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Livelihood Restoration Plan

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Livelihood Restoration Plan
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ACRONYMS AND ABBREVIATIONS

Acronyms	Description
AIIB	Asian Infrastructure Investment Bank
AoI	Area of Influence
AP	Affected Party
EIA	Environmental Impact Assessment
ERM	Environmental Resources Management
ESIA	Environmental and Social Impact Assessment
ESMS	Environmental and Social Management System
FGD	Focus Group Discussion
GRM	Grievance Redressal Mechanism
Ha	Hectares
IFC	International Finance Corporation
KEGOC	Kazakhstan Electricity Grid Operating Company
KII	Key Informant Interview
KTZ	Kazakhstan Temir Zholy Joint Stock Company
Kz	Kazakhstan
LRIT	Livelihood Restoration Implementation Team
LRP	Livelihood Restoration Plan
PAE	Project Affected Entity
PAH	Project Affected Household
PAP	Project Affected Persons
PS	Performance Standard
RAP	Resettlement Action Plan
RoW	Right of Way
SEP	Stakeholder Engagement Plan
SIA	Social Impact Assessment
SSI	Semi-Structured Interview
TBC	To be confirmed
TBD	To be determined
USD	United States Dollar

GLOSSARY OF KEY TERMS

Term	Description ¹
Affected entity	Includes persons with formal and informal rights or title to land, and business entities that may experience either physical or economic displacement.
Affected person	Person experiencing either physical or economic displacement.
Area of Influence	The area likely to be affected by the project activities and impacts.
Compensation	Any payment in cash or in kind of the replacement cost of the acquired assets.
Displaced person	Same as affected person.
Displacement (economic)	Temporary or permanent loss of assets (including land) or access to assets that leads to loss of income sources or means of livelihood as a result of project-related land acquisition or restriction of access to land and natural resources.
Displacement (physical)	Loss of dwelling or shelter because of project-related land access, which physically displaces and requires the affected person(s) to move to another location.
Entitlement	Range of measures comprising compensation in cash or in kind, income restoration, transfer assistance, income substitution, and relocation which are due to PAEs, depending on the nature of their losses, to restore their economic and social base
Footprint	Land that is directly affected by the project component.
Full replacement cost	The full replacement cost is the market value of the asset (with no depreciation) plus transaction costs.
Gender-based violence	Any form of violence, including physical and verbal abuse, related to social and cultural expectations of gender roles.
Household	One person or a group of persons who share a dwelling unit.
Involuntary Resettlement	Physical and/or economic displacement whereby affected persons or communities do not have the right to refuse land acquisition or restrictions on land use resulting in their relocation.
Land Acquisition	Purchase of property and land, including the access rights, easements and/or rights of way.
Livelihood	Livelihood is the full range of means that individuals, families, and communities utilize to make a living.
Livelihood restoration	Refers to the process of restoring (or improving) affected persons' livelihoods to pre-project levels (or better).
Livelihood Restoration Plan (LRP)	A planning document that outlines the necessary activities and measures to be implemented to restore livelihoods.
Project-affected person	Same as affected person.
Project affected entities	Same as affected entity.

¹ Based on IFC Good Practice Handbook: Land Acquisition and Involuntary Resettlement, 2023. With additions based on context.

Term	Description ¹
Replacement cost	Same as full replacement cost.
Resettlement Action Plan (RAP)	A planning document that outlines the process, activities, and measures to be implemented for physically displaced persons.
Transaction costs	All costs that may be incurred because of the transaction or transfer of assets, e.g., taxes, stamp duties, legal and notarization fees, registration fees, travel costs, etc.
Transition period	Transition Period means the immediate period between the sale of land by the owner to District Akimat or for the return of leased land to the government. For non-land title holders (such as workers and graziers/users), it means the immediate period where their livelihood becomes disrupted until they are able to restore their livelihoods to pre-project levels
Vulnerable groups	People who are at increased risk status and may experience vulnerability and discrimination stemming from their race, color, sex, language, religion, political or other opinion, national or social origin, property, or birth.

1. INTRODUCTION

Asian Infrastructure Investment Bank (“AIIB”) and International Finance Corporation (“IFC”), collectively referred to as the “Lenders”, are considering financing the construction and operation of the Almaty Railroad Bypass (the “Project”), which is under development by the Kazakhstan Temir Zholy Joint Stock Company (the “Developer” or “KTZ”). Environmental Resources Management (S) Pte Ltd (“ERM”) has been engaged to conduct a Supplementary Environmental and Social Impact Assessment (ESIA) for this Project. This includes a Livelihood Restoration Plan (LRP), as a management plan of the Supplementary ESIA, that assesses the nature, intensity and scale of involuntary resettlement impacts due to the Project’s land and natural resources requirement.

While land acquisition for the Almaty Railroad Bypass is nearing completion and construction is underway in many areas, there are certain uncertainties in specific sections of the right of way and station boundaries that are in the process of being clarified with KTZ (as of 13 February 2025). In view of the Project’s current status where land access (and the resultant impacts) have already occurred, the LRP has approached the assessment of involuntary resettlement impacts as a retrospective evaluation of land-based and livelihood impacts as well as to identify any additional impacts based on the IFC Performance Standards (2012) that would not have been considered through the relevant national laws on land acquisition in the Republic of Kazakhstan. Based on this approach, the LRP identifies the need for any additional entitlements and/or process elements in order to address emerging issues, gaps and to enable the restoration of livelihoods of project affected entities to at least pre-project levels.

1.1 PROJECT DESCRIPTION

KTZ intends to construct a 75km railway line, with a total track length of 130 km, known as the Almaty Railroad Bypass, to alleviate congestion in Almaty City and connect the existing railway stations of Kazybek bek in Zhambyl District and Zhetygen station in Alatau City² and proposes further development of three new railway stations: Sorbulak, Moyinkum and Zhana-Arna. An overview of the Project location, including location of substations, is depicted in **Figure 1-1**.

² Zhetygen village, where the Zhetygen station is located, was previously a part of Iliy District but was established as part of the newly formed Alatau City in 2024.



FIGURE 1-1: PROJECT LOCATION OVERVIEW

KTZ commenced enabling works in November 2023. Thereafter, ground clearance and earthworks were initiated in 2024, and the installation and commissioning of the railway infrastructure and associated facilities are planned for 2025. The overall construction duration is estimated to be two years.

Table 1-1 summarises the key project components and the Project footprint. This includes available information provided by KTZ on quarries and any other associated facilities³ at the time of the assessment (as of 13 February 2025).

For the LRP, a majority of the easements and land required for the substation and transmission line is already within the identified land footprint, with the exception of the 1.9km 220kV overhead transmission line (OHTL)⁴ connecting the proposed greenfield Zhana Arna substation within the RoW to the existing PSAlma-500, located outside the RoW and not a Project associated facility. Based on the information made available by Poligram, ERM has the following understanding of the proposed transmission system:

- The project envisages the usage of one existing substation at Kazybek Bek and the construction of a greenfield substation within Zhanarna station (and within the RoW). The existing substation is within KTZ land and the area for the greenfield substation is within the land area identified at Zhanarna and is part of the right of way
- The greenfield substation at Zhanarna will be connected via a 1.9 km OHTL of 220 kV to an existing substation at Alma-500
- Based on the latest site visit on January 2025, KTZ informed that approximately 500 meters of the 1.9km 220 kV OHTL is within the RoW. KTZ has not yet decided on the alignment of the 1.9km 220 kV OHTL, and thus, the land requirements for tower and easement of RoW are still to be determined.
- A 73 km single circuit 10 kV low voltage transmission line will run parallel to the alignment, which is to be located underground, and within the right of way.

TABLE 1-1: SUMMARY OF KEY PROJECT COMPONENTS AND PROJECT FOOTPRINT

Project Component	Project Footprint ⁵
75km rail alignment, with a total track length of 130km	160 m-wide RoW (80 m on each side), including a 10 m railway line footprint (75 km long)
Upgrading of facilities and infrastructure at Kazybek Bek Station (existing station)	Site area: 5.48 hectares 300 m RoW (150 m on each side) at the stations including a 10 m railway line footprint.
Construction of Sorbulak Station (new station)	Site area: 4.08 hectares 300 m RoW (150 m on each side) at the stations including a 10 m railway line footprint.

³ Per IFC PS1, associated facilities are facilities which are not funded as part of the project and which would not have been constructed or expanded if the project did not exist and without which the project would not be viable. They may include roads, pipelines, utilities, transmission lines among others.

⁴ As the design for the 1.9km OHTL has not been finalized yet by KTZ and Poligram, the approximate number of affected households/persons is not known. However, the site visit in Jan 2025 indicates that no structures are likely to be affected (therefore no physical displacement is likely) and given that agricultural use will be allowed to continue, the impacts will only result from the land requirement at the location of the towers, with limitations on certain uses in the TL RoW.

⁵ The Project's actual RoW boundary, when it is finalised, will vary due to various regulatory requirements, avoidances and other on-ground and engineering considerations. Thumb rules on the RoW are presented in the table for the consideration of the Project footprint.

Project Component	Project Footprint ⁵
Construction of Moyinkum Station (new station)	Site area: 3.03 hectares 300 m RoW (150 m on each side) at the stations including a 10 m railway line footprint.
Construction of Zhana Arna Station (new station)	Site area: 4.7 hectares 300 m RoW (150 m on each side) at the stations including a 10 m railway line footprint.
Upgrading of facilities and infrastructure at Zhetygen Station (existing station)	Site area: 9 hectares 300 m RoW (150 m on each side) at the stations including a 10 m railway line footprint.
Access roads	<p>Train stations will include new permanent access roads, sidewalk pavements, landscaped areas and other areas within the RoW.</p> <p>Four temporary roads of the following approximate lengths: 360m, 360m, 430m and 740m, as per the National EIA (falling within the RoW)⁶.</p> <p>Additional temporary access roads⁷: Based on consultations during SSIs, it is likely that temporary land requirements, and/or easements for the purpose of construction access roads, are based on voluntary agreements between contractors and/or subcontractors and private landowners, and were negotiations with private landowners and could take form of a lease or purchase, and thus, have not been factored in the project footprint.</p> <p>Fragmented land parcels to be viable will also need access roads. Some of these have not been identified yet and will need consultations and agreement with all parties before finalisation.</p>
Quarries (state land) located outside the RoW; temporarily procured for construction	Total area of quarries: 176.61 hectares ⁸

⁶ At the locations of PK 226+33.14, PK 340+48.23, PK 586+14.17, and PK 645+77.85. According to the National EIA, along the entire length, the temporary bypass road is equipped with temporary road signs and markings. Upon completion of construction, the bypass road is dismantled with subsequent reclamation. Materials from the dismantling of the pavement are taken for storage to the PCh-49 base. KTZ confirmed that these temporary roads fall within the RoW and no further information was provided by KTZ on the potential for additional land requirements. Section 4 of the National EIA states that "the allocation of land was designed taking into account the prospective development of separate points in order to reserve land for transport needs in accordance with the Land Code of the Republic of Kazakhstan."

⁷ KTZ confirmed that these temporary access roads and the temporary use of land for these purposes were based on voluntary land transaction, as typically, only easement is procured. These were negotiations with private landowners and could take form of a lease or purchase, but is considered a voluntary land transaction. KTZ did not provide a map with the potential new access roads for fragmented land and temporary roads that would be required, if any, during operation phase, as they said they did not have additional access roads planned for the operation phase, despite this request by ERM.

⁸ Of the 14 quarries, 9 are outside of the RoW and 5 intersect with the RoW with small portions of land within the RoW. The total area of the quarries outside of the RoW was estimated using kmz files of the quarries and the RoW along the Project alignment provided.

Project Component	Project Footprint ⁵
<p>Electrical substations and OHTLs (Note: A total of 18 OHTLs will have to be diverted. Refer to Section 8, Table 8.2 of the Supplementary ESIA-ESMP)⁹</p>	<ul style="list-style-type: none"> • Kazybek bek substation (existing) within the RoW: approx. 1.49 hectares • Zhana Arna substation (proposed greenfield) within the RoW: approx. 1.25 hectares; Refer to Zhana Arna Station Plan (1) <ul style="list-style-type: none"> ◦ 1.9km 220 kV OHTL connecting the existing Alma substation outside the RoW to the proposed Zhana Arna substation: ◦ Land requirements for tower and easement of RoW still to be determined by KTZ, based on January 2025 site visit¹⁰. <p>The 1.9km 220 kV OHTL from the proposed greenfield Zhana Arna substation connected to this substation (existing facility that is in operation but not a Project Component).</p> <ul style="list-style-type: none"> • Alma-500 substation (existing facility, that is in operation) outside the RoW.
<p>Two (2) construction labour accommodation camps for the construction workforce that are located at Sorbulak Station and Zhana Arna Station.</p>	<p>The National EIA states two labour construction camps. During the site visit in Nov-Dec 2024, ERM asked to visit the location of these camps, but KTZ highlighted that they were not recording the location of these camps and did not have any information on them. KTZ mentioned that the labour accommodation camps were not planned on identified sites for the Project, and the land was temporarily taken on rent by the subcontractors, based on discussions and mutual agreements between the subcontractors and landowners. During the Nov-Dec 2024 site visit, however, ERM visited a site along the alignment, and confirmed with the workers on site that the camps were based on agreements between the subcontractors and landowners.</p> <p>While it is included in the project footprint, the labour camps do not come under involuntary impacts as they were located on land that was procured voluntarily from willing landowners, on a rental agreement. Based on KTZ's response, they were not recording the location, did not have information on them, and ERM was not able to follow up on this, and thus further information on construction labour camps remains a limitation.</p> <p>As of 17 January 2025, after the latest site visit and consultations with KTZ and Integra, the Project is in the late stages of construction and KTZ and Integra have informed that there are no more construction camps.</p>

The land required encompasses approximately 1,233.04 ha, of which:

⁹ Note: A total of 18 OHTLs intersecting the Project's RoW will be diverted to facilitate ongoing infrastructure development. It is understood that KTZ is responsible for funding these diversions (i.e. dismantling and re-construction of the infrastructure), while KEGOC (Kazakhstan Electricity Grid Operating Company) and their contractors will manage the implementation.

¹⁰ The existing Alma substation is outside the RoW, does not belong to KTZ and is not considered an associated facility. The 1.9km 220 kV OHTL connecting it to Zhana Arna is, however, a project component.

- Approximately 1,056.43 ha¹¹ (approximately 284 land plots across five districts) will be or has been permanently acquired (this includes privately owned land, available state land and state land leased to specific entities and the 10 newly identified land plots in Alatau City as of January 2025). The land acquisition commenced on 2 May 2023, with the issuance of decrees by the relevant District Akimats (Zhambyl, Iliy, Karasay and Talgar) of the Almaty Oblast. A decree has been issued for Alatau City Akimat as of 12 December 2024.; and
- 176.61 ha^{12,13} of state land for the construction of 14 quarries which have been temporarily accessed for the duration of the Project construction through the Akimats.

For the Almaty Railroad Bypass Project in Kazakhstan, the key parties responsible for aspects of the project relevant to the LRP include:

- Kazakhstan Temir Zholy (KTZ) - As the primary project proponent and the country's largest railway operator, KTZ is instrumental in overseeing the broader impacts of the project, including economic connectivity and regional transport systems, which indirectly influence local livelihoods
- Poligram – design consultant and their role in alignment design, avoidance and optimization
- Integra Construction KZ LLP - As the Engineering, Procurement, and Construction (EPC) Contractor, Integra is directly involved in the land access, construction and project management.
- The Department of Land Relations for the Almaty Region
 - Responsible for allocating and registering land at the regional level;
 - Monitoring land use and ensuring compliance with land regulations;
 - Enforcing land legislation and handling land disputes within the region; and
 - Supporting regional planning and development by overseeing land-related projects.
- The Akimats of Talgar, Zhambyl, Iliy, Karasay and Alatau within the Almaty Oblast, including the Land Acquisition Department within each district
 - These local government bodies coordinate the land acquisition process, directly affecting resettlement and compensation for affected communities, thereby playing a critical role in the livelihood restoration plan.
- Licensed valuers as engaged by District Akimats for the valuation of affected land plots and assets, based on need.

¹¹ 284 land plots across 1,056.43 hectares includes the 10 new land plots identified in Alatau City in January 2025, and the 274 land plots representing 1,033.08 hectares based on 6 Decrees issued between May 2023 – March 2024 by the District Akimats of Karsay, Zhambyl, Talgar and Iliy, and 1 Decree issued by Alatau City Akimat on 12 December 2024.

¹² The kmz shapefiles provided to ERM indicate that the quarries have a total area of 182.87 ha (including 6.26 ha of land within the Project RoW), which deviates slightly from Integra's application letter.

¹³ The location of the 14 quarries are: Zhambyl (No20 A, No2 and No3), Iliy districts (No4, No5, No6, No7, No7 A, No8 and No9) and on the lands of administrative-territorial subordination of the City of Alatau (No14, No16, No20 B and No30). While temporary land procurement may be in the construction phase, the permanent land acquisition is shown in the pre-construction or planning phase of the project.

1.2 STATUS OF LAND ACQUISITION

As of December 2024, according to information received from KTZ, 70 (24.64%) , 70 (24.64%) land plots had been permanently acquired for the Project (includes 64 privately owned land plots and 6 state-owned land plots under lease returned to the state, but does not include land required for the 1.9km OHTL from Zhana Arna substation to PS-Alma-500 substation and voluntary informal agreement on temporary land use on landowner and contractor/subcontractor for labour accommodation camps and access roads¹⁴), and for which compensation had been completed. **Table 1-2** summarises the status of land acquisition for the Project's land requirements¹⁵.

- Of the land plots which had been acquired and compensated, economic displacement has already likely impacted private landowners of 64 land plots (22.54% of land plots) and lease holders of 6 state-owned land under lease (2.11% of land plots).
- Acquisition of the remaining land plots are underway, of which 111 (39%) were verified with District Akimats to be pending. District Akimats shared that the remaining 38 (13.38%) of the plots which are privately owned or leased do not require an acquisition.
 - According to the Akimats, land plots which "do not require acquisition" may refer to those which are very small and considered insignificant in size and hence voluntarily donated upon negotiation with the landowner, or in the case of state lands, are not under the purview of the Akimats (refer to Footnote 17).

TABLE 1-2: SUMMARY STATUS OF LAND ACQUISITION (JAN 2025)¹⁶

Types of Land	Acquisition Complete	Acquisition Pending	No Acquisition Required ¹⁷	Total No. Of Plots
No. of Privately Owned Plots	64	77	26	167 (58.8%)

¹⁴ Four access roads have been planned for construction phase of the project (temporary access roads) that fall within the RoW. However, there will be other access roads for fragmented land, and the alignment of these roads and information regarding land acquisition for these roads is not known yet.

¹⁵ Note: The 73 km 10 kV transmission line is underground, and within the RoW. Kazybek bek substation and Zhana Arna substation are within the RoW, and thus, are included in the land requirements. The 1.9 km 220 kV OHTL connecting PS-Alma 500 to Zhana Arna (approximately 500m is within the RoW), is not yet included in the land required. Based on the site visit of January 2025, KTZ has yet to decide on the alignment of the OHTL connecting PS-Alma-500 substation to Zhana Arna substation and thus has not yet determined the amount of land required and the location/alignment for the OHTL tower and easement of the RoW for the OHTL.

¹⁶ As mentioned in the limitations, no socio-economic data was collected at land plot level, and thus there is a limitation on the information on number of households/ projects affected persons level at landowner or leaseholder level.

¹⁷ According to the Akimats, land plots which "do not require acquisition" may refer to those which are:

- Private land plots: very small and considered insignificant in size and hence voluntarily donated upon negotiation with the landowner**, or KTZ and Akimat works directly with user to reconfigure the land plot.

- State-Owned Land under Lease: land plots which are returned to the state.

- Existing KTZ-owned land and Other State-Owned land: not under the purview of the Akimats.

** The IFC Gap Analysis Report states that there have been 23 voluntarily donated land plots, however "no data was provided for 23 cases of voluntary donations of parts of land plots". The Annex 5 of the IFC Gap Analysis Report highlights only on record, 5 voluntarily donated land plots (1 under private land, and 4 under leased land that fall under 'Acquisition Complete'). It could be assumed that the 23 voluntarily donated land plots mentioned in the IFC Gap Analysis Report could be classified into "no acquisition required", as there are privately owned land plots which "do not require acquisition" (Refer **Table 1-2**). This could not be confirmed with the Akimats. Refer to **Section 1.4** on Limitations.

Types of Land	Acquisition Complete	Acquisition Pending	No Acquisition Required ¹⁷	Total No. Of Plots
No. of Stat-Owned Land under Lease	6	34	12	52 (18.3%)
Existing KTZ-owned land	Not applicable		38	38 (13.38%)
Other State-Owned land	Not applicable		27	27 (9.5%)
Total No. Of Plots	70 (100%)	111 (100%)	103 (100%)	284 (100%)

*Note: Refer to **Table 2-3** for the estimated number of impacted entities due to permanent land acquisition and **Table 2-4** for the justification of these estimates.*

Overall, for the 284 land plots:

- 103 land plots do not require acquisition, of which 65 are either state owned and/or KTZ owned;
- Acquisition has been completed for 70 land plots;
- Acquisition is ongoing and/or pending for 111 land plots.

Of those 111 land plots pending acquisition¹⁸:

- 10 new land plots from Alatau City¹⁹
- 38 are pending acquisition
- 3 are pending contract adjustment
- 9 are pending land reconfiguration
- 5 pending replacement land
- 10 are pending the owner's availability
- 4 are pending re-evaluation
- 8 are pending user availability
- 5 have liens imposed
- 19 are under court cases (in total, there has been a record of 24 court cases).

1.3 OBJECTIVES AND SCOPE OF THE LIVELIHOOD RESTORATION PLAN

The project's permanent land acquisition (1,056.43 hectares across five districts: Karasay, Zhambyl, Iliy, Talgar and Alatau City) including easement of the 1.9km OHTL²⁰ connecting Alma-500 substation to Zhana Arna substation, and also temporary land requirements (176.61

¹⁸ ERM was told during the KIIs that for privately owned plots, construction activities do not begin on land until compensation is fully complete.

¹⁹ As of 4 December 2024, after consultations between KTZ and Alatau Akimat, it was estimated that additional land plots previously unaccounted for are required for acquisition in Zhetygen village, part of the newly formed Alatau City. This has been estimated to 10 land plots, with KTZ identifying these land plots. However, as of 07 February 2025, and after the January 2025 site visit, no official decree has been issued by Alatau City Land Department confirming these estimates.

²⁰ As of January 2025, the alignment of the 1.9km OHTL is yet to be determined by KTZ.

hectares for 14 quarries²¹) entails involuntary resettlement. While the preliminary assessment of the physical displacement is assessed in the RF, the LRP has been developed taking into consideration the following (please also refer to the limitations described in **Section 1.3**):

- Land acquisition is at an advanced stage and is likely to be completed by early 2025.
- Construction of the railway has already begun without full compensation of the project affected entities (therefore impacts have already occurred)
- No household census and baseline survey (capturing socio-economic and livelihood information) has been conducted for entities that are the owners and/or users of the affected land plots (private and/or leased from the government). Based on ERM's understanding, although decrees were issued which could be considered a form of formal disclosure and a quasi cut-off date, with respect to transaction on the land, there was no cut-off date to assess land use and enumeration of land users and their dependence on the affected land, if different from landowners.

To align with IFC PS5, the objectives of the LRP are, therefore:

- To document KTZ's efforts to avoid, minimize or optimize the extent of involuntary resettlement impacts.
- To address any retrospective adverse economic displacement (including livelihood related) impacts resulting from permanent land acquisition or temporary use of private land, or land use restrictions (permanent and temporary), which include:
 - Ensuring compensation at full replacement cost, without deductions for depreciation²², or, where compensation has been given and the land acquired, gap closure for completed cases where there were gaps with full replacement cost.
 - Ensuring that the process has considered formal and informal rights
- To identify and to assess any additional involuntary resettlement impacts that are not already included in the list of landowners and to recommend compensation measures in accordance with international standards.
- To record the valuation process used by the Akimats to arrive at the compensation amounts, as per national regulations and whether this aligns with the principle of full replacement cost, other gaps between government-required compensation and IFC PS5
- To develop an entitlement matrix to provide equitable and transparent compensation to project affected entities, to close the gaps between the government-required compensation delivery and international standards (IFC PS5).
- To extend transitional support to those eligible, allowing them the time needed to recover from their losses and restore their livelihoods.
- To offer special assistance to vulnerable people impacted by the project.

²¹ No potential temporary displacement was identified for the quarries intersecting within the RoW. For the quarries located outside the RoW, ERM was told that the quarries are located on government land and leased to KTZ through the Akimats on a temporary basis and do not involve any physical or economic displacement.

²² The Valuation reports indicated that depreciation of **assets on land only** (structures, etc) is deducted during the valuation process. Depreciation of **land only** is not included.

- To ensure that LRP activities are planned and executed with adequate information disclosure, meaningful consultation, and active participation of those affected, including access to a functional grievance mechanism, for the entire duration of the LRP.

1.3.1 APPLICABLE REFERENCE FRAMEWORK

The land acquisition and compensation processes are overseen by District Akimats and are in line with Kazakhstan national regulations on land expropriation for state needs. The assessment of involuntary resettlement impacts and the development of this LRP is informed by:

- IFC Performance Standard 5 (PS 5) and the accompanying guidance note (2012)
- AIIB ESS 2
- IFC Good Practice Handbook: Land Acquisition and Involuntary Resettlement (Dec 2023).

1.3.2 APPROACH AND METHODOLOGY

Scoping Process

The scoping process for the LRP was undertaken concurrently with the social impact assessment conducted for the supplementary ESIA. As mentioned, there was no pre-Project census conducted either by KTZ or the Akimats. The relevant impacts and stakeholders included in this LRP hence rests on an assessment of the pre-Project baseline of impacted entities through secondary data, semi-structured interviews with a targeted sample of impacted entities, as well as key informant interviews and focus group discussions with identified local stakeholders.

ERM relied on the IFC Gap Analysis Report "Report on Gap Analysis Between Land Acquisition and Resettlement Policy and Procedures of the Government of Kazakhstan and IFC PS5 Requirements" as the basis for data on the project affected entities. The report provided a summary of available information on land acquisition and resettlement for the Project as of 05 September 2024, and Annex 5 of the document provided a list of 274 total affected land plots²³

ERM collected primary data on selected impacted entities through focus group discussions (FGDs), key informant interviews (KIIs) and semi-structured interviews (SSIs) between 28 October and 05 December 2024, with an extension up until 05 December for SSIs by phone. As agreed with the Client, ERM was assisted by KTZ and the District Akimats in facilitating the planned engagements. Additionally, while ERM was on site, additional engagements with identified stakeholders were undertaken on an ad hoc basis where possible. Questions covered livelihood activities, dependency on land, standards of living, income and expenditure, access to social services, and the extent of Project impacts.

To enhance and validate the data collected from the KIIs, FGDs were held at community level (village/district) to explore individuals' perceptions of the Project and gather qualitative information regarding livelihoods, social interactions, land usage and ownership, as well as

²³ As the report was provided to ERM on 05 September 2024, it does not contain any additional changes to the number of project affected entities which have occurred since then, namely the transfer of land plots from Iliy and Talgar to Alatau City and the inclusion of 10 additional land plots in Alatau City as of January 2025.

access to social services. The FGDs were conducted with separate groups of men, women, farmers and community residents, emphasizing on livelihood activities and options for livelihood restoration. Furthermore, KIIs were conducted with the District Akimats to understand 'vulnerability' in the local context.

Semi Structured Interviews

Taking note on the lender's requirements for a comprehensive SIA and lack of any census of project affected communities, a targeted semi-structured interview at the household level was conducted. The semi-structured interviews were not intended to be a representative sample of all affected plots and stakeholders, but to focus on a variety of issues with plots that are still in the process of being acquired, and to also include a sample of land plots where acquisition had been completed.

In total, 46 SSIs representing 55 land plots were conducted, during two rounds SSIs:

- 31 SSIs representing 39 land plots were conducted during the October-December 2024 site visit, and
- 15 SSIs representing 16 land plots were conducted during January 2025²⁴.

Private owners and leaseholders, including commercial entities were included. The SSIs with affected households included represented varying categories of land acquisition status. Due to the limitations delineated in **Section 1.4**, no SSIs were conducted in Talgar District. A decision was made, as agreed with the client, to focus on conducting SSIs in Iliy as most of the private and leased land plots impacted (86% of all affected private and leased lands) were in the district, at the time of the October – December 2024 site visit.

- During the October-December 2024 site visit, 31 SSIs were conducted, of which, 29 were conducted with affected persons from Iliy District²⁵, 1 SSI representing a case of land replacement was conducted in Karasay District and 1 SSI representing a case of complete acquisition was conducted in Zhambyl District.
- During the January 2025 site visit, 15 SSIs were conducted, of which, all 15 were conducted with affected persons from Alatau City²⁶.

At the time of the January 2025 site visit, the transfer of some of the land plots from Iliy and Talgar to Alatau City, and the identification of 10 new land plots requiring acquisition in Alatau City were presented. As such, the accurate representation of SSIs conducted per district is presented in **Table 1-3**.

²⁴ 18 SSIs were done in Alatau City in January 2025. Out of these 18 SSIs done in January 2025, 3 were from the same households and already conducted in November-December 2024, and thus omitted from the analysis in this LRP.

