of complaints)

16. Organizational Responsibilities for Implementing Resettlement

17. Implementation Schedule

18. Costs and Budget

19. Monitoring and Evaluation