²⁵ At the time of the October – December 2024 site visit, the transfer of land plots from Iliy and Talgar had not yet took place. As such, it was considered that 29 SSIs were conducted from affected persons from Iliy. During the January 2025 site visit, a list of 49 land plots, which included land plots transferred from Iliy and Talgar to Alatau and 10 new identified land plots in Alatau was provided to ERM.

²⁶ 18 SSIs were done in Alatau City in January 2025. Out of these 18 SSIs done in January 2025, 3 were from the same households and already conducted in November-December 2024, and thus omitted from the analysis in this LRP.

TABLE 1-3: SEMI-STRUCTURED INTERVIEWS CONDUCTED WITH AFFECTED HOUSEHOLDS

Category	No. of SSIs conducted in the districts below*				Sub-Total
	Iliy	Alatau City	Zhambyl	Karasay	
Completed Compensation	13	1	1		15
Ongoing Acquisition (Routine)	1	17			18
Ongoing Acquisition (Delayed)	1				1
Land Replacement		1		1	2
Land Reconfiguration and Fragmentation	0				0
Re-evaluation	0				0
"Zero compensation" ²⁷	5				5
Court cases	3				3
Total	25	19²⁸	1	1	46

* No interviews were conducted in Talgar, as explained earlier.

1.4 LIMITATIONS TO THE SCOPE

The LRP is subject to limitations that include:

- **Identification of project-affected households and entities for land plots which have been acquired and those for which acquisition is underway**

As of 10 January 2025, ERM has not received updated georeferenced cadastre information for the 284 land plots designated for permanent acquisition. While some plot locations were identified using cadastral numbers, significant gaps persist in the database, making it difficult to pinpoint exact details. Many plots have outdated registrations from the 2000s, prior to Kazakhstan's implementation of the "Individual Identification Number" (IIN) system. As a result, landowners must update their information at the land cadastre department to link their plots to their IIN. This outdated cadastral system complicates the identification of project-affected households and entities, posing challenges for the development of the Livelihood Restoration Plan.

- **Data gap on voluntarily donated land plots**

According to the Akimats, land plots which "do not require acquisition" may refer to those which are:

²⁷ "Zero compensation" refers to land plots that are leased from government land, and thus, leaseholders are not entitled to compensation when returning the land to the government per RoK legislation on state land.

²⁸ 15 SSIs were done in Alatau City in January 2025. The total number of SSIs in Alatau is 19 as 4 of them were previously done in Iliy, however, since January 2025, these 4 land plots have transferred from Iliy District to Alatau City.

- Private land plots: very small and considered insignificant in size and hence voluntarily donated upon negotiation with the landowner**, or KTZ and Akimat works directly with user to reconfigure the land plot.
- State-Owned Land under Lease: land plots which are returned to the state.
- Existing KTZ-owned land and Other State-Owned land: not under the purview of the Akimats.

While the IFC Gap Analysis Report states that there have been 23 voluntarily donated land plots, it states that “no data was provided for 23 cases of voluntary donations of parts of land plots”. The Annex 5 of the IFC Gap Analysis Report highlights only on record, 5 voluntarily donated land plots (1 under private land, and 4 under leased land that fall under ‘Acquisition Complete’). It could be assumed that the 23 voluntarily donated land plots mentioned in the IFC Gap Analysis Report could be classified into “no acquisition required”, as there are several privately owned land plots which are classified as “do not require acquisition” in the excel spreadsheet. This could not be confirmed with the Akimats.

During the site visit in Oct-Dec 2024, the Akimats gave the reason that voluntarily donated land plots under private landownership could be considered very small or considered insignificant in size that they were voluntarily donated upon negotiation with the landlord. ERM requested to speak with a landowner who had voluntarily donated their land plot as part of the criteria of categories to be included in the SSIs, but was not able to speak to PAEs who had voluntarily donated their land plot as the SSIs were arranged by the Akimats with no control or oversight by ERM.

- **Clarifications on project components and boundaries**

While all Project components have been confirmed (some with limitations), the Project’s final RoW at the existing stations of Kazybek bek and Zhetygen are still being finalised.

Overhead transmission lines

Additionally, as information on the proposed transmission system was made available by Poligram at a late stage of developing this LRP. The site visit in January 2025 was used to validate the ground truth land use and potential impacts for the approximate 1.9 km OHTL between the existing Alma-500 substation and the greenfield Zhanarna substation. It was confirmed after the site visit that the alignment of the 1.9km OHTL had not yet been selected, and thus the easement and land requirement for the OHTL has not yet been defined.

Access roads

According to the National EIA, and consultations with KTZ and Poligram, four temporary access roads have been planned for the Project during construction phase and fall within the RoW.

Discussions with several affected PAEs mentioned that their land has been fragmented and that KTZ and the Akimats would provide alternate access roads. KTZ did not provide a map with the potential new access roads for fragmented land and temporary roads that would be required, if any, during operation phase, as they said they did not have additional access roads planned for the operation phase, despite this request by ERM.

Labour accommodation camps during construction

While the National EIA states two labour construction camps, ERM was only able to visit one labour construction camp by chance during the Oct-Dec 2024 site visit. ERM had asked for more information and to visit the camps, but KTZ highlighted that they were not recording the location of these camps and did not have any information on them. KTZ mentioned that the labour accommodation camps were not planned on identified sites for the Project, and the land was temporarily taken on rent by the subcontractors, based on a voluntary agreement between the subcontractors and landowners (based on mutual agreement). As such, ERM was only able to visit, by chance, one camp during the site visit. During the latest site visit, in January 2025, KTZ and Integra have informed that there are no more construction camps.

- **Absence of socio-economic baseline data**

The Project lacks a pre-existing socio-economic baseline or census conducted for the owners and users of the affected land plots. This gap hinders the ability to assess the socio-economic conditions of impacted stakeholders and measure the extent of involuntary resettlement impacts. As such, the LRP was developed on the basis of focus group discussions at a village level, key informant interviews of specific stakeholder groups/local authorities and semi-structured interviews (SSIs) for a proposed sample size of impacted entities that are associated with 40-50 land plots.

- **Retrospective pre-Project baseline data collection**

Given the absence of pre-project socio-economic data, the reliance on key informant interviews (KIIs), focus group discussions (FGDs), and SSIs to construct retrospective impacts may have led to inaccuracies, or unfair estimations of the actual socio-economic baseline conditions. The retrospective nature of this data collection may be challenged by recall bias and the subjective interpretations of the selected informants.

- **Sampling and representativeness**

The planned SSIs, while aiming to gather qualitative data on various issues, do not constitute a representative sample of all affected plots. The small sample size may not capture the diversity of experiences among all stakeholders. The results of the specific plots, including those with completed acquisitions, on-going compensation, economically vulnerable individuals, and court cases, may introduce bias and limit the generalizability of findings, without fairly representing the entire affected households. Instead of a land and asset survey (land is already disturbed) or a household survey which is not feasible for the project's current status and the supplementary ESIA timelines, based on the SSIs undertaken for the sample plots, the LRP has identified the nature of economic displacement/livelihood impacts (including any impacts not currently considered by the land acquisition process, such as loss of livelihoods of informal users of government land if any), categories of impacted entities and entitlements. Furthermore, newly identified land plots requiring acquisition in Alatau City had not previously been identified and thus were not included when sampling affected land plots to gather qualitative data in the first round of SSIs, but were subsequently added in the second round of SSIs.

- **Changes in land use and ownership**

The ongoing process of land acquisition for the Project may result in changes in land use and ownership that could be evolving. These changes create a dynamic context that is challenging to quantify and accurately reflect within the baseline assessment. ERM was

unable to obtain detailed information on the additional land plots required for acquisition as part of Alatau City in time for the development of the LRP. The 10 additional land plots were identified by KTZ, however no decree has been issued yet from the Alatau City Land Department. The assessment does however, include information on the additional 10 land plots, and thus the final assessment is 284 land plots.

- **Stakeholder engagement limitations**

Although efforts were made to engage a wide array of stakeholders, the voluntary nature of participation could mean that only those with strong opinions—either positive or negative—may have chosen to engage. Consequently, the views of stakeholders less inclined to participate may not be adequately represented, potentially leading to gaps in understanding community concerns.

ERM was able to conduct KIIs and FGDs at community level. For the SSIs at household level, ERM was able to conduct SSIs for Zhambyl, Karasay, Iliy District and Alatau City level. However, ERM was unable to conduct SSIs in Talgar District. Despite a letter from the Almaty Regional Akimat's Transport Department to Talgar Akimat on 14 November 2024 requesting for administrative support to help facilitate the SSIs, the Talgar Akimat denied the request citing existing social tensions in the District for reasons unrelated to the project²⁹.

1.5 STRUCTURE OF THE LIVELIHOOD RESTORATION PLAN

The LRP's structure is indicated below³⁰:

- **Section 1** provides an overview of the project, outlining the Project components, physical footprint, and construction timeline, as well as the scope of this document (the livelihood restoration plan), the status of land acquisition, and the objectives of the livelihood restoration plan.
- **Section 2** presents the land requirements of the Project and the alternatives considered for the Project alignment. It describes the different types of economic displacement impacts on the various impacted entities and forms the basis for the LRP.
- **Section 3** provides an overview of the institutional and legal framework that has guided LRP preparation, including the national legal requirements, the international standards and lenders' performance standard requirements, and a gap analysis between the two
- **Section 4** presents the socio-economic profile of affected communities
- **Section 5** presents the methodology used in Kazakhstan for valuating land plots and structures and assets on the land. It provides a summary of the valuation criteria used by Valuators and identifies gaps needed to comply with IFC PS5 full replacement cost.

²⁹ ERM was informed while on site that the Akimat of Talgar had implemented local laws which restricted social gatherings of people of more than 2 to 3 people at a time. Thus, ERM was unable to arrange for FGDs in Talgar. Furthermore, the situation in Talgar had worsened with the change of administration within the Akimat itself, and ERM was informed that the Akimat would also not be able to render support in assisting in contacting PAEs for the SSIs.

³⁰ The structure of the LRP references Annex H of IFC's Good Practice Handbook: Land Acquisition and Involuntary Resettlement published in October 2023 and has been modified to suit the needs of the Project.

- **Section 6** presents an overview of the compensation and entitlement frameworks.
- **Section 7** describes the proposed livelihood restoration initiatives to help PAEs re-establish existing livelihoods or create new ones.
- **Section 8** presents the stakeholder engagement, consultation and disclosure approach.
- **Section 9** presents the developed grievance management procedure to document, track, manage and resolve all grievances and complaints raised by the Project stakeholders
- **Section 10** presents the monitoring and evaluation (M&E) measures in place to determine whether LRP objectives are met.
- **Section 11** presents the roles and responsibilities of the different parties involved in the implementation of the LRP, the budget of the LRP and the anticipated implementation schedule.
- **Appendices** for relevant references to support the LRP, including, but not limited to the Appraiser's Handbook by the Chamber of Appraisers and an example of a Valuation Report.

2. PROJECT IMPACTS

The project impacts considered in this LRP refer to economic displacement impacts, identified in the Supplementary ESIA. As agreed with the Client, physical displacement impacts are considered in the Resettlement Framework. Please see attached as addendum to the Supplementary ESIA and LRP.

2.1 PROJECT LAND FOOTPRINT

The Project requires:

- Permanent land acquisition of 284 land plots³¹ covering an estimated area of 1056.43 hectares across five districts: Karasay, Zhambyl, Iliy, Talgar and Alatau City, of which 167 are privately owned with an estimated area of 728.41 hectares.
- Permanent land acquisition of the right-of-way of a 1.9 km overhead transmission line (OHTL) connecting a proposed greenfield substation to an existing substation outside the Right of Way (RoW)³² and not belonging to KTZ. At the time of writing, KTZ has not yet selected the alignment and direction of the proposed 1.9km OHTL connecting the existing PS-Alma-500 outside the RoW to the proposed Zhana Arna substation within the RoW.
 - The existing substation in Kazybek bek is included in the RoW and the project land footprint.
 - The proposed substation in Zhana Arna is included in the RoW and the project land footprint.
 - The existing substation PS-Alma-500 is outside the RoW, not a project associated facility and not included in the project footprint. The 1.9km OHTL connecting this substation to the proposed Zhana Arna substation is a project component and should be included in the project land footprint.
- Temporary land requirement for 14 quarries estimated at 176.61 ha³³ that are located outside the RoW.

Based on the alternative analysis conducted (see **Section 2.2**), the final alignment of the Project was selected to minimize the route directly passing through settlements, contiguous tracts of agricultural land and thereby physical and economic displacement to the extent possible. The breakdown of landownership type per district for the final selected alignment is described in **Table 2-1**, which accounts for:

- Privately owned;
- State-Owned Land under Lease;
- Existing KTZ-owned land; and
- Other State-Owned land.

³¹ At the time of receipt of the IFC Gap Analysis Report, the figure indicated that the project affected 274 land plots. The latest data set sent from KTZ to Alatau City Land Department on land acquisition around Zhetygen Station indicates that 10 new land plots previously not identified in the Project require acquisition. These have been included in this table.

³² Also known as 'wayleave' or 'easement' in some countries but referred to as RoW in this ESIA. The RoW is 300m wide (150m on either side on the line).

³³ The total area of the quarries is estimated to be 182.87 ha, of which 6.26 ha are within the Project RoW.

TABLE 2-1: LAND REQUIREMENTS PER DISTRICT (PERMANENT)³⁴

Affected Plots Per District	Total	Privately owned	State-Owned Land under Lease	Existing KTZ-owned land	Other State-Owned land
Iliy					
No. of Affected Plots	140	75	32	13	20
Affected area (ha)	850.51	586.65	239.3	17.72	6.84
Total Area (ha)	17620.87	9307.94	5268.28	57.88	2986.77
Karasy					
No. of Affected Plots	13	4	2	5	2
Affected area (ha)	39.55	14.98	14.33	10.24	0
Total Area (ha)	562.41	509.30	38.11	14.75	0.25
Talgar					
No. of Affected Plots	48	41	5	0	2
Affected area (ha)	38.96	34.97	3.4	0	0.59
Total Area (ha)	195.99	159.28	17.00	0.00	19.71
Zhambyl					
No. of Affected Plots	34	7	4	20	3
Affected area (ha)	43.71	24.97	4.19	14.55	0
Total Area (ha)	1751.20	305.60	994.81	16.89	433.90
Alatau City					
No. of Affected Plots	49	40	9	0	0
Affected area (ha)	83.7	66.84	16.87	0	0
Total Area (ha)	347.96	248.29	99.67	0.00	0.00
Total					
Total No. of Affected Plots	284	167	52	38	27
Total Affected area (ha)	1056.43	728.41	278.09	42.5	7.43
Total Area (ha)	20478.43	10530.41	6417.87	89.52	3440.63

Additionally, during the construction phase, the temporary use of 14 quarries with a total area of 182.87 ha is anticipated. **Table 2-2** highlights the location and plot area of the temporary land requirement of the 14 quarries, of which 6.26 ha are within the Project's RoW. According to the letter Ref. 1588-2024 dated 16 October 2024 from Integra Construction KZ to the State

³⁴ Information on the identified 10 new additional land plots in Alatau City as of January 2025 have been included in this table. The transfer of land plots from Iliy and Talgar to Alatau City have also been included.

Institution "Department of Entrepreneurship and Industrial and Innovative Development of Almaty Region" the quarries will be in use till 31 December 2025.

TABLE 2-2: SUMMARY OF QUARRIES PER DISTRICT (TEMPORARY PROCUREMENT)

No.	Quarry No.	District	Area (ha)
1	2	Zhambyl	17.30
2	3		17.10
3	20A		20.00
4	8		10.30
5	9		7.12
6	4	Iliy	8.10
7	5		9.34
8	6		12.30
9	7		7.38
10	7A		4.52
11	14-14A	Alatau City	37.50
12	16		6.94
13	20B		2.48
14	30		20.6

2.2 ALTERNATIVES CONSIDERED TO AVOID OR MINIMISE DISPLACEMENT

In developing the Almaty Bypass project, several alignment options for the railway were considered to minimize social and economic impacts during both the construction and operation phases. Specifically, five (5) different alignment options were evaluated based on their potential impacts on local communities, existing settlements, land use, and compatibility with Almaty's suburban zone planning, as outlined in the National EIA and the supplementary ESIA.

The final alignment does not pass through dense settlements, with the exceptions of the existing railway stations at Kazybek bek and Zhetygen. Consultations with KTZ highlighted that KTZ intends to minimise land required in these existing stations / dense settlements, and that KTZ is working with Akimats to finalise the Project boundaries and optimise the station layouts. The final considerations for avoidance/minimised impacts will be assessed in the Resettlement Framework once all additional information is made available.

2.2.1 KEY CONSIDERATIONS FOR ALIGNMENT OPTIONS





The remaining Project alignment and station boundaries were finalised in consideration of the following factors.

- **Community Impact:** Efforts were focused on reducing disruptions to populated areas and minimising physical displacement of existing settlements.

- **Minimisation of Earthworks:** Selected routes aimed to reduce the amount of required earthworks to lessen the disturbance to the local environment and communities.
- **Land Use Compatibility:** Alignments were evaluated for their fit with ongoing and future land use plans, particularly those outlined in Almaty's General Plan for suburban zones.

Reportedly, the final decision on the alignment incorporated these considerations, prioritising routes that offered the least disruption and most significant benefits to local communities and stakeholders. Detailed descriptions, assessments, and justifications of each alignment option, including maps and technical specifications, are comprehensively documented in the supplementary Environmental and Social Impact Assessment (ESIA).

ERM verified on site that the Project alignment has avoided physical displacement in some cases (see **Figure 2-1** for examples). However, there are likely to be approximately 13 to 15 cases of physically displaced households around the Zhetygen station³⁵, and no cases of physically displaced households around Kazybek bek station³⁶. An addendum to this LRP is attached.

Satellite Imagery	
Avoidance of Physical Displacement Example 1	
 <p>Date: 05/2021</p>	 <p>Date: 12/2024 (latest)</p>
 <p>Farmland with a residential structure and barn. Facing South-East with the Bypass to the left of the structures. The structures are</p>	 <p>Water pump facility on the land plot. Facing West with the Bypass behind the water pump. The water pump is approximately</p>

³⁵ Based on the door-to-door survey of the 22 affected structures (marked by KTZ in red paint) conducted by ERM in January 2025.

³⁶ Based on email receipt by KTZ to the Lenders on 16 January 2025 confirming no residential structures are affected in Kazybek bek station.

Satellite Imagery

approximately 215m from the centreline of the Bypass and 75m from the edge of the RoW.

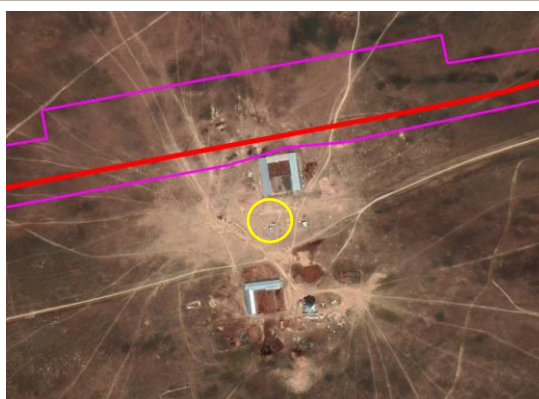
130m from the centreline and 27m from the edge of the RoW.

Coordinates: 43°35'8.00"N, 76°21'53.00"E

Avoidance of Physical Displacement No. 3



Date: 05/2021



Date: 12/2024 (latest)



Facing South where a family household with children were residing. The land plot had 7 structures in total, including various structures for agriculture use. The house is approximately 290m from the centreline and 262m from the edge of the RoW.



Facing North, with the Bypass in the backdrop behind the barns and structures for agriculture. The closest structure is approximately 35m from the centreline and 10m from the edge of the RoW.

Coordinates: 43°35'10.80"N, 76°24'59.20"E

Avoidance of Physical Displacement Example 2

Satellite Imagery



Date: 05/2021



Date: 07/2023 (latest)



Facing South with the Bypass behind the structure. A family household lives here. This residential structure is approximately 192m from the centreline and 23m from the edge of the RoW. The land plot has at least 3 other agricultural structures.



Facing North away from the Bypass (the Bypass is behind from where this photo was taken). The agricultural barn is approximately 290m from the centreline and 110m from the edge of the RoW.

Coordinates: 43°34'48.24"N, 76°39'10.85"E

Avoidance of Physical Displacement Example 3



Date: 04/2021



Date: 05/2023 (latest)

Satellite Imagery



Facing South away from the Bypass (the Bypass is behind from where this photo was taken). A Family of three (parents and a child) live here all year round. They are engaged in agriculture, do not have access to electricity and bring water from another place. The residential structure is 80m from the centreline and 45m from the edge of the RoW.



Structures that support their livelihoods are 20m from the edge of the RoW.

Coordinates: 43°37'17.44"N, 77° 4'42.71"E

All photos taken during site visit between 28 October – 8 November 2024.

Satellite Imagery Map Sources: GoogleEarth

FIGURE 2-1 AVOIDANCE OF POTENTIAL PHYSICAL DISPLACEMENT (SITE SURVEY)

2.2.2 MECHANISMS ESTABLISHED TO MINIMISE DISPLACEMENT DURING CONSTRUCTION AND OPERATION

As part of the Project design, the following measures were planned to minimise economic displacement during the construction and operation phases of the Project.

- Reclamation of the soil reserves used in the quarries after the Project's construction and installation works are complete to restore the soil environment.
- Development of six (6) concrete bridges along the alignment for livestock and cattle to cross through the alignment so as to minimize livelihood impacts on communities dependent on livestock grazing.
- Development of one (1) railway overpass to provide passage for agricultural machinery along the alignment.
- Construction of four (4) railway overpasses to bridge existing roads affected by the alignment construction.

2.3 OVERVIEW OF PROJECT AFFECTED ENTITIES

The permanent land acquisition includes lands currently utilised by local communities for livelihood activities such as crop farming and livestock grazing, thus resulting in economic displacement as defined under the IFC PS5. The permanent land requirement impacts landowners, users, commercial entities, workers and local communities in settlements along

the Project alignment as described in **Table 2-3**. According to KTZ, the lands which are temporarily procured and accessed for the 14 quarries are state-owned³⁷.

TABLE 2-3: ESTIMATED NUMBER OF IMPACTED ENTITIES DUE TO PERMANENT LAND ACQUISITION

Impacted Entity	Estimated Number of Entities ³⁸
Landowners	141 to 180 households
Land users (lease holders and tenants)	40 to 75 households
Commercial entities that owned the land	9 to 15 entities
Commercial entities that used or took the land on lease	10 to 14 entities
Workers on the land that is acquired	20 to 100 workers
Graziers / Non-titled land users ³⁹	15-30 settlements ⁴⁰
Fragmented land plots	Estimated at 48 land plots ⁴¹
Physical displacement	Estimated 13 to 15 households ⁴²

While KTZ has committed to restoration of the land conditions after their temporary usage, there could be economic displacement impacts on the land users (formal or informal), if any. As of the latest site visit in January 2025, KTZ and Integra confirmed that there are no more labour camps as the project is already at a late stage of construction.⁴³

Table 2-4 presents a breakdown of the economic displacement impacts on the identified impacted population and entities associated with the land requirement of the Project.

³⁷ KIIs and Consultations with Akimats and KTZ during the November 2024 and January 2025 have affirmed that lands which are temporarily procured and accessed for quarries are state-owned. The permits to access and use 14 quarries have been issued by the Department of Entrepreneurship and Industrial Innovative Development of the Almaty Region and have been approved by the Department of Ecology of the Almaty Region of the Committee of Environmental Regulation and Control of the Ministry of Ecology and Natural Resources of the Republic of Kazakhstan.

³⁸ Estimations were based on reported data by affected households surveyed.

³⁹ Consultations with the Akimats informed that the Akimats would provide government owned land plots for graziers to use as pasture land.

⁴⁰ Community level impacts. More information in **Table 6-2** for this impacted entity. ERM relied on the SSIs arranged by the Akimats, and no direct access to land users was provided to confirm if they are still on site and using the balance land or they have moved elsewhere. Although the Akimats confirmed that there were no informal users on site, the community consultations indicated that there are Graziers / Non-titled land users on some of the land plots and thus this has been included in the report, yet the number of Graziers / Non-titled land users needs to be verified.

⁴¹ Based on visualisation of cadastral land plot maps sent by PDF. An updated digitised version has not been made available to ERM to date (February 2025). KTZ

⁴² Refer to the RF Addendum.

⁴³ Based on the National EIA, there were two identified labour camps: one in Zhana Arna station and one near Sorbulak station. ERM visited the Sorbulak labour camp in November 2024. Based on the findings, and consultations with KTZ and Integra, this was a privately negotiated land lease between the peasant farmer and the subcontractor. KTZ confirmed that Labour accommodation plans were not planned for the project. The labour accommodation camps were temporarily organised as most of the workers were not from nearby villages. The labour accommodation camps were organised by subcontractors themselves and KTZ does not have information of the labour accommodation camps.

TABLE 2-4: SUMMARY OF ECONOMIC DISPLACEMENT IMPACTS

Affected Entity	Extent of Land Acquisition	Livelihood Dependency	Description of Key Impacts	Type of Displacement	Approximate No. of Project-Affected Households/ Entities
Landowner	Partially acquired	Land-based	Landowner loses their land and, income and livelihoods are affected.	Economic displacement	120 to 140 households
		Not land-based	Landowner loses their land. Partial impacts to income; livelihoods are not affected.	Limited adverse economic displacement	10 to 15 households
	Entirely acquired	Land-based	Landowner partially loses their land and livelihood. May suffer from additional livelihood impacts due to loss of access to other lands, land fragmentation, or being left with an unviable piece of land after the land acquisition.	Economic displacement	25 to 35 households
		Not land-based	Landowner partially loses their land and may have the same situation as above, regarding access, fragmentation and unviable land. However, impacts only on income and minimal livelihood impacts.	Limited adverse economic displacement	4 to 10 households
	In-use residential structure affected by land acquisition and noise impacts	Land-based or not land-based (refer to above)	Loss of primary residence (may or may not be combined with economic displacement impacts, depending on whether their land is also affected, and their livelihoods are land based)	Physical displacement, may be accompanied by economic displacement	13 to 15 households are likely to be displaced due to land acquisition for the Project's land requirements. In addition to the above, another 12 households in Kazybek bek and 21 in Zhetygen (not overlapping with the above numbers) may be displaced due to operational noise impacts, however this is being analysed by KTZ to see if the mitigation measures of noise barriers

Affected Entity	Extent of Land Acquisition	Livelihood Dependency	Description of Key Impacts	Type of Displacement	Approximate No. of Project-Affected Households/ Entities
					could bring it within limits (which would preclude the impact).
User (Tenant/ Lease holder)	Partial loss of access	Land-based	Land user loses the use of the land; income and livelihoods are affected.	Economic displacement	30 to 50 households
		Not land-based	Land user loses the use of their land. Partial impacts to income; livelihoods are not affected.	Limited adverse economic displacement	6 to 10 households
	Complete loss of access	Land-based	Land user partially loses the use of their land. May suffer from additional livelihood impacts due to loss of access to other lands, land fragmentation, or being left with an unviable piece of land after the land acquisition.	Economic displacement	5 to 10 households
		Not land-based	Land user loses the use of their land. Partial impacts to income; livelihoods are not affected.	Limited adverse economic displacement	2 to 10 households
	In-use residential structure affected by loss of access to land	Land-based or not land-based (refer to above)	Loss of primary residence (may or may not be combined with economic displacement impacts, depending on whether their land is also affected, and their livelihoods are land based).	Physical displacement, may be accompanied by economic displacement	1 to 5 households.
Commercial Entities that owned the land	Partially acquired	Land-based	Loss of productive land and potential loss of revenue from commercial operation.	Economic displacement	8 to 10 commercial entities
	Entirely acquired	Land-based	Fragmentation of land could render remaining portions unviable for commercial operations, resulting in potential revenue loss.	Limited adverse economic displacement	0 (None identified)

Affected Entity	Extent of Land Acquisition	Livelihood Dependency	Description of Key Impacts	Type of Displacement	Approximate No. of Project-Affected Households/ Entities
Commercial Entities that used the land	Partial loss of access	Land-based	Loss of access to leased land, impacting commercial activities such as agriculture, logistics, or other operations.	Economic displacement	9 to 12 commercial entities
	Complete loss of access	Land-based	Reduced access to portions of leased land, leading to reduced productivity and economic viability.	Limited adverse economic displacement	1 to 5 commercial entities
Workers on the land that is acquired	Full or partial, but resulting in loss of employment for the worker	Land-based	Temporary loss of income and/or livelihood, for the duration of the impact, until alternate employment is found	Economic displacement	20 to 100 workers
Local communities in settlements along the alignment	Partial loss of grazing areas that are owned by the State and/or Akimats	Land-based	Loss of communal grazing areas could impact local livestock-rearing activities, which are crucial to household economies in rural areas	Economic displacement	15 to 30 settlements

2.4 ECONOMIC DISPLACEMENT IMPACTS

This section describes the types of economic displacement impacts and the stakeholders affected. The economic displacement is primarily due to the Project's land requirements, and considers the varying impacts on landowners, land users (leaseholders or tenants), commercial entities and workers on the impacted lands. Three main categories are important when analysing the impact of economic displacement: **significantly impacted (>20%)**⁴⁴, **partial acquisition (<90%)**, and **entire acquisition (≥90%)**, as shown in **Table 2-5**. The assessment of the economic displacement impacts is done by analysing the following:

- Economic displacement of landowners
 - Breakdown of acquisition of private lands across all districts (>0-10%, >10-20%, >20-30%, >30-40%, >40-50%, >50-60%, >60-70%, >70-80%, >80-90%, >90-100%)
 - Extent of acquisition of private lands across all districts (by partially acquired (<90%) and entire acquisition ≥90%)
 - Further breakdown of those considered significantly impacted >20%.
- Economic displacement of leaseholders
 - Breakdown of acquisition of leased lands across all districts (>0-10%, >10-20%, >20-30%, >30-40%, >40-50%, >50-60%, >60-70%, >70-80%, >80-90%, >90-100%)
 - Extent of procurement of leased lands across all districts (by partially acquired (<90%) and entire acquisition ≥90%)
 - Further breakdown of those considered significantly impacted >20%.
- Economic displacement of commercial entities
- Impacts on workers
- Livelihood impacts on vulnerable social groups

2.4.1 ECONOMIC DISPLACEMENT OF LANDOWNERS

Out of the 284 land plots, private land plots make up a significant proportion of the Project-affected land plots by number (58.80%) and impacted area (68.95%). These private plots are primarily used for peasant farming and commercial agriculture. The land required for the project constitutes only 5.2% of overall land plots impacted, while 7% of the privately owned land plots is required to be acquired as most of the land plots are partially impacted (refer to **Table 2-1** for breakdown).

Economic displacement will occur (or has occurred) for the private landowners whose land parcels will be (or has been) acquired for Project-related activities, especially for households directly dependent on their lands for their livelihoods.

The following **Table 2-5** shows the breakdown and the extent of land acquisition of private lands in increments of 10%. The table shows that:

- A large portion of private lands under peasant farming, 74 land plots out of 145, or 51%, are less than "significantly impacted". These include 52 land plots between >0-10% (36%) and 22 land plots between >10-20% (15%).

⁴⁴ The significantly impacted category includes all those where 20% or more of the land plot is affected, including land plots affected by entire acquisition (≥90% are considered entirely acquired).

- 68 land plots out of 145, or 46.90% private land plots under peasant farming are considered significantly impacted.
- On the other hand, 24 land plots (17%) out of the 145 private lands under peasant farming fall under entire acquisition.
- There are no entirely acquired commercial agricultural entities under private land.

TABLE 2-5: BREAKDOWN OF ACQUISITION OF PRIVATE LANDS ACROSS ALL DISTRICTS (INCREMENTS OF 10%)

Category		Proportion of Land Impacted (%)											Total No. of Plots
		>0-10%	>10-20%	>20-30%	>30-40%	>40-50%	>50-60%	>60-70%	>70-80%	>80-90%	>90-100%	Data Gap	
Peasant Farming	No. of Plots	52	22	16	8	9	2	3	3	3	24	3	145
	Proportion of No. of Plots (%)	36%	15%	11%	6%	6%	1%	2%	2%	2%	17%	2%	100%
	Cumulative %	36%	51%	62%	68%	74%	75%	77%	79%	81%	98%	100%	
Commercial Agriculture	No. of Plots	2	1	2	1	2	0	0	0	0	0	NA	8
	Proportion of No. of Plots (%)	25%	13%	25%	13%	25%	0%	0%	0%	0%	0%	NA	100%
	Cumulative %	25%	38%	63%	76%	100%	100%	100%	100%	100%	100%		
Other	No. of Plots	6	3	1	0	0	0	0	0	0	4	NA	14
	Proportion of No. of Plots (%)	43%	21%	7%	0%	0%	0%	0%	0%	0%	29%	NA	100%
	Cumulative %	43%	64%	71%	71%	71%	71%	71%	71%	71%	100%		

Note:

Fully impacted category includes >90-100%. (Green shaded) ☐

Significantly impacted includes >20-100% (includes those who are fully impacted, which is >90-100%). (Green line) ☐

In total, 136 privately owned plots are partially acquired, while 28 are entirely acquired, as described in **Table 2-6** below:

TABLE 2-6: EXTENT OF ACQUISITION OF PRIVATE LANDS ACROSS ALL DISTRICTS (<90% AND ≥90%)

Category	Total No. of Plots ⁴⁵	Proportion of No. of Plots
Partially Acquired (<90%)	136	100.00%
Commercial Agriculture	8	5.88%
Peasant Farming	118	86.76%
Other	10	7.35%
Entirely Acquired (≥90%)	28	100.00%
Commercial Agriculture	0	0.00%
Peasant Farming	24	85.71%
Other	4	14.29%
Data Gap	3	-
Total (Partially Acquired + Fully Acquired + Data Gap)	167	-

To further breakdown the figures above, the following tables highlight the number of private land plots which have more than 20% of area impacted. Based on confirmation with the Lenders, landowners whose **land plots have been acquired more than 20% (by area)** are considered '**significantly**' impacted'. **Table 2-7** highlights these numbers.

TABLE 2-7 EXTENT OF ACQUISITION OF PRIVATE LANDS ACROSS ALL DISTRICTS (>20%)

Category	Total No. of Plots	Proportion of No. of Plots
Significant impact Number of plots with > 20% of area impacted	78	100.00%
Commercial Agriculture	5	6.41%
Peasant Farming	68	87.18%
Other	5	6.41%

The landowners generally:

- Comprise individuals or families owning land for various purposes, including peasant farming, small-scale agriculture, and residential or mixed-use activities.
- Are impacted by both entire and partial acquisition, with significant consequences for those dependent on land-based livelihoods.

⁴⁵ There is a data gap in deriving the extent of impact for 3 land plots. The total land plots under private lands is 167 land plots. The 3 land plots where there is a data gap do not require acquisition, as per IFC Gap Analysis Report.

- Vulnerable groups within this category, such as women-headed households and elderly landowners, face heightened challenges due to limited adaptability and dependence on local resources.

Table 2-8 describes the different categories of landowners assessed in this section and the status of land acquisition in each category.

TABLE 2-8: LANDOWNER CATEGORIES

Acquisition Type	Land Dependency*	Approximate No. of Households Impacted
Partial acquisition (<90% land acquired)	Dependent on land-based livelihoods	100 to 120
	Not dependent on land-based livelihoods	10 to 15
Entire acquisition (≥ 90% of land acquired)	Dependent on land-based livelihoods	25 to 35
	Not dependent on land-based livelihoods	6 to 10

*Land dependency refers to (i) if dependent on land, the land is used for peasant farming or commercial agriculture, and (ii) if not dependent on land, the land is used for "other".

For landowners whose lands are entirely acquired, and who are dependent on land-based livelihoods, the potential and/or existing impacts include:

- Economic displacement due to permanent loss of livelihood sources.
- Difficulty transitioning to alternative livelihoods, especially for households with limited skills or financial resources.
- Vulnerable groups, such as female-headed households or elderly landowners, face heightened challenges in rebuilding their livelihoods.

For landowners whose lands are entirely acquired, and who are not dependent on land-based livelihoods, the potential and/or existing impacts include:

- Limited adverse economic displacement due to the loss of a financial asset (e.g., land as an investment or rental property).
- Temporary disruption of income during the land acquisition process, such as during negotiations or legal processes.
- Vulnerable groups within this category, such as elderly landowners or female-headed households, may experience higher challenges in reinvesting compensation or accessing alternative income opportunities.

For landowners whose lands are partially acquired, and who are dependent on land-based livelihoods, the potential and/or existing impacts include:

- Economic displacement due to the partial loss of land and reduced productivity or fragmentation of remaining plots.

- Difficulty in maintaining the same level of agricultural or livestock productivity on fragmented or reduced landholdings.
- Vulnerable groups (e.g., elderly farmers or female-headed households) may face greater challenges in optimising the use of reduced land parcels or transitioning to alternative livelihoods.

For landowners whose lands are partially acquired, and who are not dependent on land-based livelihoods, the potential and/or existing impacts include:

- Limited adverse economic displacement due to loss of partial land income.
- Possible reduction in income from leased land or rental value if the partial acquisition reduces land utility.
- Minimal disruption to livelihoods or living conditions as primary income streams are independent of land

2.4.2 ECONOMIC DISPLACEMENT OF LAND USERS

Leased land plots constitute a significant portion of the Project-affected land, with leased farming being the predominant use.

Note: While the following data is available for leaseholders at this level of granularity, the collection on data for land users needs to be included as part of the implementation process of the LRP.


The following **Table 2-9** shows the breakdown and the extent of land procurement of leased lands in increments of 10%. The table shows that:


- A large portion of leased lands under leased farming, 18 land plots out of 33, or 54%, are less than “significantly impacted”. These include 13 land plots between >0-10% (39%) and 5 land plots between >10-20% (15%).
- 15 out of 33 land plots of leased lands under leased farming, or 45.45%, are considered significantly impacted (>20%).
- On the other hand, 4 land plots (12%) out of the 33 leased lands under leased farming fall under entire acquisition.
- There is 1 land plot belonging to a commercial agriculture entity out of 10 land plots that is affected by entire procurement.

TABLE 2-9 BREAKDOWN OF PROCUREMENT OF LEASED LANDS ACROSS ALL DISTRICTS (INCREMENTS OF 10%)

Category		Proportion of Land Impacted (%)										Data Gap	Total No. of Plots
		>0-10%	>10-20%	>20-30%	>30-40%	>40-50%	>50-60%	>60-70%	>70-80%	>80-90%	>90-100%		
Leased Farming	No. of Plots	13	5	3	2	1	1	1	1	2	4	NA	33
	Proportion of No. of Plots (%)	39%	15%	9%	6%	3%	3%	3%	3%	6%	12%	NA	100%
	Cumulative %	39%	54%	63%	69%	72%	75%	78%	81%	87%	100% ⁴⁶		
Commercial Agriculture	No. of Plots	7	1	0	0	0	0	0	1	0	1	NA	10
	Proportion of No. of Plots (%)	70%	10%	0%	0%	0%	0%	0%	10%	0%	10%	NA	100%
	Cumulative %	70%	80%	80%	80%	80%	80%	80%	90%	90%	100%		
Other	No. of Plots	2	1	0	1	0	0	1	0	0	2	2	9
	Proportion of No. of Plots (%)	22%	11%	0%	11%	0%	0%	11%	0%	0%	22%	22%	100%
	Cumulative %	22%	33%	33%	44%	44%	44%	55%	55%	55%	77%	100% ⁴⁷	

Note:

Fully impacted category includes >90-100%. (Green shaded) 

Significantly impacted includes >20-100% (includes those who are fully impacted, which is >90-100%). (Green line) 

⁴⁶ Rounded up to the nearest decibel.

⁴⁷ Rounded up to the nearest decibel.

In total, 43 leased plots are partially acquired, while 7 are entirely acquired for Project-related activities. These leased lands serve a variety of purposes, including subsistence farming, small-scale livestock rearing, and large-scale commercial agricultural operations. **Table 2-8** highlights these figured.

TABLE 2-10: EXTENT OF PROCURED LEASED LANDS ACROSS ALL DISTRICTS (<90% AND ≥90%)

Category	Total No. of Plots	Proportion of No. of Plots
Partially Acquired (<90%)	43	100.00%
Commercial Agriculture	9	20.93%
Leased Farming	29	67.44%
Other	5	11.63%
Entirely Acquired (≥90%)	7	100.00%
Commercial Agriculture	1	14.29%
Leased Farming	4	57.14%
Other	2	28.57%
Data Gap	2	-
Total (Partially Acquired + Fully Acquired + Data Gap)	52	-

To further breakdown the figures above, the following **Table 2-9** highlights the number of leased land plots which have more than 20% of area impacted (considered “significantly impacted”).

TABLE 2-11 EXTENT OF PROCURED LEASED LANDS ACROSS ALL DISTRICTS (>20%)

Category	Total No. of Plots	Proportion of No. of Plots
Significant impact Number of plots with > 20% of area impacted	21	100.00%
Commercial Agriculture	2	9.52%
Leased Farming	15	71.43%
Other	4	19.05%

Note:

21 out of a total of 52, or 42%, are significantly impacted. This includes 7 plots that are entirely acquired. See table above.

Economic displacement is anticipated for both leaseholders and land users who rely on these leased lands for their livelihoods. The severity of impacts is influenced by the extent of acquisition (entire or partial) and the nature of land-based activities being undertaken.

- Leaseholders engaged in peasant farming (including livelihood activities such as livestock grazing and subsistence crop farming) are expected to face significant impacts, particularly

where entire plots are acquired, leading to a complete loss of access to land and disruption of agricultural or livestock-based livelihoods.

- In cases of partial acquisition, leaseholders may experience fragmentation of land, which could reduce productivity or render portions of the land unviable. This is particularly challenging for subsistence farmers and graziers, who may lack resources to adapt to reduced land access.

This analysis assesses impacts on leased land stakeholders, considering their dependence on land-based livelihoods and the extent of land acquisition (entire or partial) as summarised below in **Table 2-12**.

TABLE 2-12: LAND USER CATEGORIES

Acquisition Type	Land Dependency	Approximate No. of Households Impacted
Partial acquisition (<90% land acquired)	Dependent on land-based livelihoods	27 to 50
	Not dependent on land-based livelihoods	6 to 10
Entire acquisition (≥ 90% of land acquired)	Dependent on land-based livelihoods	6 to 10
	Not dependent on land-based livelihoods	1 to 5

For land users impacted by complete loss of access to leased lands, and who are dependent on land-based livelihoods, the potential and/or existing impacts include:

- Economic displacement due to the complete loss of land-based livelihoods, directly affecting income and household security.
- Limited ability to transition to alternative livelihood sources, especially for small-scale or subsistence farmers (including livestock graziers).
- Compounded impacts faced by vulnerable groups such as elderly lease holders or low-income tenant farmers due to limited resources and/or inability to access alternative land suited to their livelihood purposes.
- Disruption of associated economic activities, such as seasonal farming, animal grazing, and access to agricultural markets.

For land users impacted by complete loss of access to leased lands, and who are not dependent on land-based livelihoods, the potential and/or existing impacts include:

- Partial economic displacement arising from the loss of access to non-primary or supplemental land use.
- Minimal disruption to livelihoods as income is derived primarily from non-land-based sources.
- Short-term inconvenience, such as relocation of informal activities, increased commuting distances, or adjustments to alternative locations.

For land users impacted by partial loss of access to the leased lands, and who are dependent on land-based livelihoods, the potential and/or existing impacts include:

- Reduced productivity and economic viability due to fragmentation or loss of portions of land, particularly where the remaining land is rendered less usable for farming or grazing.
- Increased costs of operations, as land users may need to modify farming or grazing practices (e.g., intensifying use of smaller parcels, accessing alternative grazing areas, or relocating irrigation facilities).
- Vulnerable land users, such as women-headed households and elderly farmers, may face challenges in adapting to the reduced access, as they typically have fewer financial or technical resources.

For land users impacted by partial loss of access to the leased lands, and who are not dependent on land-based livelihoods, the potential and/or existing impacts include:

- Minor disruptions to existing activities on the land due to partial inaccessibility, but these disruptions do not significantly impact overall livelihoods or income streams.
- Limited operational adjustments may be required for activities like temporary storage, informal trade, or recreational use.
- Minimal risk to vulnerable groups, as this category typically consists of individuals or entities with alternative income sources and higher adaptive capacity.

2.4.3 ECONOMIC DISPLACEMENT IMPACTS ON COMMERCIAL ENTITIES

Commercial entities whose lands are impacted by the Project, involve those engaged in various commercial activities such as agriculture, industrial operations, or other land-based businesses. These entities face economic displacement due to either complete or partial acquisition of their lands. **Table 2-13** provides an overview of the impacted commercial entities.

- Entire Acquisition: Affects entities whose entire landholdings are acquired. This leads to significant disruptions in their operations and potential loss of business.
- Partial Acquisition: Affects entities with only a portion of their land acquired. While this allows for some continuity of operations, it may lead to operational inefficiencies and increased costs.
- Significantly impacted: Commercial entities, on privately owned land plots or leased land plots, whose land plot has been significantly impacted by more than 20% of the land affected.

TABLE 2-13: OVERVIEW OF IMPACTED COMMERCIAL ENTITIES

Acquisition Type	Approximate No. of Entities
Partial acquisition (<90% of land acquired)	15 to 19
Entire acquisition (≥ 90% of land acquired)	4 to 10

Table 2-14 provides an overview of the approximate number of land plots which are considered significantly impacted.

- 5 land plots under private ownership are considered significantly impacted, however 0 land plots under private ownership are entirely acquired.
- 2 land plots under lease ownership are considered significantly impacted, and 1 land plot under lease ownership is entirely acquired.

TABLE 2-14 OVERVIEW OF SIGNIFICANTLY IMPACTED COMMERCIAL ENTITY BY LANDOWNERSHIP CATEGORY

Category	Total No. of Plots
Privately Owned	
Partially Acquired (<90%)	8
Entirely Acquired (≥90%)	0
<i>Significantly impacted (>20%) (includes entirely acquired)</i>	<i>5 (out of 8)</i>
Total	8
Leased Plot	
Partially Acquired (<90%)	9
Entirely Acquired (≥90%)	1
<i>Significantly impacted (>20%) (includes entirely acquired)</i>	<i>2 (out of 10)</i>
Total	10

For commercial entities impacted by complete loss of access to their productive lands, the potential and/or ongoing impacts include:

- Economic displacement due to the loss of productive land and associated revenue streams.
- Disruption to supply chains and business operations, particularly for entities reliant on the acquired land for agricultural outputs or as part of a vertically integrated business model.
- Increased costs related to relocating operations, securing alternative land, and re-establishing commercial activities.
- Reputational impacts or loss of customer bases for entities unable to maintain continuity of supply or services.

For commercial entities impacted by a partial loss of access to their productive lands, the potential and/or ongoing impacts include:

- Reduced operational efficiency due to fragmentation of land, which may result in higher operational costs and reduced productivity.
- Adjustment costs, including reconfiguring existing operations, infrastructure, and supply chains to adapt to reduced land availability.
- Diminished economic viability, particularly for smaller commercial entities or those reliant on economies of scale.

- Potential reduction in land suitability for its original purpose, such as industrial-scale operations or intensive agriculture.

2.4.4 IMPACTS ON WORKERS: LOSS OF EMPLOYMENT DUE TO LAND ACQUISITION

For workers employed by commercial entities affected by the Project, the acquisition of land (both privately owned and leased, complete or partial) has the potential to cause employment loss and related economic disruptions.

- Loss of employment and income for workers directly dependent on the affected commercial entities, particularly those operating in agriculture or industrial sectors.
- Reduced economic activity in local communities as employment opportunities diminish, potentially affecting local supply chains and secondary livelihoods, though this is likely to be of a small magnitude due to the Project's linear alignment and land take comprising of a relatively narrow corridor.
- Difficulty finding alternative employment for affected workers, particularly those with limited skills or specialized roles tied to specific industries (e.g., poultry farms or large-scale agricultural operations). Employment losses are likely to be temporary, as consultations indicated that alternative employment is generally available in the region, in the agriculture and in other sectors such as construction.

2.4.5 LIVELIHOOD IMPACTS ON VULNERABLE SOCIAL GROUPS

Vulnerable social groups—women-headed households, households with only post-retirement age members, people with disabilities and low-income households—face heightened livelihood risks due to land acquisition, potential fragmentation of communal resources, and restricted access to essential services.

Women-Headed Households

- Women often rely on common grazing lands and small-scale farming to meet subsistence needs. Any loss or fragmentation of these lands may exacerbate economic vulnerability, particularly where men's livestock activities supplement household income.
- With limited support networks, women heading households may experience greater time and resource constraints, especially if they have to travel longer distances for essential resources (e.g., water, fodder) or services (e.g., healthcare, schools).
- Economic and social pressures linked to land loss may compound existing risks of gender-based violence (GBV). If access routes become unsafe or lengthy, women may face increased exposure to potential harassment or harm.

Households Composed of Only Post-Retirement Age Members

- Older adults typically have limited mobility and physical stamina, making it harder to adapt to new grazing routes, farmland changes, or additional commuting requirements for basic necessities.
- With fewer family members of working age, older households often depend on community-based assistance or small-scale agricultural activities for income and food security. Project-induced land acquisition or fragmentation may disrupt these informal networks.

- Greater distances to healthcare facilities or reliance on more challenging travel routes can pose serious risks for older adults, potentially leading to delays in seeking medical care.

People with Disabilities

- Many individuals with disabilities rely on land-based activities (e.g., farming, small-scale businesses) for their income. Land acquisition can displace them without adequate compensation or alternative employment opportunities, making it difficult to sustain their livelihood.
- Bureaucratic processes, lack of accessible information, and discrimination can make it harder for people with disabilities to claim fair compensation, relocation assistance, or rehabilitation programs.
- Displacement often leads to loss of community support networks, essential services, and accessible infrastructure. This worsens their vulnerability, making it harder to secure new employment or rebuild their lives in unfamiliar locations.

Low-Income Households

- Households with limited savings or alternative income sources are more vulnerable to the short-term disruption of land-based livelihoods (e.g., communal grazing, small-scale agriculture).
- Even modest rises in transportation or food costs—if routes are extended or market access is reduced—can disproportionately affect these households' overall welfare.
- Educational gaps, limited social networks, or geographic isolation can make it more challenging for low-income communities to pivot to Project-related employment or other income-generating activities.

3. APPLICABLE REFERENCE FRAMEWORK

This section provides an overview of the legal and institutional frameworks pertinent to land acquisition and compensation in the Republic of Kazakhstan and compares it to the IFC PS5 standards on involuntary resettlement due to the Project.

This section first presents the national legal and institutional framework including the relevant legislation and regulations, the applicable procedures and the responsible governmental agencies, then summarises the Lender's requirements in relation to IFC PS5 on land acquisition, compensation and stakeholder engagement before presenting a gap analysis between the two.

3.1 OVERVIEW OF KAZAKHSTAN'S ADMINISTRATIVE AND LEGAL FRAMEWORK

In the Republic of Kazakhstan, land is primarily state-owned, with provisions allowing for transfer, lease, or sale to private entities. Long-term leases up to 49 years are common, although shorter-term arrangements are available for specific needs. The state maintains the authority to reclaim private lands for public purposes, such as infrastructure development, with strict mandates to provide compensation to the dispossessed landowners.

The legal framework governing land rights in Kazakhstan is structured as follows:

- **Constitution of Kazakhstan:** This is the supreme legal document that ensures no one may be deprived of property without a judicial decision.
- **International Treaties:** These are agreements ratified by Kazakhstan that could influence land use and property rights.
- **Constitutional Laws and Presidential Decrees:** These documents possess the force of law and can directly impact land policy and administration.
- **Ordinary Laws and Codes:** This includes the Land Code, which details the mechanisms for obtaining, using, transferring, and terminating land rights.
- **Subordinate Legislation:** Comprises various regulations and normative decrees that fill out the details on land use guidelines and procedures.

3.2 NATIONAL LEGISLATION AND REGULATIONS

Table 3-1 summarises the national regulations governing land acquisition and compensation in Kazakhstan. Additionally, the Law on Housing Relations relates to physical displacement of residents, which will be considered when the presence and extent of physical displacement can be confirmed:

The Law on Housing Relations (#94-1), 1997/2024, states that housing must be provided when a residential structure is demolished due to the involuntary acquisition of land for state needs. Property owners can choose between being offered a well-maintained replacement residence or receiving compensation equal to the market value of the demolished house. If the replacement property is valued to be higher than the demolished house, the owner incurs no additional costs. If the replacement property is lower in value, the owner will be compensated for the difference in cost.

TABLE 3-1: NATIONAL REGULATIONS GOVERNING AND RELEVANT TO THE LAND ACQUISITION AND COMPENSATION PROCESS IN KAZAKHSTAN

National Legal Code/Law	Year Enacted/ Last Amended	Applicability to Land Acquisition
The Law on Architectural, Town-Planning and Construction Activities (#242-II)	2001/ 2024	Provisions focusing on minimising impacts to the environment for development projects.
The Land Code (RK Code #442-II)	2003/ 2024	Governs landownership, use rights, and acquisition procedures.
The Law on State Property (#413-IV LRK)	2011/ 2024	Governs the conditions for the issuance of a decree by the local executive body when land is expropriated for state needs.
The Law on Valuation Activity (#133-VI)	2018/ 2021	Regulates valuation of properties subject to acquisition.
The Labour Code (# 414-V)	2015/ 2024	Relevant when employment is affected due to land acquisition operations.
The Law on State Administration and Local Self-Government (#148)	2001/ 2024	Delineates responsibilities for regional and district Akimats in the land acquisition process.
The Civil Code	1994/ 2022	Governs general property rights, including the voluntary donations of land plots, waiver of ownership rights and termination of ownership.
The Law on State Targeted Social Aid (# 246)	2001/2021	Regulates legal relations related to rendering state targeted social aid to the public, including those considered falling into the vulnerable criteria
The Law on Pastures, (# 47-IV LRK)	2017	Regulates public relations related to the rational use of pastures, aimed at improving the condition of pastures and their infrastructure.
The Law on Taxes and Other Mandatory Payments to the Budget	2025	Provisions on the applicability on payments for value-added tax (VAT) in the Republic of Kazakhstan
The Law on Electric Power Industry, On approval of Rules for establishing protected zones of electrical networks and special conditions of using the lands, located in the boundaries of the zones (# 330)	2017	On the protection zone, building regulations and minimum distances allowed for overhead transmission lines
The Law on Soil and Subsoil Use	2017	Regulates the use of soil and subsoil in the Republic of Kazakhstan.
Law on Valuation Activity (#133-V)	2021	Informs on the need to conduct a mandatory valuation in cases of state acquisition.

3.2.1 THE LAW ON ARCHITECTURAL, TOWN-PLANNING AND CONSTRUCTION ACTIVITIES

This law includes specific provisions aimed at minimising negative impacts on the environment, people, and resources.

- **Anthropogenic impacts:** Defined as impacts on nature, the environment and inhabited localities attributed to human activities, this provision requires that any adverse environmental impact be mitigated. The focus, however, is on due consideration for potential hazardous impacts on the environment and community health due to urban planning and construction activities. (Article 8)

The law also sets out the administrative responsibilities of various governmental bodies. The administrative bodies relevant to the Project are described below.

- **Regional Maslikhats⁴⁸ (Article 22)**
 - Approve draft master plans and town planning schemes for cities and towns within their jurisdiction.
 - Approve rules for general improvement, engineering support, and the preservation and maintenance of housing stock and other buildings.
 - Approve rules for the creation, upkeep, and protection of green spaces within the boundaries of settlements.
- **District Maslikhats (Article 23)**
 - Approve master plans for cities of district significance (for example: Alatau City) and rural settlements (for example: Talgar, Karasay, Iliy and Zhambyl districts).
 - Approve town-planning projects and engineering support schemes.
- **Regional Akimats (Article 24)**
 - Coordinate and implement state policies in architecture, town planning, and construction.
 - Submit draft master plans and complex urban planning schemes for approval by regional maslikhats.
 - Manage and supervise the approval and implementation of town planning projects and general improvement rules.

3.2.2 THE LAND CODE

The Land Code outlines the basis for modifying or terminating landownership and usage rights, establishing the rights and responsibilities of landowners and users.

- **Regional Authority:** Article 17 details the competencies of regional bodies in granting landownership and use rights and acquiring land for state needs.
- **Land Use Rights:** Articles 34 and 35 specify conditions under which citizens and legal entities can obtain permanent or temporary use rights to state-owned land.
- **Transfer of Rights:** Land use rights can be transferred or alienated via civil law transactions such as sale, donation, or exchange (Article 33.1).

⁴⁸ A local representative body elected by the population of a region (for example, the Almaty Maslikhat).

- **Termination of Rights:** Chapter 9 addresses termination of landownership, usage and other rights for the land. Article 81 stipulates the rights of termination of private ownership of a land plot or land use rights which can include the following conditions:
 - Transfer of the land plot by the owner or the land use rights by the land user to third parties.
 - The owner's renunciation of ownership rights or the land user's renunciation of land use rights.
 - Forfeiture of landownership or land use rights in other instances provided for by the legal statutes of the RoK.
- **Compulsory Acquisition:** Acquisition of land from the owner and land use right from the land user without their consent is generally not allowed, except for the following scenarios:
 - Foreclosure on a land plot or land use rights due to the obligations of the owner or land user.
 - Mandatory acquisition of a land plot for public state needs.
 - Mandatory withdrawal of a land plot from the owner or land user if it is not being used for its intended purpose or is being used in violation of the legislation of the RoK.
 - Mandatory acquisition of a land plot from the owner or land user that has been contaminated by radioactive materials, accompanied by the provision of an equivalent land plot.
 - Confiscation.
- **Grounds for Termination:** Land use rights may be terminated due to expiration of lease periods or contract termination related to employment.
 - Expiration of the duration for which the land plot was allocated.
 - Early termination of the lease agreement for the land plot or the agreement for temporary unpaid land use, unless the land plot is under pledge.
 - Termination of employment relationships which resulted in the allocation of the service land plot to the land user.
- **Exceptional Cases for Compulsory Alienation:** Land may be compulsorily taken for state needs only in exceptional circumstances with equivalent compensation, either with the proprietor's consent or through a court ruling. "Exceptional circumstances" refers to situations where there is no alternative means to fulfill state needs (Article 84.1). One of the grounds for compulsory acquisition includes the construction or reconstruction of railroad transport infrastructure (Article 84.2.4).

If a land plot designated for state use has had its land use rights purchased from the state by the land user, they will be reimbursed for the cost of that purchase. Additionally, another land plot may be allocated in accordance with this Code and the legislation of the RoK. Conversely, if the land user has not purchased the land use rights from the state, they may still receive another land plot in exchange pursuant to this Code and RoK legislation (Article 84.3) – Replacement plot.

Compulsory acquisition of land plots is permitted only to the extent necessary to meet state needs (Article 84.4). The process for the compulsory acquisition of a land plot for state purposes must be conducted transparently. A decision by the Government of Kazakhstan (GoK) or a local executive authority to initiate the compulsory acquisition must

be published in national or local media, including the online platforms of the relevant executive bodies, within three working days of its issuance (Article 84.6).

- **Publicity and Notification:** The process of compulsory alienation must be publicized, and landowners must be officially notified about the acquisition decision (Article 85 of the Land Code, and Chapter 6, Article 63 of RoK Law on State Property).
- **Remaining Unviable Land from Fragmented Land Plots:** If the remaining portion of the land becomes unviable and can no longer be used for the intended purpose, then the entire plot must be purchased (Article 86.1).
- **Compensation Framework:** Amounts, methods, and timing of compensation are detailed in the Law on State Property (Article 87); compensation could cover land cost, asset value, development expenses, and possible income loss (Article 166.2). In calculating the amount of compensation, the following elements shall be considered:
 - the value of the land or land-use rights.
 - the market value of any assets located on the land, including fruit trees and perennial plantings.
 - the cost of expenditures related to land development, maintenance, implementation of protective measures, and soil fertility improvement, adjusted for inflation.
 - all losses incurred by the owner or land user as a result of the land acquisition at the time of the termination of ownership or land-use rights, including losses resulting from the early termination of their obligations to third parties; and
 - loss of income.

The Land Code establishes base rates of payment for land plots and the cadastral value of land to determine the cost. These base rates are set by joint decisions of the regional representative and executive authorities when the plots are transferred to private ownership. The payment rates for land use must be at least equal to the applicable land tax rates. The fee for selling the right to lease differs from the cadastral (estimated) value of a specific land plot (Article 10.1).

The cadastral value of a land plot (estimated) is determined by a specialist “Valuator”, which oversees the state land cadastre per Akimats. This valuation is based on the established base rates for land plots transferred to private ownership and includes corrective (increasing or decreasing) coefficients to account for inflation, land conditions, and location (Article 10.2).

Refer to **Section 5** for further details on the national valuation methodologies for land compensation in Kazakhstan.

The number of losses and subsequent compensation is established through an agreement between the parties involved (Article 166.3). If a consensus cannot be reached, the land cannot be acquired until a court resolution is obtained (Article 166.7). Disagreements about compensation can lead to court cases, with mediation allowed.

- **Dispute Resolution:** Disputes related to land plots in private ownership may be resolved through mediation if agreed upon by both parties (Article 167, in accordance with the Law on Mediation #401-IV, adopted on 28 January 2011, last amendment dated 1 May 2023). If the owner or land user contests the decision to acquire their land for state needs or disagrees with the compensation amount or other acquisition terms, the local executive authority that approved the acquisition may initiate an expropriation case (Article 88.1). This can be done after a three-month period from the date the owner or land user receives

notification but must occur before the deadline specified in the acquisition decision (Article 88.2, along with Article 65.12 of the RoK Law on State Property). Civil cases regarding claims for the acquisition of land for state needs will be reviewed and resolved within one month from the completion of trial preparations (Article 88.3).

- **No Compensation for Informal or Unregistered Occupants:** The Land Code excludes squatters or unregistered land claimants from receiving compensation.
- **Reclamation Rights:** Article 164-1.1 establishes that the owner of a land plot or a land user has the right to reclaim their land from any illegal possession. Article 164-1.2 further states that the reclamation of an illegally occupied land plot, which is part of state-owned lands not designated for land use, is to be conducted by local executive bodies at the location of the plot.
- **Penalties for Illegal Occupation:** The illegal occupant must vacate the illegally occupied land within thirty (30) calendar days following the imposition of penalties as outlined in the Republic of Kazakhstan's legislation on administrative offenses. They are also required to demolish any structures built (or under construction) on the plot, either independently or at their own expense, unless otherwise specified by civil legislation in the RoK. Disputes arising from the illegal occupant's failure to vacate the land or demolish the structures will be resolved in court. If an unauthorized construction is transferred to municipal ownership, the individual responsible for the construction will be reimbursed for the construction costs as determined by the court (Article 164).
- **Rights of employees in privatised agricultural organisations:** Under Article 103, it states that employees of privatized state agricultural organizations, as well as pensioners and people engaged in the production and sociocultural spheres of service of these organizations and who reside in their territories, are eligible for a conditional land share.
- **Compensation for losses of agriculture production:** Article 105 states that loss of agricultural production caused by the removal of agricultural land for their use for purposes not related to agriculture must be reimbursed to the budget in order to maintain the level of agricultural production by restoration of agricultural lands and their quality. The article further elaborates how the compensation is calculated and the eligibility for compensation. Article 106 elaborates that reimbursable losses are determined based on standards that ensure the development of new land or land improvement to the level of agricultural production on them in the amount not less than obtained on lands withdrawn or received previously to reduce their quality. Reimbursed agriculture land on replacement plot should be of same or higher quality than the previous agriculture land that was acquired.
- **Temporary land use rights:** Article 12 states 6) the right of temporary use by the parcel of land which is in private property - the right of the subject to own and use the parcel of land, evolving from the agreement on temporary use by the parcel of land between the owner of the parcel of land and the temporary user (the lessee or the non-paid user); and 17) the land use right - the right of person to own and use the parcel of land which is in state-owned property is termless (permanent land use) or during certain term (temporary land use) on paid and (or) non-paid basis; and 31) "secondary land users" (persons who acquired the right of temporary land use on the basis of the agreement on secondary land use from primary land user reserving this status.

3.2.3 LAW ON STATE PROPERTY

The Law on State Property (#413-IV LRK, enacted March 1, 2011, with last amendment on May 21, 2024) establishes the legal regime for state property management and the rights related to state property acquisition and termination.

- **Equivalent Compensation:** The determination of compensation for the value of a land plot acquired for state purposes, as well as any property situated on it (if applicable). The compensation is intended to restore the conditions of use for both the land plot and any assets located on it to what they were before the acquisition (Article 62-1.1). When a land plot is obtained for state needs, equivalent compensation must be provided to the owner or non-state land user (Article 62-1.2). Compensation types include:
 - Providing another land plot or property.
 - Paying the market value of the acquired property (Article 62-1).
- **Compulsory Alienation:** Such alienation is limited to what is necessary for state use (Article 62.4) and must be conducted under specific conditions. Article 62-2 outlines the conditions for providing an equivalent land plot or immovable property in exchange for land acquired for state purposes. When offering an equivalent plot to the owner or non-state user, factors such as the location, intended use, and area of the alienated land, as well as any incurred losses, must be considered. Article 62-2.1 states that the equivalent land provided must be located within the same settlement as the alienated plot. The value of the state-owned land offered in exchange is assessed at market value by a valuator based on the valuation of the alienated land (Article 62-2.4). If the alienated land has a higher value than the exchanged plot, the owner will be compensated for the difference (Article 62-2.5).
- **Notification and Process:** Upon compulsory acquisition, the government must issue a decree detailing the acquisition purpose and specifics, which must be published in national or local mass media and sent to the property owner within three days (Articles 63.2 & 64.1). The decree must include the following details:
 - The purpose and justification for the compulsory acquisition.
 - The location, size, and cadastral number of the land plot.
 - The name of the property owner or private land user.
 - The date of compulsory acquisition, which must be at least three months after the decree is officially published.
 - The location where the landowner or land user can apply for conciliation procedures.
- **Owner's Rights and Registration Process:** Owners are allowed time to register their property rights and to review and respond to acquisition notices (Article 64.4). If the right of private ownership of a land plot is not registered according to the legislation of the Republic of Kazakhstan, the owner may arrange to register their ownership following the decree's adoption. The compulsory acquisition period specified in the decree cannot be extended by more than one year (Article 63.7).

The acquiring authority must notify the owner or land user in writing about the compulsory acquisition within three calendar days of the decree's publication. This notification must include a draft purchase agreement related to the land plot's seizure and be sent by mail with a mandatory receipt confirmation. If the receipt notice is not received, the documents must be resent (Article 64.1).

The owner or non-state land user is granted at least fifteen calendar days from the date of receipt to review the notice and submit copies of their title and identification documents related to the land or property (Article 64.4). Additionally, the notice of compulsory acquisition is required to be registered in accordance with the RoK Law on the "State Registration of Rights to Real Estate" (Article 64.5).

- **Transfer Process:** Actual transfer of property occurs after compensation is paid, and rights must be registered. Local authorities evaluate properties for state needs and prepare agreements accordingly (Articles 65.1 & 65.6). The termination of private property rights and land use rights, as well as the state's rights to land, must be registered with the relevant authority, accompanied by either the purchase agreement or a court decision (Article 65.4).

Within one month of receiving copies of the title and identification documents for the alienated property, the local executive body must evaluate the property. If the owner or non-state land user fails to provide these documents, the local body may request them from authorized state agencies (Article 65.5). Based on the property evaluation, the local executive body will prepare a draft acquisition contract within ten working days and send it to the owner or non-state land user via mail with a required delivery receipt. If the receipt is not acknowledged, the documents must be resent (Article 65.6).

Upon receiving the draft agreement, the owner or non-state land user has twenty calendar days to express written agreement or disagreement, submitting their response to the local executive body (Article 65.10).

The local executive body must then present the draft acquisition agreement to the relevant local representative body within one month of receiving the owner's written acceptance. The acquisition agreement is reviewed by the standing commission of the local representative body within two weeks, with the owner and other affected parties invited to attend. Once an agreement is reached, it will be approved by the executive body in coordination with the local representative body and signed by the owner or non-state land user (Article 65.11).

- **Dispute Resolution:** If disputes arise over the acquisition resolution and/or a refusal to conclude an agreement on the acquisition of the land plot for public use after three months from the date of receipt of the written notice, local authorities can file lawsuits to enforce compulsory acquisition, and civil claims are to be resolved promptly within one month from the date of completion of the preparation of the case for trial (Article 65.12).
- **Alienation Agreement Requirements:** The alienation agreement must include (i) parties involved and affected rights, (ii) identification details of the land or property, (iii) termination of relevant rights, (iv) legal cost of the acquired land, (v) amounts to reimburse for losses due to compulsory acquisition, (vi) payment terms for the acquired property, (vii) transfer timeline for the property, and (viii) financing procedures for acquisition costs (Article 65.7).
- **Owner's Rights and Incurred Expenses:** Owners or non-state users can use their property and incur related expenses until an agreement or court decision is finalized. Owners bear the risk for costs related to construction during this period; if part of the land plot cannot be used as intended after acquisition, the entire plot may be alienated (Article 66.1).

- **Transfer of Rights to Another During Acquisition Process:** If real estate rights are transferred to another person during the specified time, either through acquisition or other means, the compulsory alienation procedure for land or property related to state needs applies to the new rights holder (Article 66.2).
- **Valuation, Cost Determination and Compensation:** The law requires full compensation for property acquired for state needs, with methods of calculation and payment terms specified (Articles 67-68).

The cost of land for state needs is based on market value, with adjustments for unpaid amounts if sold in instalments (Article 67.1). The market value applies to both land plots and any immovable property on them, irrespective of how rights to the land arose (Article 67.2).

The valuator determines the market value as of the date of valuation for any land or property related to public use acquisition (Article 67.3). Compensation covers property value and damages incurred due to compulsory acquisition. Compensation for others affected by compulsory acquisition is based on the losses they will incur due to the acquisition (Article 67.4).

- **Reimbursement Provisions for Land Alienation:** Compensation for the cost of land or real property alienated for state needs must be fully reimbursed before the ownership rights transfer to the RoK or its administrative units (Article 68.1). Reimbursement is sourced from the budget (Article 68.2).

Agreements for non-cash compensation are permitted between the RoK or local authorities and property owners, formalized in a written purchase agreement (Article 68.3).

Compensation must be paid within one month of signing the purchase agreement or from the date of a court decision (Article 68.4).

Compulsory alienation of land or property for state needs does not allow for payments in instalments (Article 68.5).

- **Donation Agreements:** The law discusses property acquisition via donation agreements, outlining the process for transferring land from private to state ownership based on specific legal requirements (Article 27).

3.2.4 THE LAW ON VALUATION ACTIVITY

The Law on Valuation Activity in the Republic of Kazakhstan (#133-VI, adopted January 10, 2018, with the last amendment on December 31, 2021) establishes regulations related to property valuation.

- **Mandatory Valuation Requirement:** Article 6 specifies that a mandatory valuation must be conducted in instances of property acquisition and alienation for state needs.
- **Licensing of Appraisers**

Appraisers, both individual and legal entities, must be licensed to engage in valuation activities (Article 4)

To obtain a license, individuals must pass a qualification examination which assesses their qualification level. This examination is managed by a qualification commission, which includes representatives from Chambers of Appraisers. The rules for this examination are approved by the authorised body (Article 20)

- **Valuation Standards:** Outlines valuation standards for valuing movable and immovable property, real estate, intellectual property, and intangible assets.
 - Details methodological guidance on valuation approaches such as the income approach, cost approach and comparative approach.
 - Offers specific guidelines for assessing market value, investment value, and liquidation value.
- **Market Value**

Market value is defined as: 'the estimated amount of money for which an asset would have been exchanged on the valuation date between an interested person and the seller as a result of a commercial transaction after proper marketing, in which each of the parties would have acted with knowledge, prudence and without coercion.'

Market value is recommended to be determined by using the comparative approach, which involves comparing the property in question with similar properties that have recently been sold under comparable conditions. Adjustments may be made for any differences that could affect the price, such as location, size, or condition.

3.2.5 LABOUR CODE

The Labor Code (№ 414-V, adopted November 23, 2015, with the last amendment on April 15, 2024) stipulates that registered employees who are terminated due to the employer's cessation of operations are entitled to compensation equal to one month's average salary (Article 131). The employment contract, collective agreement, or specific employer policies may offer a higher compensation amount in cases of job loss.

3.2.6 LAW ON STATE ADMINISTRATION AND LOCAL SELF-GOVERNMENT

The Law on State Administration and Local Self-Government (#148, adopted January 23, 2001, with the last amendment on May 21, 2024) outlines the competencies of regional and district Akimats (local administrative bodies) in Kazakhstan.

3.2.6.1 REGIONAL AKIMAT RESPONSIBILITIES

- Performs regulatory, implementation, and control functions to address local issues.
- Manages land relations in line with national land legislation.
- Incorporates land development and use measures into local development programs.

3.2.6.2 DISTRICT AKIMAT RESPONSIBILITIES

- Facilitates the enforcement of the Constitution, laws, and various acts at both central and local levels.
- Manages land relations according to national land legislation.

3.2.7 THE CIVIL CODE

Waiver of Ownership Rights: According to the Civil Code (adopted December 27, 1994, with the last amendment on July 12, 2022), individuals or legal entities can voluntarily waive their ownership rights to property through a verbal or written declaration, or by actions indicating their intention to relinquish possession, use, and disposal of the property. The waiver must be

lawful and does not terminate the owner's rights and obligations regarding the property until another party acquires ownership (Article 250).

Termination of Ownership: The termination of ownership rights for real estate by a state decision, not specifically aimed at acquiring the property, is only permissible under certain legal conditions that provide equivalent property or full compensation for losses incurred. If the owner disputes the termination, it cannot proceed until the issue is resolved in court, including matters of compensation for losses (Article 255).

Donations: Article 516 defines a donation as a gift of property or rights intended for public benefit. Donations can be made to various entities, including individuals, educational and medical institutions, charities, cultural organizations, and the state, without requiring additional permissions for acceptance.

3.2.8 THE LAW ON STATE TARGETED SOCIAL AID

The Law on State Targeted Social Aid dated 17 July 2021, No. 246, outlines provisions for targeted social assistance in Kazakhstan, addressing several vulnerable groups including low-income families, elderly households, and those headed by women. The law outlines targeted social assistance eligibility for individual and families who qualify as low-income, and unconditional cash assistance for single and lonely low-income individuals, including:

- Elderly individuals who have reached the retirement age,
- Disabled persons,
- Households without able-bodied members or where the only able-bodied member is caring for dependents (children, elderly, or disabled individuals).

3.2.9 THE LAW ON PASTURES

The Law on Pastures dated 20 February 2017 № 47-IV emphasizes rational use of pastures, accessibility for individuals and legal entities, public involvement in activities related to pastures, and participation in management. The law highlights the government's role, through the Akim's of town of district significance, settlement, village, rural district in developing, together with District Akimats, pasture management plans that provide pasture lands for individual and (or) legal entities that lack pastures (Article 13), provide pastures for peasant households or farming, as well as for agricultural production (Article 14), provide pastures within the territory of settlements and rural areas in state ownership land to meet the needs of the local populations (Article 15), and provide location for distant pastures, if necessary (Article 16).

3.2.10 THE LAW ON TAXES AND OTHER MANDATORY PAYMENTS TO THE BUDGET

The Law on Taxes and Other Mandatory Payments to the Budget (Tax Code), as amended and supplemented as of 01 January 2025, highlights the responsibilities of paying value-added tax (VAT). Article 367. Taxpayers, highlights:

1. Taxpayers of value-added tax are:
 - Persons registered for value-added tax in the Republic of Kazakhstan:
 - Individual entrepreneurs and individuals engaged in private practice;

- Resident legal entities, excluding state institutions and public secondary education institutions;
 - Non-residents conducting activities in the Republic of Kazakhstan through structural subdivisions;
 - Persons importing goods into the territory of the Republic of Kazakhstan in accordance with the customs legislation of the Eurasian Economic Union and/or the customs legislation of the Republic of Kazakhstan;
 - Foreign companies specified in Section 25 of this Code.
2. Registration for value-added tax is carried out in accordance with Articles 82 and 83 of this Code.

Tax Code of the Republic of Kazakhstan:

According to Article 367 of the Tax Code of the Republic of Kazakhstan, the object of VAT taxation includes only those transactions carried out by VAT payers.

If an individual is not registered as a VAT payer (for example, if they are not an individual entrepreneur or a legal entity), the sale of property, including real estate, is not subject to VAT.

VAT Applicability:

An individual selling real estate from their personal property is not engaged in entrepreneurial activity within the scope of this transaction. Therefore, such a transaction is not subject to VAT. A legal entity purchasing real estate is not required to independently calculate or pay VAT if the seller is an individual who is not a VAT payer.

Object of VAT Taxation:

Transactions are subject to VAT if they are carried out by persons registered as VAT payers.

If one party in the transaction (in this case, an individual) is not registered as a VAT payer, the sale of property (including real estate) is not subject to VAT.

3.2.11 THE LAW ON ELECTRIC POWER INDUSTRY

The Law on Electric Power Industry, on the Rules for establishing protected zones of electrical networks and special conditions of using the lands, located in the boundaries of the zones, September 28, 2017 № 330, stipulate in:

- Paragraph 2, (20 – 21): the regulations of the cutting of trees and perennial plantings for the establishment of OHTLs,
- Paragraph 2 (27 – 28): the planned repair and reconstruction of agricultural transmission lines shall be carried out in consultation with land users and at a time when the land shall not be occupied by crops, and that, the organization in charge of the transmission lines shall notify the land users in written form about the planned terms for repairing and reconstruction of the OHTLs three months before the planting shall start.
- Paragraph 2, (28 – 41): the land area reserved for substations, as well as the minimum allowable distances from electrical networks to constructions, structures, as well as from overhead transmission lines to earth and water surface

3.2.12 THE LAW ON SOIL AND SUBSOIL

The Law on Soil and Subsoil, December 27, 2017 № 125-VI, regulates the use of soil and subsoil use in the Republic of Kazakhstan. The general provisions stated in the law state that:

- **Article 11:** According to the Constitution of the Republic of Kazakhstan, subsoil resources belong to the people of Kazakhstan. On behalf of the people of Kazakhstan, the ownership right is exercised by the state.
- **Article 65:** Local executive bodies of a region, the city of republican significance, granting the rights for, and reserving the land plots being in state ownership, according to the land legislation of the Republic of Kazakhstan for the purposes of subsoil use

3.2.13 THE LAW ON VALUATION ACTIVITY

The Law of the Republic of Kazakhstan "On appraisal activity in the Republic of Kazakhstan" #133-VI adopted 10 January 2018, last amendment 31 December 2021) informs that only in cases of acquisition and alienation of property for state needs it is necessary to conduct a mandatory valuation (Article 6).

3.2.14 SUMMARY OF LAND ACQUISITION PROCEDURES IN THE REPUBLIC OF KAZAKHSTAN

Land acquisition for state needs follows the following general procedure:

1. **Initial Request:** Following an agreed alignment with local officials, the agency needing the land requests the relevant Akimat to issue a resolution for land acquisition.
2. **Akimat Resolution:** The Akimat issues a resolution for the land acquisition and registers it with the Oblast Department of Justice, with notifications sent to property owners regarding the extent of acquisition.
3. **Valuation:** Licensed valuers are engaged by the Akimat to determine official compensation amounts for the affected properties.
4. **Negotiation:** After establishing compensation amounts, negotiations between the government and affected parties commence. Signed agreements are registered with the "Government for Citizens" State Corporation in Almaty Region, and compensation amounts are processed for payment to affected individuals.
5. **Court Appeal:** If no agreement is reached, the government may initiate a court appeal for expropriation after three months from the notification date to the owner.
6. **Court Decision:** Following a court decision, the compensation will be transferred to the affected land user's account. Access to the land cannot be granted until compensation is paid, and ownership title is transferred.
7. **Financing and Payment:** Funds for compensation are allocated, with payments required within one month after the court ruling becomes final or after the signing of the land acquisition agreement.

3.3 INTERNATIONAL STANDARDS AND LENDERS' SAFEGUARD REQUIREMENTS

This section provides an overview of the applicable international standards and safeguards relevant to the Project.

The IFC updated its Performance Standards on Environmental and Social Sustainability in January 2012. These updated outcome-oriented standards enhance the existing IFC safeguard policies, reinforcing environmental and social policies and requiring more detailed and holistic impact assessments.

The Standards are categorized into specific issues, with PS 5 being particularly relevant to this LRP:

- PS 1: Assessment and Management of Environmental and Social Risks and Impacts
- PS 2: Labour and Working Conditions
- PS 3: Resource Efficiency and Pollution Prevention
- PS 4: Community Health, Safety and Security
- PS 5: Land Acquisition and Involuntary Resettlement
- PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
- PS 7: Indigenous Peoples
- PS 8: Cultural Heritage

3.3.1 IFC PS 5: LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT

The International Finance Corporation (IFC) Performance Standard (PS) 5, updated in 2012, serves as the fundamental standard for managing land acquisition and resettlement activities. It specifically addresses the management of both physical displacement—such as relocation or loss of shelter—and economic displacement, which involves the loss of assets or access to resources that can lead to a decline in livelihood or income.

The Environmental and Social Standard 2 (ESS2) of the Asian Infrastructure and Investment Bank's (AIIB) Environmental and Social Framework (2024) on Land Acquisition and Involuntary Resettlement is also considered in this LRP. However, as agreed with the client, it is not explicated in this LRP since the requirements of ESS2 can be subsumed by the IFC PS5 standard.

3.3.1.1 OBJECTIVES OF IFC PS 5

The primary objectives of IFC PS 5 are designed to protect affected households or protect affected persons (APs) and ensure that their rights and livelihoods are safeguarded during project implementation. These objectives (including those that apply to physical displacement) are:

- **Avoid and Minimize Displacement:** Explore alternative project designs to prevent displacement entirely, and where it cannot be avoided, make efforts to minimize its extent.
- **Prevent Forced Eviction:** Ensure that evictions occur only under agreed terms and processes.
- **Mitigate Social and Economic Impacts:** Anticipate adverse effects from land acquisition or use restrictions by providing compensation for the loss of assets at replacement cost, while ensuring transparency and inclusion in the resettlement process.
- **Restore or Improve Livelihoods:** Work to enhance or at least restore the livelihoods and living standards of affected persons.
- **Provide Adequate Housing:** Improve living conditions for physically displaced persons by offering suitable housing options with secure tenure at new resettlement sites.

3.3.1.2 KEY REQUIREMENTS OF IFC PS 5

In addition to the objectives, PS 5 mandates several essential measures to ensure that displaced individuals receive adequate compensation and support:

1. **Project Design:** The client must consider feasible alternative project designs to avoid or minimize physical and/or economic displacement while balancing environmental, social, and financial costs and benefits, with a special focus on impacts on poor and vulnerable populations.
2. **Compensation for Displaced Persons:** When displacement cannot be avoided, the client will offer compensation for loss of assets at full replacement cost along with other assistance to help displaced individuals improve or restore their livelihoods. Compensation standards must be transparent and consistently applied across all affected communities. The client will take possession of acquired land only after compensation has been made available and necessary resettlement support has been provided.
3. **Community Engagement:** The client must engage with affected communities, including host populations, through a stakeholder engagement process as outlined in Performance Standard 1. Decision-making related to resettlement and livelihood restoration should provide options and involve the disclosure of information, ensuring participation throughout planning, implementation, monitoring, and evaluation phases.
4. **Grievance Mechanism:** Establish a grievance mechanism early in project development to address concerns raised by displaced persons or host community members about compensation and relocation, facilitating an impartial resolution process.
5. **Resettlement and Livelihood Restoration Planning:** When involuntary resettlement is unavoidable, conduct a census to establish a socio-economic baseline, identify displaced persons eligible for compensation, and set a clear cut-off date for eligibility. Publicize this information to discourage opportunistic claims. The client will monitor and evaluate the implementation of the Resettlement Action Plan or Livelihood Restoration Plan and take corrective actions as necessary.
6. **Displacement Classification:** Displaced persons may be individuals with formal legal rights, those without formal rights but with recognizable claims, or those with no recognizable claims. The census will determine their status.
7. **Physical Displacement Requirements:** For physical displacement, the client will develop a Resettlement Action Plan, ensuring compensation at full replacement cost and focusing on the needs of poor and vulnerable populations. Displaced persons must be offered adequate housing options, with preferences for resettlement among existing communities considered.
8. **Economic Displacement Requirements:** For projects solely involving economic displacement, the client will develop a Livelihood Restoration Plan, ensuring that entitlements are provided transparently and equitably. Compensation for lost assets will be at full replacement cost, and displaced persons will have opportunities to improve or restore their livelihoods through practical assistance.
9. **Private Sector Responsibilities:** In cases where resettlement is government-managed, the client will collaborate with government agencies and, where necessary, actively engage in planning, implementation, and monitoring to ensure compliance with this Performance Standard.

3.3.1.3 COMPENSATION STANDARDS

IFC PS 5 outlines that compensation standards must be transparent and uniformly applied across a project. Specific compensation provisions include:

- Providing full replacement cost for lost assets and other assistance to help affected individuals restore or enhance their standards of living or livelihoods.
- For physically affected individuals, the option of replacement property that is equal to or of higher value, along with secure tenure or cash compensation at full replacement value, may be offered.
- For individuals deprived of income or livelihoods, prompt compensation based on full replacement costs is required, along with additional support measures to aid in recovery.

3.3.1.4 ASSISTANCE FRAMEWORK FOR ECONOMIC DISPLACEMENT

Beyond compensatory measures, for economic displacement, IFC PS 5 calls for enhanced support for affected individuals, which may include:

- **Targeted Assistance:** Offering credit facilities, vocational training, and job opportunities to improve economic prospects for those adversely affected.
- **Transitional Support:** Providing necessary support based on a reasonable timeframe for individuals to restore their income and production capacities.

3.3.1.5 COMPLIANCE WITH HOST COUNTRY LAWS

Finally, IFC PS 5 requires project proponents to identify, review, and comply with all applicable laws of the host country pertaining to land acquisition and involuntary resettlement. This ensures that all actions are not only aligned with IFC standards but also adhere to domestic legal frameworks, creating a comprehensive approach to resettlement and compensation that protects the rights and livelihoods of affected persons.

The useful guidance notes issued by IFC, including the Guidance Note on Financial Intermediaries (2023) and other thematic guidance documents, such as the Guidance on Overseeing Gender-Based Violence and Harassment Risk (2023), and others relating to transport and public infrastructure will be used together with the IFC PS 5.

In summary, IFC PS 5 serves as a critical framework for ensuring that land acquisition and involuntary resettlement processes are conducted fairly and transparently, ultimately aiming to safeguard the well-being of affected individuals and communities throughout the project lifecycle.

3.4 GAP ANALYSIS OF LENDER STANDARDS AND NATIONAL LAWS

There are several differences between the requirements of Kazakhstan legislation during the land acquisition process and IFC PS5 requirements. For example, PS 5 does not consider the absence of land rights of project-affected entities as a barrier to receiving compensation for non-land assets. Furthermore, Kazakhstan's land acquisition policy does not require for a census, a socio-economic survey or a social impact assessment (SIA) to be conducted during the land acquisition process. Another key gap is the lack of specific requirements to identify and assist vulnerable groups in RoK's land acquisition process, as well as the lack of requirements for including the restoration of livelihoods and standards of living during the process land acquisition. **Table 3-2** highlights key gaps between RoK's land acquisition policy and practice and IFC PS5.

TABLE 3-2 COMPARISON OF NATIONAL REGULATIONS AND IFC PERFORMANCE STANDARD 5

Themes	National Regulations	IFC Performance Standards	Gaps Identified
Project Design	No provisions for exploring project or design alternatives, though the Environmental Code and the Law on Architectural, Town-Planning and Construction Activities requires the minimisation of impacts on the environment.	PS 5: To avoid involuntary resettlement and physical and/or economic displacement wherever possible; minimize involuntary resettlement by exploring project and design alternatives.	Partial alignment with IFC PS: <ul style="list-style-type: none"> Although there is no requirement under Kazakh law for the consideration of project design alternatives, the project has made considerations to minimise displacement impacts. Please refer to the supplementary ESIA for more information.
Community Engagement	No provision mandating public consultations or disclosure on resettlement beyond public hearing conducted during the national EIA.	PS 5: Community participation in planning and implementing resettlement should be encouraged.	Partially consistent with IFC PS: <ul style="list-style-type: none"> Public consultations were conducted as a part of the national EIA.
Information Disclosure and Consultation	According to the laws applicable during land acquisition activities for project, the landowners and users must be notified in writing (Land Code, Article 85) Contract must include conditions for compensation of losses related to resettlement (Land Code, Article 44.7) The residents must be informed about construction/reconstruction plans through the media, at the public meetings or expositions. However, this is not specific to resettlement or expropriation but pertains to general construction plans.	PS1: Stakeholder engagement is a continuous and ongoing process whereby stakeholders need to be systematically informed and consulted during the preparation of the resettlement plan about options and rights. Regular meetings between project officials and communities, should be provided for villagers and hosts to communicate their concerns about the resettlement program to project staff throughout planning and implementation.	Partially consistent with IFC PS for formal titleholders. <ul style="list-style-type: none"> The Land Code has several provisions to send notices to formal titleholders during disclosure and consultation and the process of land acquisition. During the SSIs, PAEs responded that they were not aware of their rights to be able to ask for fragmented land (if deemed to be unviable) to be acquired through a reassessment.
Social Impact Assessment	No requirement for conducting a census and socio-economic survey to establish a pre-project baseline for the affected households.	Socio-economic survey(s) and a census, with appropriate socio-economic baseline data is required to identify all PAPs and to assess the project's socio- economic impacts on them. PS1: (i) ESMS; (ii) full SIA required. PS5: (iii) full AP census required; (iv) RAP required.	Non-conformance to IFC PS: <ul style="list-style-type: none"> No requirement to conduct a pre-Project socioeconomic baseline study. No requirement to conduct a social impact assessment.

Themes	National Regulations	IFC Performance Standards	Gaps Identified
Vulnerable Groups	No specific requirements to identify and assist vulnerable groups.	PS5: Requires identification of vulnerable groups, and development of targeted measures so that impacts do not disproportionately affect them.	Non-conformance to IFC PS: <ul style="list-style-type: none"> No requirement to identify vulnerable groups. No special assistance or considerations for vulnerable groups.
Grievance Mechanism	Grievances taken directly through judicial process as first resort. No requirement for dedicated project grievance process.	PS 1 and 5 require a dedicated project GRM and legal action should only be taken as a last resort.	Partial conformance with IFC PS: <ul style="list-style-type: none"> While there is no project-based KTZ GRM that facilitates GM, the Akimats play a crucial role in addressing grievances by the communities. The option of legal redress is considered part of the GM in Kazakhstan, and is not taken as the last resort, as per IFC guidelines.
Establishment of a Cut-off date	No specific requirements identified with respect to the establishment of an eligibility cut-off date. The decrees can be considered a method of formal disclosure as well as a quasi cut-off date, with respect to transactions on the land. However, based on our understanding, there was no cut-off date to assess land use and enumeration of land.	A "cut-off date" under PS5 (Performance Standard 5: Land Acquisition and Involuntary Resettlement) refers to a specific date established by a project developer to determine who is eligible for compensation related to land acquisition and displacement	Non-conformance to IFC PS: <ul style="list-style-type: none"> No requirement to establish a cut-off date for eligibility which is linked with a census and an asset inventory.
Compensation and Benefits for Displaced Persons	Compensation of privately-owned land is based on market value at the time of appraisal, with no consideration of other losses that may be incurred.	PS 5: Compensation of privately-owned land is based on full replacement cost; tenure security guaranteed.	Non-conformance with IFC PS: <ul style="list-style-type: none"> Depreciation of assets on land is considered Other losses are not considered
Non-titled Users and Unregistered Users or Residents.	Compensation for land and non-land assets is only explicitly provided for titled landowners, and for non-land assets for registered users. The asset must be registered.	PS 5: Those without formal legal rights (tenant-users with verbal or undocumented agreements with landowners) and claims are entitled to compensation for non-land assets (e.g. crop, tree and structure losses).	Non-conformance with IFC PS: <ul style="list-style-type: none"> Only formal titleholders have been considered. To consider those without formal legal rights and claims for compensation of non-land assets affected.

Themes	National Regulations	IFC Performance Standards	Gaps Identified
Resettlement and Livelihood Restoration Planning and Implementation	No requirement to consider potential impacts, or appropriate livelihood restoration measures. No requirement to provide relocation assistance and for exploring opportunities for the PAPs to benefit from the project.	IFC PS5 requires (i) preparation, approval, disclosure and monitoring of full RAP based on AP consultation and SIA; (ii) consultation and disclosure required as key component of stakeholder engagement.	Non-conformance with IFC PS: <ul style="list-style-type: none"> No requirement to consider social impacts or livelihood restoration measures.
Monitoring and Supervision of Land Acquisition and Resettlement Processes.	The implementation of the resettlement process is not supervised by the State or court. Akimats receive regular progress updates but cannot intervene when grievances arise. The Court participates only in resolution of cases submitted for court review.	IFC PS 5 requires that the Client monitor and evaluate the implementation of a RAP or LRP.	Partial conformance with IFC PS: <ul style="list-style-type: none"> Some monitoring conducted by Akimats as part of their administrative responsibilities.
Option for Land-for-land or Cash-for-land	RoK provides options for land-for-land (upon request) or cash-for-land compensation where possible.	To provide land-for-land or cash-for-land options.	Conformance with IFC PS.
Avoidance of forced eviction	The court makes the final judgement for compulsory acquisition. Forcible eviction is possible.	Avoid forced evictions.	Conformance with IFC PS.
Economic Displacement	No provision for assisting economically affected persons other than compensation for affected assets and lost income from affected business. Objective does not explicitly include restoration of livelihood and standards of living. No requirement for provision of relocation assistance and for exploring opportunities for the APs to benefit from the project.	Objective focuses on restoring livelihood and standards of living for APs, regardless of tenure or legal status. PS5: In the case of economic displacement, the client will develop a Livelihood Restoration Plan to compensate affected persons and/or communities and offer other assistance	Non-conformance with IFC PS.

3.5 SUMMARY OF KEY ISSUES

While Kazakh national legislation outlines processes for land acquisition and compensation, it falls short of the IFC PS, particularly in the following areas:

- No requirement under Kazakh law to consider project design alternatives that reduce or avoid displacement; however, avoidance of physical displacement has been considered in the design.
- Absence of a social impact assessment and baseline study within national requirements.
- Depreciation on assets and structures on land, is deducted while calculating compensation (in the Valuation process), as per Kazakh law, which does not align with IFC's "full replacement cost" principle.
- Other costs, such as transaction costs and relocation costs, when incurred by a PAE buying alternate land with their cash compensation received during displacement, is not factored into the compensation, therefore the compensation does not meet IFC's "full replacement cost" principle. For a more detailed assessment on gaps on valuation, please refer to **Section 5**.
- Economically displaced individuals without formal land titles are not covered under national law in the compensation process.
- Public engagement is limited under Kazakh law, falling short of IFC's ongoing stakeholder involvement and meaningful consultation standards.
- Although formal titleholders may receive notices, broader disclosure and consultation are not mandated for all stakeholders.
- Lack of any specific protections for vulnerable groups under Kazakh law.
- Although the local administration (Akimats) does get involved in disputes, there is no formal, project-based grievance mechanism as per IFC standards.
- No legal framework that addresses livelihood restoration or resettlement in Kazakhstan's regulations.
- Legal provisions in Kazakhstan allow compulsory acquisition without full alignment with IFC's avoidance of forced eviction standards.

Table 3-3 highlights the key gaps and where they are addressed in the LRP.

TABLE 3-3 SECTIONS IN THE LRP ADDRESSING THE KEY GAPS

Identified Gap	Section/Document
Project Design Alternatives	Refer to the Supplementary ESIA.
Absence of Social Impact Assessment and Baseline Study	Refer to the Supplementary ESIA. Section 4 of this LRP presents the profile of Project-affected communities.
Valuation Methods and Replacement Cost	Section 5 assesses the adequacy of compensation to Project-affected communities.
Compensation and Entitlements; Vulnerable Groups	Section 6 proposes the compensation and entitlements of Project-affected stakeholders under IFC PS5 standards, including provisions for identified vulnerable groups.

Identified Gap	Section/Document
Livelihood Restoration Programme	Section 7 specifies livelihood restoration measures for affected communities which require additional assistance to restore livelihoods and living standards to pre-Project levels.
Stakeholder Engagement and Disclosure; Grievance Mechanism.	Section 8 assesses the gaps in stakeholder engagement and disclosure in relation to Project-affected communities. Section 9 describes principles for grievance redressal.
Monitoring and Evaluation	Section 10 outlines guidance for monitoring and evaluation for this LRP.
Implementation	Section 11 outlines roles and responsibilities for the implementation of this LRP.

4. SOCIOECONOMIC PROFILE OF PROJECT-AFFECTED COMMUNITIES

This section first presents a summary of the social and socioeconomic baseline conducted as part of the supplementary ESIA which sets the context for the subsequent presentation of the profile of Project-affected communities. Then, it discusses the methodology for establishing the profile of Project-affected communities, before describing the key characteristics of the affected communities in order to better understand economic displacement impacts for the project affected entities.

4.1 CONTEXT: SOCIAL AND SOCIOECONOMIC BASELINE OF PROJECT'S SOCIAL AREA OF INFLUENCE

As no socio-economic baseline study was conducted as part of the National EIA and prior to the commencement of the Project, a retrospective baseline was constructed in the Supplementary ESIA to better understand pre-project socioeconomic conditions of the project-affected population. Information collected included demographic conditions (including age and gender distribution and ethnic composition), economy, employment and income patterns, existing infrastructure and public services, and the identification of vulnerable groups.

The social and socioeconomic baseline in the Environmental and Social Impact Assessment (ESIA) encompasses a detailed assessment of the existing conditions within the Project's Area of Influence (AoI). The AoI as defined includes the districts within which the Project is located, namely: Alatau City, Karasay District, Zhambyl District, Talgar District and Iliy District. This section provides a brief summary of the baseline to provide context on the livelihood restoration strategies suggested in the LRP.

- **Demographic Profile:** The demographic composition includes ethnic Kazakhs alongside significant minority populations such as Russians, Uzbeks, and Ukrainians. The region has experienced a net in-migration, reflecting dynamic demographic changes influenced by economic opportunities and historical developments.
- **Economic Activities:** Agriculture forms the backbone of the region's economy, complemented by growing industrial activities, especially in the newly established economic zones. The economic landscape is characterized by a mixture of traditional agricultural practices and modern industrial developments.
- **Infrastructure and Public Services:** The region features a variety of infrastructural setups, ranging from well-developed urban centers to less developed rural areas. Public services, including healthcare and education, vary widely, with more established services in urban centers and limited facilities in rural areas.
- **Land Use and Ownership:** Land use varies widely, from intensive agricultural use in rural areas to industrial and residential use in urban centers. Landownership is mixed, with significant portions of state-owned, privately owned, and leased lands, each with specific uses and management practices.

4.2 METHODOLOGY OF BASELINE SURVEYS CONDUCTED

ERM collected primary data on selected impacted entities through focus group discussions (FGDs), key informant interviews (KIIs) and semi-structured interviews (SSIs) between 28

October and 05 December 2024, and additional SSIs for data pertaining to economic and physical displacement of PAEs from 15 – 24 January 2025. As agreed with the Client, ERM was assisted by KTZ and the District Akimats in facilitating the planned engagements. Additionally, while ERM was on site, additional engagements with identified stakeholders were undertaken on an ad hoc basis where possible.

Overall, a total of 75 consultations, including focus group discussions (FGDs), key informant interviews (KIIs) and semi-structured interviews (SSIs) were conducted between 28 October - 05 December 2024 and 15 – 24 January 2025. These include:

28 October – 05 December 2024

- 4 FGDs representing impacted populations (Livestock, grazier owner and users; Women; Lease holders on state-owned land)
- 10 KIIs with various parties including local authorities, land valuers, cultural heritage site experts, representatives from the Project proponent (KTZ) and the Project Engineer (Poligram)
- 11 ad-hoc stakeholder consultations with impacted residents, agricultural workers, livestock workers, landowners, tenants, subcontracted workers and railway workers.
- 31 SSIs with impacted households, representing 39 land plots, selected from the list of affected land plots provided to ERM.

15 – 24 January 2025

- 15 SSIs for project-affected persons around Zhetygen station at Alatau City representing 16 land plots (In total, 18 households SSIs, representing 19 land plots, were conducted during this site visit. However, 3 of the households, representing 3 land plots, had already been interviewed during the previous October – November site visit, and thus were not counted to avoid duplication of data).
- 1 KII with the Alatau City Land Department

Overall, a total of 46 households related to the ownership or use of 55 land plots affected by the Project's land procurement were surveyed. During the October-December 2024 SSIs, the local District Akimats, had informed that most owners do not reside on the affected land plots, and hence, where possible, the SSIs were conducted in person (at a designated location) and as a means of last resort, via phone calls. During the January 2025 trip, and with the support of the Alatau City Land Department, the SSIs were conducted on door-to-door basis.

The household questionnaires identified the owners/users based on their cadastral number and sought to retrieve qualitative and quantitative information such as: compensation status; type of ownership; demographic information such as household size and ethnicity, source of livelihood and income; overview on land acquisition and compensation; other entitlements received; as well as any grievances raised in the land acquisition process.

The questionnaire also comprised of impact-specific questions, such as land fragmentation, impacts on leaseholders, and those who were undertaking court cases. Furthermore, it sought to collect qualitative information on grievances towards the project and assess the overall level of engagement with PAEs.

4.2.1 KEY INFORMANT INTERVIEWS

Key Informant Interviews were held with various key stakeholders during the site visit by ERM. The interviewed informants included:

- Akimats: Zhambyl, Karasay, Iliy, Talgar and Alatau City.
- District level Land Departments, and Akim of Kazybek bek at village level.
- Valuators based in Zhambyl and Talgar
- The Margulan Institute of Archaeology
- The KTZ Technical Specialist
- Project Contractors: Integra and Poligram
- Project Subcontractors: PTCM (earthworks) and KCT Bridges (construction of bridges)

The details of the key informant interviews are provided in the **Appendix** of the **ESIA-ESMP**.

4.2.2 FOCUS GROUP DISCUSSIONS AND COMMUNITY CONSULTATIONS

Focus Group Discussions and Community Consultations were held with various stakeholders during the site visit by ERM on site. The stakeholders comprised of a representative of village residents at Kazybek bek station, a group women affected by the project, farmers, lessees from government land, users such as shepherds, farm workers, railway workers, KTZ workers, and workers in labour accommodations. The details of the consultations held with various stakeholders is provided in **Appendix** of the **ESIA-ESMP**.

4.2.3 SEMI-STRUCTURED INTERVIEWS

Taking note on the lender's requirements for a comprehensive SIA and census of project affected people to be included in the land acquisition process, a targeted semi-structured interview at the household level was planned. The semi-structured interviews were not intended to be a representative sample of all affected plots and stakeholders, but to focus on a variety of issues with plots that are still in the process of being acquired, and to also include a sample of land plots where acquisition had been completed. An estimated 46 SSIs representing 55 land plots participated in the interviews. While the sampling strategy identified targeted categories for purposive sampling, people did not have availability or chose not to participate, for a variety of reasons; therefore, the numbers represent the people who were willing to participate. Responses have been assessed as indicative but not representative.

A proportion of respondents on private ownership and leased agreements was included, including registered commercial agricultural companies. The SSIs with affected household were proposed to fall into the following categories:

- Compensation completed
- Routine ongoing
- Those which requested replacement land plots
- Those which requested reconfiguration of their land plots
- Those that requested reevaluation, but were still not in court process
- Lessees of government land plots which had to return the land to the state

- Owners who had filed court cases regarding the compensation agreement

4.3 LIMITATIONS

The following were considered the key limitations when gathering socio-economic information:

- No census or socio-economic survey had been done prior to and during the land acquisition process.
 - During the Reconnaissance Visit in September 2024, ERM was told that there were 357 affected entities (187 owners and 170 renters). However, KTZ had not done or did not have any socio-economic information on these affected entities. Given the time available to complete the LRP as part of the Supplementary ESIA, and it was not feasible to conduct a full census survey, and an alternate approach was agreed upon between the Lenders and ERM.
- The team encountered low community engagement from the project affected persons of Iliy District (during the October – December 2024 trip), despite having a liaison officer in charge of coordinating consultations between the Akimats and the project affected entities, many residents were reluctant to participate in the SSIs due to various reasons, such as no availability, no benefit in participating in the interviews, and where compensation had been complete, they saw no benefit to allocate time for an interview.
- There were coordination challenges between KTZ and Talgar District. Despite an official letter No. 01-24-07/1185-4, dated 14 November 2024 by Almaty Regional Akimat's Transport Department to Talgar Akimat requesting for assistance in conducting SSIs and FGDs, these did not take place as the Akimat of Talgar mentioned there were social tensions in the districts and restrictions on the number of people gathered.
- Based on consultations with the Akimats of Iliy and Talgar, and the information provided in the IFC Gap Analysis report, there is a new administrative district of Alatau. Several land plots within Zhetygen area, which originally were part of Talgar and Iliy district, fall within the new Alatau district. It was initially requested that the Iliy district Akimat complete the acquisition process for all plots, since they were more familiar with the impacts and procedures. To fill the gap of conducting SSIs in Talgar district, the Talgar Land Relations Department (LRD) instructed ERM to contact the Alatau LRD. However, it was found that the database of landowners and users in Alatau LRD had not yet been updated with the affected land plots within Talgar and Iliy district (as of the October – December 2024 site visit).
- As of January 2025, with the support from the Alatau City Land Department, a preliminary list of affected land plots around Zhetygen Station (Alatau City) was provided by KTZ to ERM and to the Alatau City Land Department. The list contained 49 land plots and indicated which land plots had been transferred from Iliy and Talgar to Alatau City, and also highlighted **10 additional land plots in Alatau City**, previously not identified in the original 274 land plots. In addition to this, of the 15 SSIs conducted in Zhetygen Station in January 2025:
 - 3 households representing 3 land plots had already been interviewed during the October – December 2024. Initially 18 SSIs were done in January 2025, but after analysing the data, 3 HH's had already been interviewed during the October-December 2024 site visit, and have been excluded to avoid repetition.

- 2 households representing 2 land plots were part of the original 274 list, previously belonging to Iliy or Talgar and transferred to Alatau City, and thus included in the following analysis.
- 3 households representing 3 land plots are part of the 10 additional land plots from Alatau City, not previously identified in the original 274 list, and included in the final estimated 284 list, and thus included in the following analysis.
- 10 households, representing 11 land plots are neither part of the original 274 list nor the 49 land plot list provided by KTZ (which only included 10 new land plots in Alatau, of which 3 were surveyed as per the previous line). This highlights the discrepancies between the land plots assumed by KTZ that are required for land acquisition and those assumed by the Alatau City Land Department. They have been included in the following analysis, as respondents and the Alatau City Land Department said they would be affected by the land acquisition.
- As mentioned in the overall limitations in **Section 1.4**, ERM was unable to conduct SSIs in Talgar District.

4.4 OVERVIEW OF PROJECT-AFFECTED ENTITIES

The project is likely to affect a wide array of stakeholders, including:

- **Landowners and Leaseholders**

These stakeholders own or lease land directly within the project's footprint. They will be directly affected by land acquisition, facing changes in land use, displacement, or alteration of property rights.

- **Agricultural Workers**

Many workers depend on agriculture for their livelihoods. The project may disrupt agricultural activities, potentially leading to a reduction in income or loss of livelihood for these workers.

- **Vulnerable Groups**

This includes women-headed households, elderly individuals living alone, and people with disabilities. These groups may have less capacity to adapt to economic and social disruptions caused by the project.

- **Commercial Entities**

Businesses in or near the project area might experience disruption due to construction activities but could also benefit from improved infrastructure and increased economic activity.

Table 4-1 describes the different types of landownership of the affected plots of the initial 284 land plots of 1,056.43 hectares.

TABLE 4-1: OWNERSHIP OF AFFECTED LAND PLOTS

Category	Total No. of Plots or Area of Plots (ha)	Proportion Across All Districts (%)
All Types of Landownership		
No. of Affected Plots	284	100.00%

Category	Total No. of Plots or Area of Plots (ha)	Proportion Across All Districts (%)
Affected Area Within Land Plots (ha)	1056.43	100.00%
Private Ownership		
No. of Private Plots	167	58.80%
Affected Area Within Private Land Plots (ha)	728.41	68.95%
Leased Land Plots		
No. of Leased Land Plots	52	18.31%
Affected Area Within Leased Land Plots (ha)	278.09	26.32%
State-Owned Plots Allocated to KTZ		
No. of State-Owned Plots Allocated to KTZ	38	13.38%
Affected Area Within State-Owned Plots Allocated to KTZ (ha)	42.5	4.02%
Other State-Owned Plots		
No. of Other State-Owned Plots	27	9.51%
Affected Area Within State-Owned Land Plots (ha)	7.43	0.70%

4.4.1 LOCATION OF PROJECT AFFECTED ENTITIES

The Project passes through the five districts of Iliy, Karasay, Talgar, Zhambyl and Alatau City. The city of Alatau was recently established in January 2024 and was formally the village of Zhetygen in Iliy District of Almaty Region. The land plots of the project affected entities fall within the following rural districts and villages, identified in **Table 4-2**.

TABLE 4-2 NUMBER OF LAND PLOTS AFFECTED PER RURAL DISTRICTS AND SETTLEMENTS

District	Rural District	Settlement ⁴⁹	No. of Land Plots Affected
Alatau City	Zhetygen	Enbek	1
		Mezhdurechensk	1
		Zhanaarna	1
		Mezhdurechensk	1
		Zhetygen ⁵⁰	23
		Mezhdurechensk	3

⁴⁹ The settlements presented here may refer to villages, towns or microdistricts. It refers to whichever is the lowest administrative unit. Refer to **Section 4.3.1** for a glossary of administrative terms.

⁵⁰ Established in January 2024 as the city of Alatau in the Almaty region.

District	Rural District	Settlement ⁴⁹	No. of Land Plots Affected
	s.o. Mezhdurechensky	Baiserke	1
	Ashibulakskiy	Mukhametzhan Tuymebayev	2
		Ashibulak	1
	Baiserkinsky	Baiserke	2
	Energeticheskoy	Pokrovka	1
		Otegen Batyr	1
	s.o. Kainarsky	Data gap	5
	s.o. Nurinsky	Nura	1
Iliy	Ashibulakskiy	Mukhametzhan Tuymebayev	4
		Karaoi	1
	Baiserkinsky	Baiserke	10
		Data gap	1
	Energeticheskoy	Otegen Batyr	2
	Karaoiskiy	Karaoi	17
		Kazcik	1
		Kosozen	1
		Nargisa Tilendiev	6
		Data gap	9
	Kurtinskiy	Akshi	6
		Data gap	2
	Kaztsik	Kazcik	1
	Data gap	Data gap	3
	s.o. Mezhdurechensky	Mezhdurechensk	19
		Data gap	7
Karasay	Zhanashamalgan	Kazybek-Bek	2
		Zhibek Zholy	1
	s.o. Zhibek Zholy	Zhibek Zholy	3
	s.o. Irgelinsky	Kemertogan	2
	Eltai	Eltai	1
		Koktogan	1
	Karasai	Zhyngyldy	1
	Data gap	Data gap	2

District	Rural District	Settlement ⁴⁹	No. of Land Plots Affected
Talgar	s.o. Kainarsky	Data gap	30
	s.o. Nurinsky	Nura	9
	Data gap	Data gap	16
Zhambyl	Termizhol	Kazybek-Bek	18
		Data gap	9
	Zhambyl	Uzynagash	1
	Aksengirsky	st. Zhiren-Aygyr	1
	Data gap	Data gap	16

4.5 PROFILE OF AFFECTED ENTITIES

No census, socioeconomic baseline or land and asset survey of affected economic assets and affected households/businesses were undertaken prior to the process of land acquisition. This section presents the socio-economic profile of affected communities retrospectively based on:

- Information on affected land plots and landowners provided by KTZ;
- SSIs conducted with a sample of 46 households affected by the Project's land acquisition (while the early sampling strategy identified targeted categories for purposive sampling, people did not have availability or chose not to participate, for a variety of reasons; therefore, the responses are indicative but not representative) ;
- FGDs conducted with local communities including women, farmers, leaseholders among others
- KIIs with KTZ and EPC Contractors Poligram and Integra to understand the overall status of the Project, including land acquisition and compensation status; with District Akimats to understand the profile of affected households, the presence or absence of unregistered land users and any grievances that have been raised by the communities; and with Valuers to better understand the process of valuation and compensation.

As such, this section presents socioeconomic characteristics of the Project-impacted households. However, a complete census and land and asset survey of the impacted economic assets and affected households or commercial entities will need to be undertaken by the LRP Implementation team as described in **Section 11**.

4.5.1 LAND DEPENDENCY

The following **Table 4-3**⁵¹ highlights the land information for the 46 semi-structured interviews. The **46 SSIs** accounted for **55 cadastral land plots**.

⁵¹ Based on the Limitations explained in **Section 4.3**, the table:

- Land plots which have been transferred to Alatau City, and thus, no longer belong to Ilii or Talgar

TABLE 4-3 LAND INFORMATION FOR THE 46 SSI RESPONDENTS (55 LAND PLOTS)

Affected Plots Per District	Total	Privately owned			Leased land		
		Peasant farming	Commercial Agriculture	Other	Leased farming	Commercial Agriculture	Other
Iliy							
No. of Affected Plots	31	22	3	NA	2	3	1
Affected area (ha)	407.79	197.47	88.73	NA	42.70	78.56	0.33
Total Area (ha)	4161.98	2281.16	1053.17	NA	502.15	320.23	5.27
Karasay							
No. of Affected Plots	2	NA	1	1	NA	NA	NA
Affected area (ha)	4.3	NA	2.81	1.46	NA	NA	NA
Total Area (ha)	19.7	NA	11.00	8.70	NA	NA	NA
Zhambyl							
No. of Affected Plots	1	NA	NA	1	NA	NA	NA
Affected area (ha)	0.27	NA	NA	0.27	NA	NA	NA
Total Area (ha)	0.30	NA	NA	0.30	NA	NA	NA
Alatau City							
No. of Affected Plots	21	19	1	NA	1	NA	NA
Affected area (ha)	0.00	6.99	3.57	NA	0.20	NA	NA
Total Area (ha)	0.00	26.4	14.00	NA	1.80	NA	NA
Total							
Total No. of Affected Plots	55	41	5	2	3	3	1
Total Affected area (ha)	412.34	204.456	95.11	1.74	42.91	78.56	0.33
Total Area (ha)	4181.98	2307.56	1078.17	9.00	503.95	320.23	5.27

- Includes 3 land plots out of 10 additional land plots that were included as part of Alatau City to form the total of 284 land plots.
- Includes the 11 land plots represented by 10 households who were surveyed in January 2025 but are not included in the compiled 284 list. The SSIs were assisted by the Alatau City Land Department, who identified these land plots, amongst others, that would be affected by the Project's land acquisition.

Since no final boundary has yet to be determined by KTZ in Zhetygen Station, the estimated number of land plots requiring acquisition in Alatau City differs from KTZ's to that of Alatau City Land Department.

4.5.1.1 ECONOMIC DISPLACEMENT IMPACTS OF PROJECT-AFFECTED ENTITIES (SSIS) AND LAND DEPENDENCE

Out of the 46 respondents representing 55 cadastral land plots, the following **Table 4-4** highlights the breakdown of those that have been entirely acquired ($\geq 90\%$), partially acquired ($< 90\%$), and significantly impacted ($> 20\text{--}100\%$) by landownership and land use type.

TABLE 4-4 LAND ACQUISITION IMPACT ON THE 46 SEMI-STRUCTURED INTERVIEW (55 LAND PLOTS)

Landowner ship	Land Use	No. Of Plots Partially Acquired ($< 90\%$)	No. Of Plots Entirely Acquired ($\geq 90\%$)	No. Of Plots with $> 20\%$ of area impacted*	Data Gap
Privately owned	Peasant farming	26	8	19	7
	Commercial Agriculture	5	0	4	NA
	Other	1	1	1	NA
Leased land	Leased farming	2	1	1	NA
	Commercial Agriculture	2	1	1	NA
	Other	1	0	NA	NA
Total		37	11	16	7
Total (Partially Acquired + Fully Acquired + Data Gap)		55 land plots			

Note: There are 7 land plots from the 18 SSIs conducted in January 2025 that did not know how much of the total affected area would be required for land acquisition and thus remains a gap, and no assessment has been done these land plots.

*Includes entirely acquired.

According to the **Table 4-4**:

- 8 out of 41 land plots (19%) under peasant farming, which are privately owned, have been entirely acquired ($\geq 90\%$).
- Out of these 8 plots, there are two different owners who both have three land plots each:
- One owner owns three land plots. Two out of three land plots of an owner had been completely acquired; however, the owner was only affected by 14.58% of their total land (32.8 hectares out of a total of 224.9 hectares).
- Another owner owns three land plots. One out of three land plots of an owner had been completely acquired; however, the owner was only affected by 4.08% of their total land (32.7 hectares out of 800 hectares)
 - Another two landowners representing one land plots each are listed as entirely acquired ($\geq 90\%$) as per the IFC Gap Analysis report. However the responses from the SSIs indicate that the affected area is less than the total area, potentially indicating that the land directly owned by the household is greater than what was

acquired, or that the owner has more land than what was acquired by the Project, not leaving them landless or entirely dependent on the land that has been acquired (Respondent 1 and Respondent 6 in the **Table 4-5**).

- Respondent 1 is affected to the extent of 4.75% of their total land (0.19 hectares out of 4 hectares, as per the SSI response).
- Respondent 6 is affected to the extent of 6.7% of their total land (15.4 hectares out of 230 hectares, as per the SSI response).
- o One landowner's data, who reported that their land was completely acquired (100% affected), coincided with what was on the IFC Gap Analysis Report and in the SSIs.
- One additional respondent from Alatau (part of the 11 land plots represented by 10 households who were surveyed in January 2025, but not included in the compiled 284 list) has indicated that their land has been completely acquired.
- However, Respondents 2, 4, 7 and 13 from **Table 4-5** have indicated in the SSIs that their land had been completely acquired, but the data in the IFC Gap Analysis Report indicated different datasets, indicating that the land has not been completely acquired-. Data needs to be verified; if PAHs land has been entirely acquired, they are entitled to the entitlements described in the LRP.

The analysis of the 46 SSIs entirely acquired land plots under private ownership indicate that, in total:

- There are 3 land plots entirely acquired, but the landowners were not dependent on the land and lost only 14.58% and 4.08% of their total land they owned, respectively.
- There are 2 land plots listed as entirely acquired in the IFC Gap Analysis Report, but the SSIs indicated they had additional land and lost only 4.75% and 6.7% of the total land they owned, respectively, as per the SSI results.
- 3 landowners were entirely dependent on the land
- Two of them, as per the IFC Gap Analysis excel and the responses from the SSIs.
- One landowner, as per the SSI, as their land plot is not included in the compiled list of 284 land plots.
- 3 landowners had their land entirely acquired, as per the SSI responses, but not according to the data provided to ERM in the Gap Analysis Report.

4.5.1.2 DISCREPANCIES IN LAND DATA FROM IFC GAP ANALYSIS REPORT AND SSI RESPONSES

During the SSIs, there were 12 respondents representing 14 cadastral land plots which figures slightly differed from what is mentioned in the IFC Gap Analysis. There was one respondent representing two cadastral land plots which did not provide information on total and affected land area. For example, there were responses where the total area and affected area differ from the IFC Gap Analysis Report and the respondents' answers, which could indicate a gap in either the input of data in the IFC Gap Analysis Report, a misinterpretation of the questions asked in the SSIs or some other gap. Although in most cases the discrepancies are not that significant, they highlight the need to develop a Land Acquisition Compensation Status Report (refer to **Section 10.5** for the description and **Section 11.6** for the timeline) to clarify and

update any discrepancies of data between what is documented in the IFC Gap Analysis (data from the Akimats) and what is understood by the respondents.

Refer to Appendix A for further details on the discrepancies in land data from the IFC Gap Analysis Report and the SSI responses.

4.5.2 NUMBER AND SIZE OF AFFECTED HOUSEHOLDS

Out of the **46 respondents**:

- 33 (71.73%) were individual, private owners (of which thirteen (13) were female owners);
- 2 (4.35) co-owned their land plot with a joint-owner;
- 4 (8.7%) were leaseholders;
- and 7 (15.22%) were registered companies

The total household size of represented by the surveys conducted was 194 persons (excluding the 7 companies surveyed). Three households preferred not to disclosure how many households members resided in their homes.

Privately Owned Land Plots

- A total of 170 persons was accounted for in 35 households surveyed under private ownership.
- Individual and joint owners under privately owned land have an average household size of 5.11 people, with the greatest household size accounting for 12 members and the smallest household accounting for 1 member.
- There was a total of 50 working adults, 27 unemployed adults, 72 children and 28 senior citizens.
- Only 7 interviewed households reported a total of 31 agricultural labourers on the privately-owned land plots.

Leased Land Plots

- A total of 19 persons were accounted for in 4 households surveyed under leased land.
- Leaseholders under leased land have an average household size of 4.75 people, with the greatest household size accounting for 7 people and the lowest accounting for 2 people.
- There was a total of 9 working adults, 0 unemployed adults, 8 children, and 2 senior citizens.
- There was a total number of 6 agricultural labourers in these land plots.

Commercial Entities

- A total of 7 companies were surveyed.
- Whilst 4 did not disclose the number of workers or tenants, 1 company stated they had 4 tenants on the land, whereas another 2 companies stated they had 110 agricultural labourers and 10 agricultural labourers respectively.
- The total amount of land owned by the agricultural companies interviewed amounts to 1599.3 hectares, of which the total amount acquired is 117.9 hectares (only 5 disclosed the amount of hectares acquired).

4.5.3 NUMBER OF YEARS OF OWNERSHIP OR TENANCY

Out of the 46 respondents, 16 (37%) did not disclose how long they have been owning or using the affected land plot. Of the remaining 29 PAEs (63%), the average length of ownership or tenancy was 25.86 years, with the longest residency being 53 years by 1 household in Alatau City under private ownership, and the lowest being 2 years under private ownership, also in Alatau City.

4.5.4 PLACE OF ORIGIN AND ETHNICITY

Out of the 46 respondents, 7 respondents (15.2%) did not disclose their ethnicity. The remaining 39 respondents stated their ethnicity to be:

- Kazakh: 24 (52.17%)
- Russian: 8 (17.39%)
- Dungan: 2 (4.3%)
- Uyghur: 2 (4.3%)
- Azerbaijani: 1 (2.17%)
- Ukrainian: 1 (2.17%)
- Korean: 1 (2.17%)

The social ethnic make-up highlights the rich ethnic mix in the project affected area, which is in line of what the social baseline of the ESIA has described. More than half of the population sampled are Kazakh, whereas the other half are of at least six different ethnic backgrounds.

4.5.5 HOUSEHOLD INCOME AND OCCUPATION

Among the 46 households affected and interviewed by ERM, 17 (36.95) opted not to disclose information regarding their monthly household income levels. Of the remaining 29 respondents:

- 14 respondents (30.43%) shared that their monthly income is greater than 500,000 tenge per month (greater than 957 USD per month⁵²).
- 9 respondents (19.56%) shared that their monthly income is between 300,000 – 500,000 tenge per month (574 – 957 USD per month).
- 5 respondents (10.87%) shared that their monthly income is between 100,000 – 300,000 tenge per month.
- 1 respondent (2.17%) shared that their monthly income was less than 100,000 tenge per month.

The findings suggest that most of the respondents make above the minimum salary of 84,000 tenge (161 USD) per month, there is a potential that the 5 respondents who make 100,000 – 300,000 tenge per month and the 1 respondent who makes less than 100,000 tenge per month to fall within the low-income vulnerable group category of (1 million – 2 million tenge per year or 1,916 USD to 3,832 USD).

⁵² 1 USD = 522 Tenge, as per 16 December 2024.

Primary and Secondary Occupations

The primary and secondary occupations of the surveyed respondents (defined by the amount of time spent) are presented in **Table 4-3**.

TABLE 4-5 PRIMARY AND SECONDARY OCCUPATION

	Primary Occupation (time spent)	Secondary Occupation (time spent)	Main source of Income for Official and Non- Official employment	Other sources of Official and Non-Official Income
Livestock	6 (13.04%)	1 (2.17%)	3 (6.52%)	0
Agriculture	12 (26.08%)	4 (8.7%)	8 (17.39%)	0
Construction	0	0	0	0
Employee or Office worker	11. ⁵³ (23.91%)	2 (4.35%)	11. ⁵⁴ (23.91%)	2. ⁵⁵ (4.35%)
Business Entrepreneur	7 (15.21%)	0	13 (28.26%)	0
Others	1 (2.17%)	2 (4.35%)	0	4 (8.7%)
Rental Income	NA	NA	0	0
Retiree / Pension. ⁵⁶	4 (8.7%)	NA	4 (8.7%)	NA
Tutor	1 (2.17%)	NA	1 (2.17%)	NA
Homemaker / Benefits. ⁵⁷	1 (2.17%)	NA	1 (2.17%)	NA
Preferred not to disclose / Did not answer	3 (8.3%); of which 2 PND (4.35%).	37 (80.43%); of which 2 PND (4.35%).	5 (10.87%); of which 2 PND (4.35%).	40 (87%); of which 2 PND (4.35%).
Total No. of Responses	46 (100%)	46 (100%)	46 (100%)	46 (100%)

The majority of respondents likely to be impacted by the Project rely on formal employment for their livelihoods. The discrepancy between the responses received through the SSIs and the broader pattern in relation to livelihoods in the SAoI is likely due to settlement patterns and the location of the Project alignment. The affected households surveyed in the SSIs may be located closer to urban areas (e.g. Alatau City), where formal employment opportunities (e.g., in services, trade, or public sector jobs) are more accessible. In contrast, agricultural

⁵³ Includes one rotational work employed at an oil field for 1 month in another city with two weeks rest in between.

⁵⁴ 6 respondents whose primary source of employment responded 'Salary' as their form on income.

⁵⁵ One respondent whose main source of income is employee, and their main source of income is salary, has indicated that their other source of income derives from a store on a residential property.

⁵⁶ The 4 respondents who responded their primary occupation as retirees have indicated their main source of income as their pension. None of the four respondents had a secondary occupation (time spent) nor other sources of income.

⁵⁷ One respondent disclosed their primary occupation as a homemaker and their primary source of income as receiving "benefits". No other respondent disclosed of receiving benefits.

livelihoods dominate in more rural areas, which may not have been the focus of the interviews due to the specific location of the Project alignment.

Overall, the data indicate that farming (26.08%) remains the central occupation for many households, and this was observed along the alignment. In second place, the primary occupation held by PAEs was employee or office worker (23.91%). This too was observed during the January 2025 SSIs responses conducted mainly around Zhetygen station. The remaining occupations of business entrepreneur (15.21%) and livestock (13.04%) are still dominant throughout the Project.

The data also indicated that over 80.43% of respondents did not have secondary occupations, with agriculture as the predominant source of secondary occupation with 8.7% only.

The findings also suggest that amongst the 46 respondents, 8.7% are retirees and depend on their pension as their sole source of income.

Primary and Secondary Occupations for those who have been fully acquired

Taking reference to **Table 4-4**, the following section seeks to understand, in particular, the primary and secondary occupation, and the sources of incomes of the PAEs whose land plots have been entirely acquired. It seeks to understand if they have other sources of income besides their primary occupation. **Table 4-7** highlights these figures.

TABLE 4-6 PRIMARY AND SECONDARY OCCUPATION FOR THOSE ENTIRELY ACQUIRED

Landownership	Land Use	No. Of Plots Entirely Acquired (≥90%)	Remarks
Privately owned	Peasant farming	8	Primary Occupation: <ul style="list-style-type: none"> • 3 responded Agriculture • 2 responded Business Entrepreneur • 1 responded Livestock • 1 Homemaker • 1 PND Secondary Occupation: <ul style="list-style-type: none"> • 1 responded Agriculture • 1 responded Livestock • 5 did not select a secondary occupation • 1 PND Main Source of Income: <ul style="list-style-type: none"> • 4 responded Business Entrepreneur • 1 responded Agriculture • 1 responded Livestock • 1 Benefits • 1 PND Other Sources of Income <ul style="list-style-type: none"> • 1 responded Others • 1 PND • 6 did not respond
Leased land	Leased farming	1	Primary Occupation: <ul style="list-style-type: none"> • Business Entrepreneur Secondary Occupation: <ul style="list-style-type: none"> • Agriculture Main Source of Income: <ul style="list-style-type: none"> • Business Entrepreneur Did not provide other sources of income.

Landownership	Land Use	No. Of Plots Entirely Acquired ($\geq 90\%$)	Remarks
	Commercial Agriculture	1	Primary Occupation: • Livestock Main Source of Income: • Business Entrepreneur Did not provide other sources of income.

Overall, for the respondents of 8 privately owned land plots under peasant farming who have been entirely acquired, although the majority of the primary occupation was agriculture with 3 out of 8 responses (37.5%), the main source of income was business entrepreneurship with 4 out of 8 responses (50%), in comparison to 1 response (12.5%) in agriculture or 1 response (12.5%) in livestock. The result highlights that private landowners engaging in agriculture have main sources of business that is not just dependent on agriculture but could be other sources of income. These estimations are in line with the responses from the Consultations, where Akimats have regularly mentioned that some of the owners who own the land in the Project do not reside there and mainly have other sources of income. However, this cannot be concluded from the responses of 46 SSIs.

A note from the data collected is the respondent who is a homemaker and dependent on benefits for their main source of income, whose land has been entirely acquired.

For the one user under leased land, the user's primary occupation and main source of income is in business entrepreneurship, whereas their secondary occupation is related to agriculture.

4.5.6 AGRICULTURAL LAND USE

Out of the 46 respondents, 26 responded (56.52%) that their land was irrigated. The most common forms of irrigation were:

- 13 responded that their irrigation source came from water pumping, such as boreholes⁵⁸.
- 11 responded that their irrigation source came from Channel / Aryk.
- 1 responded the water source as surface water, through rivers, lakes, etc.
- 1 responded that groundwater

4.5.6.1 TREES AND CROPS

Out of the 46 respondents, 27 respondents (58.69%) had responded to producing certain types of crops in their agriculture land. These ranged from hay, alfalfa, clover, corn, fruits, corn, apple trees, watermelons, vegetables, potatoes, cucumbers, plums, pears, cherries, grapes, grass and barley.

January 2025 SSIs

Further clarification was sought on what type of agricultural land use it was. During the January 2025 SSIs, 12 out of the 15 respondents (80%), responded that where they grew their crops was in a kitchen garden.

⁵⁸ Note: A borehole is a narrow well in the form of a deep pipe with a small diameter. This pipe is underground, and water is extracted using a pump.

During the surveys, the 15 respondents were also asked on their ability to harvest their crops before acquisition, the number of fruit bearing trees, and if the perennial trees would be compensated at full replacement cost.

- 11 out of 15 respondents (73.33%) were not sure if they could harvest their crops before land acquisition;
- In terms of number of fruit bearing trees, out of 15 respondents:
 - 1 responded NA (6.66%).
 - 1 responded that they had 0 fruit bearing trees (6.66%).
 - 1 responded that they had 1 to 3 fruit bearing trees (6.66%).
 - 7 responded that they had 4 to 6 fruit bearing trees (46%).
 - 5 responded that they had more than 7 fruit bearing trees (33%).
- In terms of the compensation of perennial trees at full replacement cost, out of the 15 respondents:
 - 1 responded NA (6.66%).
 - 11 responded that they were unsure if the perennial trees would be compensated at full replacement cost (73.33%).
 - 3 responded that they were informed that they perennial trees would be compensated at full replacement cost (20%).

The assessment indicates that, on average, households have at least more than 4 fruit bearing trees, with more than 79% disclosing owning between 4 to 6 fruit bearing trees (46%) and more than 7 fruit bearing trees (33%) combined. The assessment also indicates, however, that 73.33% of the PAEs are unsure if their perennial trees would be compensated at full replacement cost, reflecting a gap in compensation disclosure.

4.5.6.2 AVERAGE CROP YIELD AND INCOME PER HECTARE

Average crop yield and income generated per hectare of land (SSI responses)

Out of the 46 respondents, 4 respondents provided information on the average income earned out of 1 hectare for agriculture crops, 9 said the produce is not sold, 8 preferred to not disclose, 5 said it was difficult to answer, 4 said it was not applicable, and the remaining 16 did not answer.

It should be noted that, although 27 respondents had responded to producing certain types of crops in their agriculture land, only 4 respondents provided information on the average crop yield and income per hectare. Out of the 4 respondents that provided information (refer to **Table 4-7**)

TABLE 4-7 AVERAGE CROP YIELD AND INCOME PER HECTARE FROM SSIS

Respondent	Average Income Earned out of 1 hectare (Tenge) ⁵⁹	Types of crops produced
Respondent 1	3,840,000.00 tenge (7,457 USD)	Clover
Respondent 2	10,000,000.00 tenge (19,157 USD)	Apple trees

⁵⁹ ⁵⁹ 1 USD = 522 Tenge, as per 16 December 2024.

Respondent	Average Income Earned out of 1 hectare (Tenge) ⁵⁹	Types of crops produced
Respondent 3	1,5000,00 – 2,000,000 tenge (2,873 – 3,831 USD)	No crops, but mentioned a water pond
Respondent 4	200,000 tenge (383 USD)	Grass

Given the lack of responses from the 46 PAEs, it is difficult to measure the accuracy of the average income earned per crop type per hectare, however it is observed to range from 200,000 tenge (383 USD) to 10,000,000 tenge (19,157 USD).

Average crop yield and income generated per hectare of land (Online resources)

According to an engagement with The Sange Research Centre⁶⁰ in January 2025, the average crop yields in Kazakhstan vary based on the type of crop, soil quality, and climatic conditions. As of 08 October 2024, the average yield for grains and legumes was reported at 15.2 centners per hectare^{61,62}. For vegetables, the yield varied and was estimated at (i) for carrot, beet root and pumpkin around 30-40 tonnes per hectare, and (ii) for cucumbers and tomatoes - 20 tonnes per hectare.

Taking these estimations into account, and according to online sources such as the International Grain Council and others:

- The **average yield for grains and legumes** was 1.52 tonnes / hectares.
 - The price of Kazakh wheat is estimated at 78 000 tenge / tonne⁶³.
 - The average income that can be generated is **118,560 Kazakh tenge (227 USD) per one hectare of land** of wheat.
- The **average yield for carrot, beet root and pumpkin** is estimated at 30-40 tonnes / hectare.
 - The price of Kazakh carrots is estimated at 512 500 tenge / tonne⁶⁴.
 - The average income that can be generated is **17 937 500 tenge (34,363 USD) per one hectare of land** of carrots.
- The **average yield for cucumbers and tomatoes** is estimated at 20 tonnes / hectare.
 - The price of Kazakh tomatoes is estimated at 412 460 tenge / per tonne⁶⁵.
 - The average income that can be generated is **8,249,200 tenge (15,802 USD) per on hectare of land** for tomatoes.

⁶⁰ The Sange Research Centre: <https://sange.kz/main/>

⁶¹ A centner being 100 kilograms. 1 Centner/ha = 0.01 kg/m²

⁶² Another online source by Interfax estimated that, as of 30 September 2024, the average yield was 14.7 centners per hectare. Source: <https://interfax.com/newsroom/top-stories/106174/>

⁶³ According to online sources of <https://www.apk-inform.com/en/news/1544447/>; and <https://kz.kursiv.media/en/2024-12-02/engk-zeri-kazakhstans-wheat-farmers-forecast-significant-price-hike/> as a comparison

⁶⁴ According to online sources of <https://www.selinawamucii.com/insights/prices/kazakhstan/carrots/>

⁶⁵ According to online sources of <https://www.selinawamucii.com/insights/prices/kazakhstan/tomatoes/>

4.5.6.3 LIVESTOCK REARING

Out of the 46 respondents, 19 responded (41.3%) that their land accommodated some type of livestock.

Number of livestock per landowners/users

Out of the 19 who responded, 15 were individual owners (78.95%) Of these:

- Three respondents had responded of owning sheep, cows and horses, but did not disclose how many;
- One responded of just owning chicken, but did not disclose how many;
- One responded of just owning horses, but did not disclose how many;
- One responded of owning both cows and horses, but did not disclose how many.
- One responded disclosed of owning 10 chickens for personal consumption;
- One respondent disclosed of owning over 300 sheep, 10 goat, 70 cows, 8 horses, 30 chicken and 15 turkey;
- Four respondents responded to owning sheep, cows and horses:
 - One owns 120 sheep, 4 cows and 5 horses;
 - One owns 1200 sheep, 10 cows and 5 horses;
 - One owns 220 sheep, 4 cows and 2 horses;
 - One owns 300 sheep, 30 cows and 5 horses.
- One respondent owns 20 sheep and 3 cows only.
- One respondent owns 5 sheep and 4 chicken.
- One respondent owns 367 sheep, 30 goat and 13 horses.

In total, for 15 landowners, the estimate number of livestock include approximately 2,532 sheep, 40 goats, 121 cows, 38 horses, 44 chicken, and 15 turkeys, noting that 6 respondents did not disclose the number of livestock reared.

The above figure gives an estimation that on average, a landowner or leaseholder could be expected to have 168 sheep, 3 goats, 8 cows, 2 horses, 3 chicken and 1 turkey. However, it should be noted that these figures are only an estimation to be used for calculation purposes and not truthful per household.

Number of livestock per commercial entity

Out of the 19 who responded, 4 were registered companies (21.05%) who responded to having:

- One company had 500 sheep and 150 cows
- One company had 100 sheep
- One company had 500 sheep
- And one company had chicken, but did not indicate how many chickens they had.

The above figure gives an estimation that on average, a commercial entity could have 275 sheep and 37.5 cows each. It should be noted that these figures are only an estimation to be used for calculation purposes and not truthful per commercial entity.

4.5.7 EDUCATION LEVELS

Out of the 46 respondents, 43 respondents (93.48%) responded that all household members were literate, while 3 (6.52%) respondents did not respond. The findings suggest that it is likely that most of the households affected by the Project's land acquisition have high levels of literacy, which coincides strongly with the findings from the Focus Group Discussions and Key Informant Interviews: Primary education is compulsory in Kazakhstan and most children complete secondary and tertiary education.

4.5.8 VULNERABLE GROUPS

Through key informant interviews with District Akimats, ERM identified vulnerable groups to include:

- People with disabilities;
- Households with only post-retirement age members;
- Women-headed households; and
- Low-income households (defined as an annual household income of 1 to 2 million tenge or 1880 USD to 3760 USD).

Of the identified vulnerable groups, ERM was able to interview:

- Four (4) single woman headed-households, of which one also had a handicapped (physically disabled) adult
- Three (3) households where only senior citizens reside
- Four (4) households with a handicapped (physical disability) adult member, of which one of them is also under a single woman headed-household.
- Although 5 respondents one shared that their household income ranged between 100,000 tenge – 300,000 tenge per month, and 1 respondent disclosed receiving less than 100,000 tenge per month (as per **Section 4.5.5**), none of the respondents interviewed declared themselves as low-income households (defined as annual household income of between 1 to 2 million tenge per year).

In the context of Kazakhstan, these groups were identified as vulnerable because of their existing socioeconomic disadvantages, which put them at a heightened risk of adverse impacts. A complete census (including non-titled land users) has to be conducted to understand the total number of affected persons with heightened vulnerabilities, who may require enrolment in the livelihood restoration programme or enhanced entitlements to restore living standards to pre-Project levels.

4.5.9 IMPACTS OF FIXED ASSETS, STRUCTURES AND ACCESSIBILITY DURING LAND ACQUISITION

Out of the 46 respondents, the main structures, fixed assets, other land assets, and accessibility to land were noted to be impacted during the land acquisition process:

October – December 2024 31 SSIs

- Well, pumping station, water tower, water tank.
- Communications tower and accessibility to a road;
- Non-residential structures

- Trees
- Power transmission line and gas pipe
- Agriculture land for grazing

January 2025 15 SSIs (around Zhetygen station)

- Non-residential structures (garage, utility buildings, toilets, art studio-workshop, bathhouse, septic tank)
- Business related structures such as shops
- Two residential houses
- Trees
- Accessed Communal lands
- Irrigation/ Water structure

When asked on the condition of the structure/fixed asset, out of the 15 respondents:

- 7 responded that the condition of the structure that would be impacted by land acquisition were 'heavily used'.
- 5 responded that the condition of the structure was 'well used'.
- 1 responded that the condition was 'Used, but good as new'.
- 1 responded that one structure on the land was in 'new condition', whereas another was 'heavily used'.
- 1 preferred to not disclose.

Out of the impacted structures/fixed assets:

- 3 respondents reported that their assets/structured generate income.
 - All 3 that claimed that their assets/structures on land generate income responded to be highly dependent on the asset as a source of income.
 - One respondent said that the art studio-workshop was a place where they paint and conduct classes for children.
 - Another respondent claimed that the small building used as a store located on their property helps to cover 50% of their expenses, and added that if they lose the asset, it would be very difficult for them.
 - Another respondent simply claimed that they were dependent on this as a source of income.
- 11 respondents reported that their assets/structures do not generate income.
- 1 respondent preferred to not disclose.

Asked whether the disruption would impact their ability to restore their livelihoods:

- 7 respondents claimed that the disruption would not impact their ability to restore their livelihoods.
- 7 respondents claimed that the disruption would affect their ability to restore their livelihoods.
 - One respondent elaborated on the concern that the Project would significantly worsen the access roads to their house, as there would be a bridge and a road in front of the house. They cited that it would be unsafe for them to leave the house.

The respondents were asked if the project would incur costs on their fixed asset/ structure and whether they would be reimbursed.

- 10 respondents claimed that they had incurred costs for dismantling the fixed asset / structure.
 - Out of these 10 respondents, 7 were not sure if they would be reimbursed whilst 3 claimed that they would be reimbursed.
- 5 respondents preferred not to disclose.

4.5.10 EXPERIENCES OF THE LAND ACQUISITION AND COMPENSATION PROCESS

As land acquisition and compensation for the land plots required for the Project is already underway, the semi-structured interviews conducted at a household-level provided an opportunity for affected communities to reflect their experiences of the process. This subsection presents the key findings in relation to the acquisition and compensation process as experienced by the respondents, however is broken down into the two site visits conducted (October – December 2024 and January 2025), as the second site visit's SSIs revolved around Zhetygen station and had questions more specific to physical displacement.

4.5.10.1 SSIS DURING OCTOBER – DECEMBER 2024

Start of Land Acquisition Process

- The dates of compensation received reported by interviewees ranges from November 2023 to August 2024, highlighting that compensation processes had begun as early as when the Project was officially announced, and is still on-going. Out of the 31 SSIs:
- All 31 respondents where shared information on the purpose of land acquisition for the Project.
- 19 respondents were shared on the types of impacts and entitlements, 10 respondents were shared on the categories of impact relevant to their household, 13 respondents shared on the rates for compensation, 20 respondents were shared on the timeline of land access and compensation, 10 were shared on the process of grievances, however no respondents stated they received information on Project-level impacts (E&S).

Grievance Mechanism

- Five (5) of the surveyed respondents accessed a grievance mechanism. The grievances were filed either through judicial proceedings (court cases), eTONISH (electronic online governmental system for filing complaints), District Akimats or a combination of them.
- 18 of the surveyed respondents did not access any grievance mechanism, with eight (8) or about 45% of them citing that they do not find the mechanisms reliable.
- Only 1 of the respondents was not aware of there being any channels to file grievances.

Planned Use of Compensation Received

- The respondents that have received compensation responded that they would use the compensation for:
 - Household requirements, such as building a water tower (to ensure water supply);

- Buying another land plot and residential house;
- Buying a land plot suited for farming;
- Bank deposit/ savings;
- Family expenses; and
- Debt clearance.
- Of the respondents that suggested to buy alternate land for farming or residential use, the mentioned unit rate of land purchased ranged from 1,000,000 tenge (approximately 2,000 USD) for farming land to 5000-6000 per hectare for another land plots in the village.
- Only one respondent out of the 17 respondents mentioned additional costs, such as labour, transaction fees, and other expenses were incurred by the respondent, during the land acquisition process. The respondent who mentioned that they had to incur additional costs in the transaction process is one out of three who disclosed that they used the compensation received to buy an alternate residential land use house. They also mentioned the costs were not high, but they were present. The respondent did not break down further what type of additional cost was incurred. The other two respondents who disclosed buying residential land use plots mentioned that no additional costs were incurred.⁶⁶

Respondents Who Did Not Receive Compensation

- Out of the 31 respondents, 14 (45%) had mentioned that no compensation had been received. The most common reasons described include:
 - Waiting for replacement plot.
 - The compensation amount was determined but refused by the household. The respondent went to court to have the land revalued, and the judicial procedure is ongoing.
 - The land was leased from the state, and thus no compensation was provided for the land leased from the state under Kazakh law as the lease agreement was terminated.
 - There was an encumbrance on the transaction (due to debts) and the land was arrested.
- Respondents whose built structures were impacted by the land acquisition mostly shared that all of their impacted assets were compensated. However, three (3) respondents were unsure if all of their assets were compensated (or would be compensated).

Viability of Fragmented Land Plots

- Out of the 10 respondents who claimed their land plots had been fragmented during the land acquisition process, 4 had declared that their land plots became unviable after becoming fragmented.
 - 3 of them did not request for the entirety of the unviable land to be acquired and did not know that this option was possible; and
 - 1 respondent did not request for the fragmented land to be acquired and would keep the unviable land.

⁶⁶ The questions in the SSI asked the respondents if they had to pay additional costs. It may be safe to assume the incurred costs were borne by themselves.

Concerns Raised

- The fragmentation of land plots due to the land acquisition has bifurcated some land plots, creating accessibility issues for landowners and users. This is attributed to:
 - No knowledge or certainty on the location or presence of access roads provided;
 - Cattle drives not accommodating agricultural vehicles such as tractors due to height restrictions
 - Lack of consultation with affected landowners and users (attributed to the absence of public hearings for the land acquisition and its resulting involuntary resettlement impacts).
 - Inconvenience due to bifurcation of land plots for livelihood activities such as cattle grazing
- Concerns over a reduction in land quality due to the passing of livestock from neighbouring land plots in order to access cattle drives were also raised.

Court Cases

- A total of 4 (12.9%) respondents out of 31 respondents have filed court cases, with 2 respondents claiming that the verdict was given in their favour, and the other 2 respondents claiming that the court case was ongoing.
- All cases raised via the judicial process were concerning compensation, in relation to the evaluation of the land and/or assets.

Assistance Received

A few (3) respondents interviewed mentioned they had received other types of support, including:

- Akimat's assistance in proposing options for land that can be purchased after determining the amount of compensation, and
- Tripartite agreements between Akimat, Banks and landowners.

Consultation during Land Acquisition Process

Out of the 31 respondents, 19 respondents claimed that members of their households were involved in discussions or negotiations for the land acquisition. Of these responses:

- 12 respondents were involved in discussions about compensation rates
- 2 were involved in plot allotment, 2 in plot reconfiguration, 3 in plot fragmentation, 1 in plot replacement, and 7 were involved in asset compensation.

Of these respondents, 7 claimed that these discussions impacted the overall outcome linked to compensation.

4.5.10.2 SSIS DURING JANUARY 2025

Start of Land Acquisition Process

When asked when the PAEs became aware of the land acquisition for the Project, out of the 15 PAEs during this round of SSIs:

- 2 respondents indicated that they only became aware of the land acquisition for the Project as late as 10 January 2025, with one respondent also citing "1-3 days ago" in their answer.
- 1 respondent indicated that they knew of the land acquisition for the Project more than 6 months ago.
- 12 respondents indicated that they knew of the land acquisition for the Project more than 12 months ago.

When asked how they were informed about the land acquisition:

- One respondent said that Specialists from the Akimat and the project designers came to them and said that a construction of a bridge would impact their land, and that, during the previous year, they informed the PAE that 4 m² would be acquired. However, the PAE informed ERM that three weeks ago, the Specialists and Akimats came again and stated that 6 m² would be taken from their plot.
- Another respondent stated that the neighbours had informed them, then they went to the Akimat for verification. The PAE stated that, in May 2024, there was a meeting where the Project was explained. However, at that time, there was a different version of the Project plan (for Zhetygen station), and that since the Project has changed, it was still unclear how much land would be acquired from this PAE. They stated that the appraisers have not yet come to value the land.
- Another respondent stated that in April 2024, representatives from Iliy District Land Committee and an organisation responsible for land acquisition came to measure the plot but did not introduce themselves. They stated that the land would be acquired for state needs. The surveyor took measurements and marked the boundary of acquisition. Subsequently, a meeting was held in May 2024 on the street with residents, a representative from the Akimat, and an engineer, where the Project was explained without providing details. The PAE says that land allocation issues were discussed but compensation was not addressed.
- Another respondent said that they were informed by a land acquisition officer, however were not provided with a formal notification. A specialist from the Akimat's Department of Land Relations visited them and informed them of the news. Furthermore, in April 2024, a meeting attended by the representatives of the Land Committee and representatives of the construction company showed the PAE the Project and informed them that their house would be subject to acquisition.
- Another respondent said they received information by their neighbours, and that the neighbours had told the PAE that their house would be demolished. The PAE sought clarification from the Akimat, which confirmed to them that the house would be slated for demolition.
- Other respondents did not give detailed information, but mentioned that either the land acquisition officer or the Akimat had informed them about the land acquisition process.

The responses from the PAEs about the land acquisition indicate that no formal notification or decree has been issued in Alatau City, and as of three weeks prior to the January 2025 SSIs, one respondent had mentioned that the Specialists informed them that the impact of land acquisition would change from 4 m² to 6 m², indicating that the boundaries for the land acquisition at Zhetygen Station has not yet been finalised.

Viability of Fragmented Land Plots

- 3 out of 15 respondents claimed that their land would be fragmented.
 - 2 out of these 3 respondents claimed that the remaining plot of land would not be viable, with both stating that they would prefer to be compensated land-for-land for the remaining area if the unviable land.
 - The other 1 respondent who claimed their land to be fragmented stated that the land would still be viable and was not aware that there was an option for them to request for unviable land to be purchased.

Concerns Raised

3 respondents out of 15 were aware of community grievances on the Almaty Bypass Project. The grievances were related to land and compensation. One respondent claimed that complaints and dissatisfaction began after they were informed about the land acquisition, however, that people do not file official complaints. They would simply visit the Akimats and discuss their dissatisfaction among themselves.

Court Cases

Out of the 15 respondents, 1 had claimed that they had accessed the grievance system, through the legal system. The landowner claimed that he filed a lawsuit because he was dissatisfied with the compensation. He was offered 500,000 tenge for his land, which he refused, and the court case is still on-going.

Assistance Received

None of the 15 respondents during this round of SSIs claimed to have received support through the District Akimats / Government of the Republic of Kazakhstan.

Consultation during Land Acquisition Process

Out of the 15 respondents, 12 respondents had claimed that members of their households were involved in discussions and negotiations during the land acquisition process. Of these, each household had various discussions, including:

- 9 respondents were informed about the plot allotment, and, in two cases, plot fragmentation.
- 5 respondents had discussions about compensation rates
- Discussions about neighbours houses that would be acquired.
- Discussions about the Project and they were asked about details of a bridge.

Transaction costs

The respondents were asked if they were aware of having to pay for any additional costs, such as transaction fees, and other expenses incurred during the land acquisition process, and to elaborate on these.

Out of the 15 respondents, 6 responded that they paid additional transaction costs. Of these:

- One respondent claimed to have incurred additional costs such as notary services and fees for appraisers and unofficial intermediaries who would expedite the process. The same

respondent also claimed to have incurred transportation expenses, and costs associated with the purchase and installation of a new fence, and of the purchase of construction materials.

- Another respondent claimed to have incurred additional costs associated with notary services for processing a transaction, moving services, realtor services for finding a new home, repair services for the purchased home and registration fees for the new home.
- One respondent claimed to have incurred state duties as extra costs.
- The other two respondents did not elaborate further into which costs they incurred.

4.5.11 PHYSICAL DISPLACEMENT IMPACTS

During the January 2025 site visit, out of the 15 SSIs that were conducted, 9 respondents responded to 'NA' when asked about the type of residential structure affected. 6 respondents (40%) responded that their residential house would be affected. For the 6 respondents who responded to being physically displaced:

- 5 respondents had bought the house. The years range from 1997, 2005, 2007, 2021 and 2023. One responded that they did not buy the house.
- All 6 respondents did not inherit the residential land.
- Concerning the year of completion:
 - Three respondents responded 1985, 2005 and 2024 respectively.
 - One was unsure when the house was built, but they had renovated it in 2021.
 - The other could not remember when the house had completed construction, as they had bought a finished house.
 - The other respondent indicated that the owner bought the land with the house in 2005, but in 2016 he rebuilt the house to a new one.
 - The respondent has claimed that they have completed the registration for this residential structure.
- Three respondents claimed there were costs incurred for the registration of their residential structure, but did not elaborate further on the details. One respondent preferred to not disclose.
- Concerning households living in the affected land plots, 5 respondents claimed only 1 household lived on the land plot whereas the remaining other respondent claimed 2 households were living in the land plot.
- 2 out of 6 respondents mentioned that they own other houses.
- 5 out of 6 respondents mentioned they use the premise for residential only, whereas the last respondent mentioned they used it for residential and commercial purposes.
 - For the respondent who uses the premise for residential and commercial purposes, they mentioned that there is an outbuilding (a small two-room structure) in the yard that they use as a store. They stated that officially, they were not allowed to register it as a commercial property. According to the law, such structures (outbuildings) can only be used for commercial purposes (for example, as a store) if the land plot exceeds 8 sotkas (0.08 hectares). However, the respondent's land plot is only 5.5 sotkas (0.055 hectares).

- For the 6 respondents who are at risk of being physically displaced, 3 of them said it is too early to plan relocation, whereas 3 have stated that they are planning to relocate within the city.
- For the 6 respondents, 2 did not provide information on the number of working adults in the house and their location of employment, distance, and mode of transport used. The other 4 respondents responded as:
 - One household had 1 female working in Almaty City, at 60km distance, and using public transportation and 1 male also working in Almaty City, at 50km distance, using private car as mode of transport.
 - Another household had 1 female and 1 male working in Almaty City, at 50km distance, and both using public transportation.
 - Another household had 1 female working in Almaty City, at 1km distance, and using taxi or walking and 1 male also working in Almaty City, at 12km distance, using taxi or personal car as mode of transport.
 - The final household has mentioned that there is 1 working male adult in the household, and he works at Aktau City. The work is rotational as it is located at an oil field, and the mode of transport includes airplane to another city.

5. MARKET VALUATION AND COMPENSATION DETERMINATION

This section provides an assessment of the valuation methodology applied for the calculation of compensation for the land being acquired by the government and the valuation principles as per IFC PS5. The purpose of the assessment is to determine the extent to which the two are aligned and the gaps that need to be addressed as part of this LRP. The following section (**Section 6**) on the compensation and entitlement framework takes this assessment into consideration and only addresses the residual gaps (also see Section 3.4 Gap analysis of Lenders Standards and National Laws).

Firstly, included below is a review of the valuation process in the Republic of Kazakhstan based on an analysis of a valuation report, the Appraiser's Handbook, and consultations with valuers who were appointed for the valuation of affected plots, across all four Akimats⁶⁷.

Secondly, an analysis is done to assess the extent to which the government-led valuation process meets IFC PS5 criteria, including the replacement cost principle, and proposes additional entitlements that may be considered to address the involuntary resettlement impacts.

5.1 REVIEW OF THE GOVERNMENT'S VALUATION PROCESS

The approach undertaken to understand the principles for of the valuation process in the Republic of Kazakhstan included a review of the following

- Law on Valuation Activity in the Republic of Kazakhstan (#133-VI, adopted January 10, 2018, with the last amendment on December 31, 2021).
- The Appraiser's Handbook No. 1-2024 / Edited by Shulenbaeva G.R., Yakovleva O.N., Guzeva E.B. Almaty: PO "Capital Chamber of Professional Appraisers", 2024. – 171 pages (Refer to **Appendix B** for a simplified breakdown (focusing on *agricultural land* and *vacant lands*) of the different adjustments used).
- Key Informant Interview with a Valuator (Refer to **Appendix C**).
- A copy of Valuation Reports:
 - Report No. 42 ALM-159, by Timonov Vitaly Vladimirovich from LLP "Business Partner Consulting", for the Department of Land Relations of Zhambyl District, Almaty Region, Zhambyl District, Uzy nagash village, Karash Batyr, 117B, for the valuation of the cadastral number 03-045-242-081, a land plot with an area of 0.3000 ha with additional improvements and perennial plantings, conducted on 23.05.2024 (Refer to **Appendix D**).
 - Report No. A26-10 of cadastre number 03-046-217-827 valuating a land, summer kitchen and residential house. The valuator used a comparative approach, with various adjustment coefficients applied, in some cases positive adjustments which would increase the value of the asset in comparison to other land plots. Even though this specific cadastre number does not appear in the land database, we can consider that a similar approach would be used for plots with residential houses.

⁶⁷ At the time of writing, no decree has been issued in Alatau City, and thus, no valuations have been done for the additional land plots requiring land acquisition.

- Three valuation reports of cadastre numbers 03-046-220-617, 03-046-220-628, and 03-046-250-013, valuating land and perennial trees / crops.
- IFC Gap Analysis Report.
- Secondary online research to relevant articles.

In addition, information was also gathered using key informant interviews with valuers during the site visit, based on a list of questions relevant to the Project land acquisition.

5.2 KEY STEPS IN THE PROCESS OF VALUATION

Licensed valuers are engaged through a public tender once Akimats issue a resolution for land acquisition. Once the valuers are chosen to evaluate the affected assets and land, the process of valuation begins. The following principles of valuation apply:

- The compensation amount stated in the valuation report is the minimum threshold of compensation offered to landowners.
- The valuation reports are valid for six (6) months and are revised only if the concerned people request the Akimats to support in the re-evaluation process, or independently engage a licensed valuator to conduct a re-evaluation exercise and submit to the Akimats and relevant authorities, as a potential new valuation document for them to consider.
- Landowners can accept, negotiate, or dispute the final compensation value.

5.2.1 KEY TAKEAWAYS FROM THE APPRAISER'S HANDBOOK

The Appraiser's Handbook is meant to guide the valuation of land and assets for sale and purchase and is not for the express purpose of compensation determination (which includes valuation of affected land and assets). However, it is a useful guide to clarify how the valuation of land and assets is undertaken by valuers engaged by the Akimat for private land and assets to be acquired by the government, following the Land Code.

While the handbook provides guidance, the assessment and determination may still have subjective judgement applied for each case by the appointed valuers.

5.2.1.1 DETERMINING THE ADJUSTMENT COEFFICIENTS FOR THE VALUE OF LAND

Key takeaway from "The Appraiser's Handbook, No 1, 2024, by the Chamber of Appraisers" indicate that:

When determining the valuation of the land

When determining the valuation of the land, various adjustment coefficients. The land is assessed through various approaches described in **Section 5.2.2**, and with the inclusion of the various adjustments listed below, a market-price of the land is determined. The various adjustment coefficients for determining the valuation of land are, but are not limited to, the following:

Bargaining Adjustment

Bargaining adjustment varies depending on whether the property is for residential or commercial property and which region they are located in. The following highlights the adjustments for residential property.

- In Almaty Region, the bargaining adjustment ranges from:

- In the city: For apartments and individual residential houses (cottages), that are not classified as high-comfort housing, including the social housing fund: 4 – 12%
- In rural areas: For apartments and individual residential houses (cottages), that are not classified as high-comfort housing, including the social housing fund: 5 – 20%
- For superior apartments: 4 – 15%
- For individual residential houses (cottages) of increased comfort: 10 – 15%.
- For garden and summer houses: 5 – 15%.
- The average in Kazakhstan is as follows:
 - In the city: For apartments and individual residential houses (cottages), that are not classified as high-comfort housing, including the social housing fund: 3 – 12%
 - In rural areas: For apartments and individual residential houses (cottages), that are not classified as high-comfort housing, including the social housing fund: 5 – 18%
 - For superior apartments: 4 – 13%
 - For individual residential houses (cottages) of increased comfort: 5 – 16%.
 - For garden and summer houses: 4 – 17%.

Location Adjustment

Takes into account the location of the property, as well as other environmental factors, including the prestige of the area, the remoteness from the center of business activity, transport and pedestrian accessibility, and the quality of the immediate environment.

Adjustment for the Ownership of the Land Plot

Considers the impact of partial rights on value versus full ownership. Some rights to land include (for the adjustment values, refer to the Valuator's Handbook):

- Office and administrative land plots
- Individual housing construction (private household plots)
- Production and warehouse
- Peasant farm / Agricultural production
- Other commercial

Adjustment for the type of designated purpose (permitted use) of the land

Takes into account the dependence of the value of the vacant land plot on its legally established purpose or use at the time of valuation. Some rights to land include (for the adjustment values, refer to the Valuator's Handbook):

Adjustment for area (scale)

Considers the difference in the unit cost of real estate with different volumes of square meters.

Adjustment for the presence of utilities

This adjustment takes into account the difference in the unit cost of real estate with a different set of engineering networks, such as electricity, water, gas, heating supply and sewerage network.

5.2.1.2 DETERMINING THE VALUE FOR ASSETS ON LAND / STRUCTURES

When determining the value of the assets on land / structures, the methodology in the Appraiser's Handbook includes, but is not limited to these:

The technical condition of the asset

To determine the technical condition of the asset, valuers typically rank the assets into the following categories, and assign them with a % in their physical depreciation:

- Technical Condition: Good. Physical Depreciation: 0 – 20%
- Technical Condition: Satisfactory. Physical Depreciation: 21 – 40%
- Technical Condition: Unsatisfactory. Physical Depreciation: 41 – 60%
- Technical Condition: Dilapidated. Physical Depreciation: 61 – 80%
- Technical Condition: Unsuitable. Physical Depreciation: 81 – 100%

The estimated service life of the building/asset/structure

The design service life is the time during which the load-bearing structure is operated with the preservation of its functional purpose, taking into account the measures provided for its maintenance, but without major repairs. The years typically range from:

Structures

- Service life of 10 years: Load-bearing structures with limited service life
- Service life of 10-25 years: Replaceable sections of the load-bearing structure, e.g. crane girders, supports
- Service life of 15 – 30 years: Load-bearing structures used in agriculture and similar to them
- Service life of 50 years: Buildings and other common load-bearing structures
- Service life of 100 years: Buildings or structures are technically complex

Industrial and non-industrial buildings

- Service life of 100 years: Multi-storey buildings (more than two floors), single-storey buildings with a reinforced concrete or metal frame with a floor area of more than 5,000 sq.m
- Service life of 85 years: Two-storey buildings of all purposes (except for all types of wood), one-storey buildings with a reinforced concrete or metal frame with a floor area of up to 5,000 sq.m
- Service life of 60 years: One-storey frameless buildings with walls made of stone materials
- Service life of 40 years: One-storey frameless buildings with walls of clad masonry
- Service life of 20 years: Wooden buildings (frame and panel)

Residential buildings

- Service life of 140 years: Capital stone buildings with brick walls; brick with a reinforced concrete or metal frame; with large-panel walls and reinforced concrete floors
- Service life of 125 years: Buildings with brick and large-block walls, reinforced concrete floors
- Service life of 100 years: Buildings with walls of clad masonry made of bricks, monolithic slag concrete, shell rock, reinforced concrete floors; The buildings are large-block and made of small cinder blocks, the ceilings are wooden
- Service life of 50 years: Buildings with wooden walls
- Service life of 30 years: Prefabricated panel buildings

The classification of the buildings by strength and durability (conditional)

The frequency of repairs of a building, such as restoration of buildings, current repairs, major repairs, and reconstruction, are also used when determining the residual value of an asset.

Entrepreneur's profit

Entrepreneur's profit is the level of income set by the market, which the entrepreneur expects to receive in the form of a premium for the use of his capital invested in the construction of the facility. It can be argued that the entrepreneur's profit can be formed only in a developed market (meaning the corresponding market segment – construction). Moreover, the entrepreneur's profit can be calculated only for objects participating in market turnover, that is, only when there are market data on the amount of entrepreneurial profit for objects of similar purpose. In the absence of information on real market data on the amount of entrepreneurial profit, Valuator's assume that the rate of profit of the entrepreneur will be equal to (but not less than) the deposit rate at which the investor could receive the minimum profit on the invested funds, taking into account the duration of construction of such facilities.

Approximate operating expenses of the structure

The Appraiser's Handbook also includes operating expenses such as taxes, insurance, management, marketing, power supply, utilities, technical operating costs, security and replacement costs as variables that could be used by valuers when assessing the value of assets on land. It concludes that the appraiser is free from conducting their own market analysis.

5.2.2 ASSESSMENT OF "REPLACEMENT COST" UNDER KAZAKH LAW

Based on the review of "The Appraiser's Handbook, No 1, 2024, by the Chamber of Appraisers" and a valuation report provided by Zhambyl Akimat, it is understood that there are different approaches and methods used by valuers when:

- Assessing the value of the land, and
- Assessing the value of assets on the land.

Valuers can use a mix of different approaches, depending on the context. The three main approaches with their respective methods used are indicated below.

The Valuation Report No. 42 ALM-159, by the LLP "Business Partner Consulting", for the Department of Land Relations of Zhambyl District used a cost approach for assessing the land improvements and structures on the land and the method of comparative analysis for the valuation of the land plot. It did not use the income approach as this approach is generally used for the valuation of commercial real estate. It is understood that cost approach is generally used to value land plots where no recent market comparable data exists.

On the other hand, for the three valuation reports of cadastre numbers 03-046-220-617, 03-046-220-628, and 03-046-250-013, valuating land and perennial trees / crops, a comparative approach, with various adjustment coefficients, was applied when determining market value for the land. When valuating perennial trees (e.g., an apple orchard) and crops (e.g. alfalfa) in these cases, the valuator also compared the value based on three different public sources to attain an average estimated cost of the fruit tree/crop. It then input the amount on the land with the average estimated valuation of these (calculated from comparing to three different sources) and calculated the opportunity cost basis whether the owner would be able to sell all

the harvest on the land plot. The final valuation of the perennial trees/crops on the land for these three sample plots suggest that the compensation was based on the ability to sell the crops at full harvest.

5.2.2.1 THE COST APPROACH

The cost approach is used to evaluate real estate, the market for the purchase and sale or lease of which is limited. In the context of this project, this approach has been used to **determine the full replacement cost of the assets that were on the land** (includes structures and other immovable assets). Refer to **Appendix D** for an example of a Valuation Report for Zhambyl District.

Methods of the cost approach:

1. Element-by-element calculation – Estimates the full reproduction or replacement cost using standardized regional unit prices and other established norms.
2. Enlarged generalized cost indicators – Determines the full replacement cost by utilizing broader construction cost indicators set in the local currency.
3. Specific indicators – Assesses replacement costs based on standardized metrics of consumer utility or capacity.
4. Index method – Adjusts the basic cost of an asset to current prices using construction price indices, used only when other valuation methods are unavailable.

5.2.2.2 THE COMPARATIVE APPROACH

The comparative approach is used for real estate valuation, when it is possible to select enough similar objects with known transaction and (or) offer prices for valuation and allows to assess the market value based on the analysis of recent sales prices or prices of offers for the sale of objects comparable to the property being evaluated. In the context of this Project, this approach has been used to **determine the value of the land plot**, by using the **comparative analysis** to compare the object to be evaluated to at least three other sample plots where data was sufficient, including the various applicable adjustments determined by the Valuator. Refer to **Appendix D** for an example of a Valuation Report for Zhambyl District.

Methods of the comparative approach:

1. Comparative analysis – Involves adjusting the prices of similar real estate based on differences in economic and physical characteristics that influence pricing.
2. Correlation between price and income – Assumes that real estate income contributes to its price, using comparisons of price and income from similar properties to derive average valuation results.
3. Statistical modeling – Treats the evaluated property as part of a group of similar properties with known prices, despite no direct analogue, to establish its value.

5.2.2.3 THE INCOME APPROACH

The income approach is used to assess the market value of real estate objects that are bought and sold in connection with their ability to generate income. In the context of this Project, this approach has not been used, as it was mentioned in a Valuation Report for Zhambyl District

(Refer to **Appendix D**), that this approach is generally used for the valuation of commercial real estate.

Methods of the income approach:

1. Discounted cash flow – Values an asset by assessing its cash flow over time, accounting for changes and risks associated with its use.
2. Direct capitalization of income - Determines the asset's value based on a stable income stream, assuming consistent earnings over an indefinite period.

5.2.3 SUMMARY OF LEGISLATIVE COMPENSATION DETERMINATION GAPS BASED ON VALUATION CRITERIA USED BY THE VALUATORS

The following **Table 5-1** summarizes the compensation determination gaps and considerations found with the Kazakh land acquisition legal provisions based on the valuation criteria used by valuers when determining the compensation for land plots, structures, other immovable assets, crops, trees, transaction costs and moving costs.. The last column contains remarks and issues identified with respect to alignment with IFC PS5.

TABLE 5-1 SUMMARY OF LEGISLATIVE COMPENSATION DETERMINATION GAPS BASED ON VALUATION CRITERIA USED BY THE VALUATORS

Land and Assets	Compensation Determination Gaps vis-a-vis Valuation Criteria	Issues/Remarks
Land plots ⁶⁸ <ol style="list-style-type: none"> 1. Residential property <ul style="list-style-type: none"> • (Apartments and individual residential houses (cottages) that are not classified as high-comfort housing, including the social housing fund for city/rural areas • Superior Apartments • Individual residential houses (cottages) of increased comfort • Garden and summer houses 2. Commercial property <ul style="list-style-type: none"> • Retail Real Estate 	<p>To determine the value of a land plot in Kazakhstan, several valuation criteria and adjustments are included by valuers. The comparative analysis is used to determine the value of the land, in comparing it to other land plots with similar economic and location characteristics.</p> <p>The method of comparative analysis includes:</p> <ol style="list-style-type: none"> 1. Collection and analysis of information on the supply of similar land plots and identification of objects of comparison. 2. Comparison of the object of valuation with the objects of comparison with the subsequent adjustment of the offer price of the objects of comparison. 3. Determination of the value of the object of valuation by taking into account the number of corrective adjustments to the value of the objects of comparison. 4. Coordination of the obtained calculation results. <p><u>Corrective adjustments include (Analysis from the Valuation Report):</u></p>	<p>IFC PS5 requires that any compensation be calculated at "full replacement cost".</p> <p>PS5's full replacement cost⁶⁹ is calculated as the current market value plus transaction costs and land preparations and does not deduct depreciation from the amount. Land preparations and other improvements to land are accounted for in the valuation process. Firstly, the Valuator compares the land subject to valuation to similar land plots of <u>similar quality</u>, improvements, and presence of utilities (including those used for irrigation) are also taken into consideration. Refer to the "corrective adjustments" in the previous column. Thus, land preparations and land development (improvements to land) costs are included in the valuation.</p>

⁶⁸ Land plots categories as per Valuer's Handbook No. 1-2024 / Edited by Shulenbaeva G.R., Yakovleva O.N., Guzeva E.B. Almaty: PO "Capital Chamber of Professional Appraisers", 2024. – 171 pages.

⁶⁹ Applies to affected land, and affected assets on land, such as structures.

Land and Assets	Compensation Determination Gaps vis-a-vis Valuation Criteria	Issues/Remarks
<ul style="list-style-type: none"> Office and administrative real estate Industrial and warehouse real estate Agricultural complexes (elevators, livestock bases, greenhouses, etc.) <p>3. Sale of vacant land plots</p> <ul style="list-style-type: none"> Office and administrative land plots Individual housing construction (private household plots) Production and warehouse Peasant farm / Agricultural production Other commercial <p>4. Grazing areas</p>	<p>Bargaining Adjustments Bargaining adjustment is due to the indispensable process of bargaining in order to get more favorable conditions or a lower price when buying a product or service.</p> <p>Location Adjustments Considers the location of the property, as well as other environmental factors, including prestige, remoteness from centre of business activity, transport and pedestrian accessibility, and quality of immediate environment including proximity to recreational areas.</p> <p>Adjustment for the ownership of the land plot Considers the impact of partial rights on value versus full ownership.</p> <p>Adjustment for the type of designated purpose (permitted use) of the land Considers the dependence of the value of the vacant land plot on its legally established purpose or use at the time of valuation.</p> <p>Adjustment for area (scale) Considers the difference in the unit cost of real estate with different volumes of square meters.</p> <p>Adjustment for the presence of utilities Considers the difference in the unit cost of real estate with a different set of engineering networks. Includes, electricity and water supply, sewerage, heating and gas supply.</p> <p><u>Other Considerations:</u></p> <p>Unviable Land According to Article 86.1 of the Land Code, land that becomes unviable due to land acquisition <u>must be entirely purchased</u>.</p> <p>Reimbursement Provisions for Land Alienation According to Article 68.1 of the Law on State Property, compensation for the cost of land or real property alienated for state needs must be fully reimbursed before the ownership rights transfer to the RoK or its administrative units.</p> <p>Law on Pastures</p>	<p>When determining the valuation of land plots for compensation under Kazakh law, various adjustments were included to derive at the market value, with the rationale that the prices shown on the market are used for calculations, and not for the actual transactions.</p> <p>For instance, the bargaining adjustment considers the discount to the original price. According to the Appraiser's Handbook, the bargaining adjustment for peasant farm / agricultural production is (Refer to Appendix A for additional adjustment coefficient percentages):</p> <ul style="list-style-type: none"> In Almaty Region: 9% – 18%. Average in Kazakhstan: 9% – 21%. <p><u>Possible Identified Gaps:</u></p> <ul style="list-style-type: none"> In the valuation reports analysed, depreciation of assets on land is deducted using the cost approach when no recent market comparable data is available, and the determination of the value of the land (without assets) is calculated at market value using a comparative approach when market data is available. Land preparations and other improvements to land are accounted for in the valuation process <ul style="list-style-type: none"> However, transaction costs and relocation costs are not included in the compensation, and therefore it does not meet IFC's "full replacement cost" principle. If the land has assets, such as structures with no market comparable data (in this case, classified as

Land and Assets	Compensation Determination Gaps vis-a-vis Valuation Criteria	Issues/Remarks
	<p>According to Articles 13-17, the Akimats are responsible to provide grazing area for individuals and entities who lack land to pasture.</p> <p>Compensation for losses of agriculture production</p> <p>Article 105 of the Land Code also stipulated that agricultural land lost for purposes other than agriculture needs to be compensated</p>	<p>“other”), the valuation of the assets on the land is calculated with depreciation deducted and thus is non-compliant with IFC PS5 requirement.</p> <ul style="list-style-type: none"> According to the Law on Taxes, transactions are subject to VAT if they are carried out by registered VAT payers. Consultations suggest that VAT appears to be reimbursed, but there could be other transactional costs (registration fee, notary fee, legal fees) borne by buyers buying alternate land after receiving compensation from their involuntary displacement. This is not reimbursed (per legislation, they are compensated for the land) and could be considered an additional cost. The state does not automatically assess if the land remains viable. This may be considered only if the affected person asks for a revaluation. It may then be considered and accounted for in the new valuation report, and the state acquires the unviable land. The SSIs indicate that out of the 13 respondents that claimed their land plots had been fragmented, 7 had declared that their land plots had become unviable and out of these 7, 4 did not request for the unviable land to be acquired as they did not know it was an option. IFC PS5 states that PAEs should be informed that unviable lands can be eligible for compensation under certain conditions, and in such situations, PAEs should be able to lodge specific claims. Commercial entities on private land / leased land are subject to the same

Land and Assets	Compensation Determination Gaps vis-a-vis Valuation Criteria	Issues/Remarks
		<p>conditions as other affected entities from private land / leased land:</p> <ul style="list-style-type: none"> ◦ The amount of compensation is determined by the valuation, and takes into account market value of land, and where relevant, market value of assets located on the land (with depreciation included if there is no comparable market data); any expenditure costs related to development of the land, protective measures, operation, and soil fertility improvements; the owner or land users' losses imposed at the time of the termination of ownership / land use rights; revenue losses.
<p>Structures and any other immovable assets</p> <p>(including those for livestock farming and animal husbandry, irrigation structures, etc)</p>	<p>To determine the full cost of replacement of structures and any other immovable assets, the residual and replacement cost of improvements of structures, and the depreciation costs (physical, functional and external), are considered, as per RoK valuation legislation. Additionally, VAT and entrepreneur's profits (productive constructed assets) are also included.</p> <p><u>Determining the residual and replacement cost of improvements through various indicators (Analysis from the Valuation Report):</u></p> <p>Number of Storeys Adjustment Considers the impact of the location of real estate on a certain floor on its value.</p> <p>Condition of Interior Decoration</p>	<p>IFC PS5 requires that any compensation be calculated at "full replacement cost".</p> <p>When valuating structures and any other immovable assets, valuers determine the depreciation of real estate through:</p> <ul style="list-style-type: none"> • their physical depreciation • their functional obsolescence • other external (economic) obsolescence <p>Additionally, it has been noted in the Zhambyl Valuation Report example that the Valuers also include:</p> <ul style="list-style-type: none"> • VAT of 12%. • Coefficient on entrepreneurial income, 6.9%⁷¹ (varies based on

⁷¹ For the Valuation Report of Zhambyl, the entrepreneur's profit ration was calculated at 6.9% based on the size of interest rates according to the official statistics of the National Bank of the Republic of Kazakhstan on term deposits for legal entities (term, total) in the national currency, was 13.7% at the date of valuation of the Valuation Report. The construction period of such facilities (that generate entrepreneur income) was determined according to the duration standards - 6 months (SP RK 1.03.-102-2014, Part II). Therefore, the Valuation Report determined that 6.9% was a fair amount considering the period of investment.

Land and Assets	Compensation Determination Gaps vis-a-vis Valuation Criteria	Issues/Remarks
	<p>Considers the level of finishing materials and the need for major or "cosmetic" repairs.</p> <p>Technical condition Degree of serviceability of a building structure or building (structure) as a whole, established depending on the share of reduction in bearing capacity and operational characteristics of structures. The categories of conditions include operable, limited damage, significant damage, and on the verge of collapse.</p> <p>Design service life of buildings (structures) The time during which the load-bearing structure is operated with the preservation of its functional purpose, taking into account the measures provided for its maintenance, but without major repairs.</p> <p>Types of repairs of real estate Includes types of repairs, including restoration of buildings and structures, current repair, major repairs, or reconstruction.</p> <p>Service life of structural elements of buildings Including structures such as the foundations, frames, material of structures such as brick (clay bricks) and rubble foundations, galvanized structures, etc.</p> <p>Entrepreneur's profit⁷⁰ Included when valuating a structure or immovable asset.</p> <p>Indirect signs of external wear and tear Included when valuating a structure or immovable asset.</p> <p>Approximate structure of operating expenses Fixed operating costs (including Taxes on property and land) and variable operating expenses are included when evaluating a structure or immovable asset.</p> <p>Operating expenses (excluding utility bills)</p>	<p>the official interest rates on term deposits for legal entities).</p> <p><u>Possible Identified Gaps:</u></p> <ul style="list-style-type: none"> The valuation methodology for structures and other immovable assets on land includes deduction of depreciation costs, if there is no comparable market data, and thus does not align with IFC PS5 full replacement cost. PS5's full replacement cost does not include depreciation costs. PS5 states that, if depreciation has been included, that it should be eliminated and updated as warranted with the use of the bill of quantities with "as new" unit rates for the building components. Other than the VAT, which can be considered a transaction cost, the valuation reports do not indicate if other transaction costs are included in the compensation for structures and other immovable assets (such as registration, time lost, and cost of transportation). Where building structures are of substandard condition (ie., depreciation of physical and/or external structural elements), IFC PS5 requires that the evaluation of full replacement cost consider upgrades needed to meet such criteria. In other words, the owners to be reimbursed of depreciation costs, and not deducted of depreciation costs as is calculated in the methodology for residual

⁷⁰ Entrepreneur's profit is the level of income set by the market, which the entrepreneur expects to receive in the form of a premium for the use of his capital invested in the construction of the facility. It can be calculated only for objects participating in market turnover, that is, only when there are market data on the amount of entrepreneurial profit for objects of similar purpose.

Land and Assets	Compensation Determination Gaps vis-a-vis Valuation Criteria	Issues/Remarks
	<p>Coefficients are given to buildings depending on their operating cost.</p> <p>Ratio of discount rates for different periods Discounts vary from Monthly, Quarterly or Semi-annual</p> <p><u>Other Considerations:</u></p> <p>Valuation, Cost Determination and Compensation According to Article 67.4 of the Law on State Property, compensation covers property value and damages incurred due to compulsory acquisition. Compensation for others affected by compulsory acquisition is based on the losses they will incur due to the acquisition.</p>	<p>replacement cost of improvements in the government valuation.</p> <ul style="list-style-type: none"> The SSIs indicated that 20 respondents highlighted that structures have been impacted during the land acquisition, and they were included in the compensation package. However, it is not clear how these structured were valued, if a comparative approach (no depreciation deducted) or a cost approach (with depreciation deducted) was used, and if the respondents were aware on the methodology undertaken to value structures and other immovable assets.
Crops	<p><u>Legal Criteria:</u></p> <p>Article 105 of the Land Code states that loss of agricultural production caused by the removal of agricultural land for their use for purposes not related to agriculture must be reimbursed to the budget in order to maintain the level of agricultural production by restoration of agricultural lands and their quality. Article 106 elaborates that reimbursable losses are determined based on standards that ensure the development of new land or land improvement to the level of agricultural production on them in the amount not less than obtained on lands withdrawn or received previously to reduce their quality.</p> <p>Compensation is required for crops in the ground that cannot be harvested before the land involved is taken. If crops are harvested prior to loss of land, no compensation for crops is required.</p> <p><u>Findings from Consultations:</u></p> <p>The FGD with the Livestock and Agriculture Farm leasers (13.11.2024 in Iliy District) found that, during land acquisition by the government, compensation of crops is due if the field is sown with something of value (valued by the appraisers). Compensation is paid depending on the type of product. For example, the cost of potatoes is</p>	<p>IFC PS5 requires that non-perennial crops (both annual crops and biennial or triennial crops such as tubers) to be compensated based on the gross market value of the harvest; to monitor price fluctuations and take these into account when computing the crop market value; devise rates based on mixed-crop yields, and, if applicable, include a land-preparation allowance in the compensation for crops.</p> <p>PS5 states that annual crops should be compensated based on the value of the produce on the market multiplied by average yield in the area (assessed by experienced agronomists).</p> <p><u>Possible Identified Gaps:</u></p> <ul style="list-style-type: none"> Based on the findings from the FGDs with the Livestock and Agriculture Farm leasers and the SSIs, PAEs are allowed to harvest their crops before land acquisition, and compensation of crops is done based on the type of crop that is harvested.

Land and Assets	Compensation Determination Gaps vis-a-vis Valuation Criteria	Issues/Remarks
	<p>compensated for 1 year, whereas the cost of alfalfa (clover) is compensated for 3 years. The respondents made reference to the law on appraisal activities. KII's with the Akimats also highlight that tenants are allowed to harvest before the land is taken for Project activities.</p>	<ul style="list-style-type: none"> For the three valuation reports of cadastre numbers 03-046-220-617, 03-046-220-628, and 03-046-250-013, when valuating perennial trees (e.g., an apple orchard) and crops (e.g. alfalfa), the valuator compared the value based on three different public sources to attain an average estimated cost of the fruit tree/crop. It then input the amount on the land with the average estimated valuation of these (calculated from comparing to three different sources) and calculated the opportunity cost basis whether the owner would be able to sell all the harvest on the land plot. The final valuation of the perennial trees/crops on the land for these three sample plots suggest that the compensation was based on the ability to sell the crops at full harvest. However, the valuation report does not clearly state if the crops are being assessed by experienced agronomists during the valuation process.
Perennial trees	<p><u>Legal Criteria:</u></p> <p>Article 105 and 106 of the Land Code, as described above in Land and Assets of Crops.</p> <p><u>Analysis from the Valuation Report:</u></p> <ul style="list-style-type: none"> In one valuation report, to calculate the valuation of perennial plantations (Maple, Oak, Elm), the methodology included in the Zhambyl Valuation Report example: <ul style="list-style-type: none"> Gathering the number/quantity (pieces) of the perennial trees The height The age, in years The condition 	<p>IFC PS5 states that, compensation for perennial crops should include the cumulative loss of income experienced between the removal of the tree and its future reinstatement to a similar level of production, plus the cost of replanting the tree.</p> <p><u>Possible Identified Gaps:</u></p> <ul style="list-style-type: none"> Based on the analysis of the valuation report No. 42 ALM-159, of the cadastral number 03-045-242-081, the value of the perennial trees was

Land and Assets	Compensation Determination Gaps vis-a-vis Valuation Criteria	Issues/Remarks
	<p>A negative accumulated depreciation of - 50% was also applied to all trees⁷².</p> <ul style="list-style-type: none"> In another three valuation reports, 03-046-220-617, 03-046-220-628, and 03-046-250-013, the valuator compared the value based on three different public sources to attain an average estimated cost of the fruit tree/crop. It then input the amount on the land with the average estimated valuation of these (calculated from comparing to three different sources) and calculated the opportunity cost basis whether the owner would be able to sell all the harvest on the land plot. The final valuation of the perennial trees/crops on the was based on the ability to sell the crops at full harvest. 	<p>estimated based on their height, age, and satisfactory condition, negative variants (50% depreciation) were applied which reduced their compensation value below full replacement cost.</p> <ul style="list-style-type: none"> However, for the other three valuation reports indicated above (03-046-220-617, 03-046-220-628, and 03-046-250-013), the final valuation of the perennial trees/crops on the land was based on the ability to sell the crops at full harvest.
Transaction Costs	<p><u>Legal Criteria:</u></p> <p>Reimbursement Provisions for Land Alienation</p> <p>According to Article 68.1 of the Law on State Property, transaction costs must be covered.</p> <p><u>Analysis from the Valuation Report:</u></p> <p>The valuation report indicates that a VAT of 12% has been reimbursed and included as part of the overall calculation of the calculation of the replacement cost of the structures. However, no other transaction costs have been accounted for such as the cost of services during the land acquisition process, for example, the costs of registration of new property or the sale of land, the cost to establish new forms of identity of legal documents, and other formalities.</p>	<p>IFC PS5 states that, transaction costs include the costs of registration of new property, reestablishment of utilities at new site, and reestablishment of forms of identity and other legal documents, and indirect costs of transportation and lost time to take care of formalities. It further adds that negative tax fees on the transactions for affected households should be offset.</p> <p><u>Possible Identified Gaps:</u></p> <ul style="list-style-type: none"> The SSIs suggested that, out of 2 out of the 31 first SSIs and 6 out of the 15 SSIs declared to have incurred "additional costs, such as labour, transaction fees, and other expenses incurred during the land acquisition process".
Moving Costs	<p><u>Legal Criteria:</u></p> <p>No provision for additional assistance to relocation costs during the transitional period.</p>	<p>IFC PS5 states that the cost of transportation of personal belongings, as well as the moving costs of any animals or agricultural equipment and storage of agricultural produce should be included.</p> <p><u>Possible Identified Gaps:</u></p>

⁷² The Valuation Report did not provide a clear explanation why a negative accumulated depreciation of 50% was applied to perennial trees.

Land and Assets	Compensation Determination Gaps vis-a-vis Valuation Criteria	Issues/Remarks
		<ul style="list-style-type: none"> There is no provision of additional assistance for relocation costs of personal belongings, including animals or agricultural equipment in the legislative framework of Kazakhstan.

5.3 ASSESSMENT OF COMPENSATION FROM SEMI-STRUCTURED INTERVIEW RESPONSES

5.3.1 COMPENSATION RECEIVED

October – December 2024 31 SSIs

Responses from the 31 SSIs conducted between October – December 2024 suggests that, out of the 17 respondents who have claimed to have received full / partial compensation (15 (48.39%) respondents stated that their compensation has been completed, 1 (3.2%) respondent claiming replacement plot and 1 (3.2%) stated their court case had been won in their favour, six respondents claimed that they would use the compensation amount to purchase alternate land.

Out of the six (6) respondents who claimed to use the compensation amount to purchase alternative land:

- Respondent 1 stated that they would purchase an alternative land plot also in Zhetygen, and they incurred additional costs, such as labour, transaction fees and other expenses incurred during the land acquisition process. Although it was not specified which additional cost was incurred, the respondent elaborated that the costs were not high but had been incurred.
- Respondent 2, 3 and 4 claimed that no additional costs were incurred. Respondent 2 claimed that they would buy alternative land in Almaty Region, but at a different district; Respondent 3 claimed they would buy another land plot in the same village; Respondent 4 claimed they would buy alternative land plot within the same district.
- Respondent 5 claimed they would buy alternative land plot within the same district, but did not specify if additional costs were incurred.
- Respondent 6 claimed that no additional costs were incurred, however mentioned that they would purchase an alternative land plot in another district, citing that "it is not possible to purchase at Iliy district. It is too expensive".

Another two (2) respondents preferred not to disclose what they would do with the compensation amount received, but mentioned they would use it to purchase alternate land that was of residential use. They mentioned that no additional costs were incurred during the transaction.

January 2025 15 SSIs

None of the 15 SSIs conducted in January 2025 have received compensation as the land acquisition process was still in the early stages.

5.3.2 COMPENSATION NOT YET RECEIVED

October – December 2024 31 SSIs

Out of the remaining 14 (45.16%) respondents who had not yet received compensation / will not receive compensation (returning the leased land to the state), three (3) respondents stated that they would buy alternative land once compensation had been received, with the first respondent not disclosing the location, the second respondent disclosing that it would be in the same village, and the third respondent disclosing that it would be in another village but surrounding the Almaty Bypass. The third respondent, whose land plot is undergoing a court case and has thus yet to receive compensation, responded that they incurred additional costs pertaining to the reevaluation cost during the land acquisition process that they would not be reimbursed for.

Another four (4) respondents did not agree to the compensation value, with two resorting to going to court and the other two not going to court. Only 1 out of the 4 responded that they did not pay for additional costs, whereas the remaining 3 did not disclose.

Of the remaining 7 who did not receive compensation, 5 were leased from the government, 1 was under encumbrance and 1 has requested a replacement plot. 1 of the respondents disclosed of not paying additional costs, whereas the remaining 6 did not disclose information on additional costs incurred.

January 2025 15 SSIs

Out of the 15 respondents who have yet to receive compensation in Alatau City (the land acquisition process is in the early stages), their preference suggested that:

- 7 out of 15 preferred cash compensation for land.
 - One specified that, as an alternative to cash, they could be given land behind their house, as there is land available, it is currently vacant, but legally owned by a company.
- 3 preferred replacement land for land and cash compensation for the house.
- 3 preferred replacement land for land.
- 2 did not have a preference for compensation.

When asked what the use of the cash would be when compensation is received, the PAEs answered:

- 6 would purchase alternate land
- 2 would purchase alternate land and house
- 2 stated they would purchase a house or an apartment
- 1 would use the compensation for rebuilding the fence and utility structures damaged after the acquisition of part of the residential land.
- 3 were unsure, stating that they were unsure how much would be acquired, and thus how much would be compensated and if it would be enough for other purchases.
- 1 preferred not to disclose.

When asked where they would purchase alternate land:

- 5 responded within the same village
- 4 had responded within the same District, with one elaborating or within the suburbs of Almaty City, so they would be near a school.
- 1 responded that it depends on the amount of compensation received.
- 2 were unsure, 2 responded not applicable, and 1 preferred to not disclose.

Two respondents shared on the approximate unit rate of land for planned purchase:

- One suggested that the approximate cost of a similar house in Zhetygen is around 50 to 55 million tenge (95,785 to 105,363 USD).
- The other suggested the price to be 220,000 tenge (421 USD) per 0.01 hectare of land, or approximately, 22 million tenge (42,145 USD) per 1 hectare of land.

5.3.3 TREES, CROPS, STRUCTURES AND OTHER FIXED ASSETS

Trees and Crops

Out of the 46 respondents, 27 respondents (58.69%) had responded to producing certain types of crops in their agriculture land. These ranged from hay, alfalfa, clover, corn, fruits, corn, apple trees, watermelons, vegetables, potatoes, cucumbers, plums, pears, cherries, grapes, grass and barley.

During further probing in the number of perennial trees per household, out of 15 respondents conducted during the January 2025 SSIs, 13 responded that they had perennial trees with, on average, households having at least more than 4 fruit bearing trees, with more than 79% disclosing owning between 4 to 6 fruit bearing trees (46%) and more than 7 fruit bearing trees (33%) combined.

This figure would help in estimating the amount of compensation needed per household for assets such as trees.

Structures and other fixed assets

October – December 2024 31 SSIs

Out of the 31 respondents, 6 respondents (19.35%) highlighted that their land had the following structures: a well and pumping station; a communications tower; a non-residential structure and a bathhouse; a power transmission land and gas pipe; a gas pipeline; and a 10m depth, 50m width and 80m length fishpond and access to 10kV electricity.

Out of these 6 respondents, 4 claimed that the compensation included all of the above impacted assets, whereas 2 respondents claimed that they did not know if the compensation received accounted for these impacted assets.

January 2025 15 SSIs

Out of the 15 respondents, the following condition of structures were observed:

- 7 respondents reported that assets on land were “heavily used”.
- 5 respondents reported that assets on land were “well used”.
- 1 respondent reported that assets were “used but good as new”
- 1 had both “new” and “heavily used” structures.

- 1 did not disclose.

The answers indicate that, on **average**, the **percentage depreciation of assets could be more than 50%**, based on 7 (46%) out of 15 responses⁷³.

5.4 ANALYSIS OF COMPENSATION CRITERIA USED BY THE VALUATORS

The findings from the government's valuation process and from the sample SSIs suggest that there are gaps in the amount determined for compensation vis-à-vis the valuation methodology conducted by the valuers, preventing the PAEs from receiving full replacement cost, as per IFC PS5 compliance.

For determining the value of the land

It was noted that, despite the various adjustment coefficients applied when valuing the land, and the different methodologies used (cost, comparative and income approach), the determination of the price of the land is at market value and both buyers and sellers are free to participate in the market in a willing buyer, willing seller negotiation.

For determining the value of assets and structures on land

It was noted that depreciation of assets / structures on land is included in the valuation process. **when no market comparable data is available, and when cost approach for structures/ assets on land is used. When a comparative approach is used for land and assets / structures on land with market data available, depreciation was not applied.**

The following suggests reasons as to why it would be difficult to estimate the overall depreciation amount and the depreciation % value used throughout the Project, and provides estimations that were used to obtain a high-level estimate of the compensation gap versus IFC PS5:

- The Valuation methodology is based on The Appraiser's Handbook No. 1-2024, however each Valuator has their own subjective judgment in the assessment in determining the value of the land and/or determining the residual value of the asset / structure on land.
- There are different Valuers per District that have valued the land and related land assets.
- There could be several assets / structures on land, with different physical and functional conditions. For example, one asset could be deemed in Good Condition, with a depreciation amount of 0%, whereas another asset on the same land could be deemed in Unsatisfactory Condition, with a depreciation amount of 50%.
- The land could have residential, non-residential or industrial/non-industrial buildings, with different years of service life attributed to them, which could assign them different depreciation amounts (based on the Valuator's individual assessment).
- Many of the land plots (not marked as 'other') would have assets such as crops/trees etc. where the compensation has been determined using available/comparable information. We can therefore assume that no depreciation has been deducted for assets thereon and this would apply to most of the land plots, especially those categorized as 'peasant farming /

⁷³ The sample valuation report has included the approach taken for specific timber trees (such as maple, oak etc.). While the volume of timber has been calculated, depreciation has been applied. There is no available information on the valuator's approach to fruit trees. Basis replacement cost principles, the valuation of fruit trees needs to consider age, productivity and residual timber value.

leased farming'. Therefore, the overall compensation for such assets is likely to be comparable to the prevailing market value

- For **land plots classified as 'other'** (which are relatively few), we can assume that these had structures for which either there is no readily available / comparable information or that the structures were complex (e.g. the water tower) and therefore a depreciation % has been applied to the final valuation amount. We will use the % depreciation identified in one of the valuation reports, i.e. 40%.
- It was noted that, in three valuation reports, perennial trees / crops were valued based on the ability **to sell the crops at full harvest**. However, in the other valuation report using cost approach, the trees were subject to a -50% depreciation deduction , with no clear indication on the rationale of depreciation was given. We will assume that perennial trees / crops are valued on the ability to sell the crops at full harvest.

It is proposed in **Section 11.4 Guidance on Implementation of the LRP** that KTZ complete the Land Acquisition Compensation Status Report, verify all the Valuation Reports and develop an asset inventory checklist to better determine the depreciation amount that was deducted for the assets on land / structures throughout the Project as part of the gap assessment for the compensation gap that is required to meet IFC PS5's full replacement cost.

The next section highlights the compensation gaps identified that need to be further valued for inclusion in the LRP.

6. ELIGIBILITY AND ENTITLEMENTS

This section describes the principles for entitlements along with certain eligibility criteria and an overarching entitlement matrix for the PAEs to enable the land acquisition of the Almaty Rail Bypass Project to align with the ensure that the project aligns with international standards and lender safeguards (see Section 3.3).

Note: The suggested entitlements reflect certain discussions between KTZ and the Lenders which indicated their preference for in-kind and process-based assistance, to the extent feasible.

6.1 PRINCIPLES

The following principles for entitlements for the PAEs take into consideration the existing legal compensation provided to each affected entity and the incremental measures needed to bridge the gaps with international standards and lender safeguards.

- **Compensation for land at full replacement cost:** Households that hold legal title to agricultural land will receive compensation at full replacement cost, which may be provided in either of the following ways: (i) cash compensation reflecting current market rates for the land, (ii) the provision of replacement land that is equal in value and productivity to the impacted plot and that considers the land owner's choice, or (iii) any other method agreed upon by KTZ and the Lenders. KTZ will cover any transaction costs, levy of taxes or fees. The compensation will also encompass expenses incurred by the owner for land development, maintenance, protective measures, and soil fertility enhancement, factoring in inflation and any losses suffered by the owner due to the early termination of obligations to third parties⁷⁴.
- **Fragmented land (inaccessible or unusable):** Provision of alternate access in coordination with the Akimats (viability of providing alternate access to be determined by KTZ). If not possible, the fragmented land should be offered for purchase. Refer to **Section 6.2.3** for further information on fragmented land.
- **Unviable Land:** Residual areas of the acquired land that become unusable will be considered part of the affected land and compensated according to the criteria mentioned above, depending on the preferences of the PAE. The criteria to determine the viability of the land will depend on an appraiser. Alternatively, the PAE has the option of seeking an alternative land plot through replacement plot or to seek for reconfiguration of the land plot. Refer to **Section 6.2.3.3** for further information.
- **Structures and other immovable assets:** Compensation will be given in cash at replacement cost without any deductions for depreciation, salvaged materials, or transaction costs, irrespective of the registration status of the affected item (i.e. the affected structure as residential), or any other method agreed upon by KTZ and the Lenders, to ensure that compensation is a full replacement cost. The compensation will also consider the loss of utilities connections, such as water, gas and electricity. The evaluation of partial or total damage to irrigation, drainage, and erosion-control structures (systems)

⁷⁴ As clarified in Section 5, the gaps with respect to full replacement cost is on the consideration of transaction costs, levy of taxes and fees. The valuation approach broadly considers the other factors reflected in the principle.

will be determined by the costs of constructing new facilities or rehabilitating existing ones, which will encompass design and survey expenses. Special attention needs to be given to land plots classified as 'other' as it is assumed that no market comparable was used when valuating these lands and that depreciation may have been applied. Refer to **Section 6.2.4** for further information.

- **Crops:** Standing crops on the acquired lands will be compensated at market rates for the total value of one year's harvest losses (if they cannot be harvested before the land is taken). Compensation for crops will be distributed to any leaseholders and land users (renters/tenants) according to the mutually agreed sharing arrangement with the land owner.
- **Trees:** Timber trees will be calculated basis the volume of timber and prevailing market rates per ton/similar unit without deducting depreciation. Fruit trees (annual or perennial trees) on acquired lands will be compensated at full replacement cost for, not only the production of the fruits over one year, but also the cost of reestablishing the crop (seedlings, soil preparation, fertilizer, pest control, etc.), as well as income lost during the period needed to reestablish the tree to the same productive level. The compensation will be distributed to any leaseholders and land users (renters/tenants) according to the mutually agreed sharing arrangement with the land owner.
- **Additional support:** To cover for any expenses and inconveniences associated with involuntary resettlement impacts and to provide for loss of livelihoods and income generation opportunities during the transition period, allowances (transaction costs and moving allowance) and transitional support have been suggested. In addition, specific income restoration programs have been suggested through the provision of training and enabling PAEs to access land-based livelihood support programs. Eligibility for the additional support considers level of dependence on land-based livelihoods, significance of impacts and vulnerability of the household. Finally, while it is recognized that the construction activities are well underway, a provision on merit-based access to employment and procurement opportunities in the remaining construction phase and for the operations phase has been recommended.
- **Implementation safeguards:** KTZ will put in place an LRP implementation process that considers safeguards such as ongoing stakeholder engagement and accessibility to a grievance mechanism for affected communities, ongoing monitoring and evaluation and process documentation/reporting.

6.2 PROPOSED ENTITLEMENTS

This section provides a list of proposed entitlements over and above compensation for land and assets thereon at full replacement cost:

6.2.1 ALLOWANCE TOWARDS TRANSACTION COSTS

Transaction costs incurred during the land acquisition (such as VAT) or any other costs incurred by the purchaser of new replacement land⁷⁵ (such as registration of new land) are not

⁷⁵ This includes a purchaser who is eligible for replacement land, but has not been granted it, and thus has bought replacement land

compensated as per national regulations. These need to be reimbursed to the PAEs by KTZ to ensure that no further deductions occur during the acquisition process towards the achievement of full replacement cost.

As mentioned in **Section 3.2.10** and **Section 5.2.2**, transactions are subject to VAT if they are carried out by registered VAT payers. Consultations have suggested that VAT appears to be reimbursed, but there could be other transaction costs when buying land, such as, registration fee, notary fee, legal fees, etc. These are borne by the buyers, and these additional costs are not reimbursed, as per our consultations with Valuers.

According to Global Property Guide,⁷⁶ the taxes in Kazakhstan for buying property include (**Table 6-1**):

TABLE 6-1 ESTIMATED TRANSACTION COSTS IN KAZAKHSTAN

Transaction Costs		Responsibility of Payment
Registration Fee	0.00% - 1.5% ⁷⁷	Buyer
Notary Fee	0.10% - 1.00%	Buyer
Legal Fees	0.10% - 1.00%	Buyer
Real Estate Agent's Fee	2.00% - 5.00%	Seller
Costs paid by buyer	0.20% - 2.00%	
Costs paid by seller	2.00% - 5.00%	
Roundtrip Transaction Costs	2.20% - 7.00%	

The fees above are indicative, and KTZ should ensure that the correct transaction fees are calculated and reimbursed to those deemed eligible for the reimbursement. The estimated transaction costs paid by the buyer is deemed to be around 0.20% - 2.00% of the entire transaction.

The eligibility for reimbursement of transaction costs should apply to those who had requested for replacement land, but had not been granted the same and thereafter purchased replacement land, provided they meet the below criteria:

- Only applies to PAEs who have lost >20% of their land; and
- Their primary livelihood is land-based; and
- They do not own alternate land for land-based livelihood.

6.2.2 ALLOWANCE TOWARDS MOVING COSTS

Households, owners, or entities of structures that are required to relocate will incur expenses towards transportation to their new location (including moving salvageable materials, livestock etc.) and to support basic household needs. KTZ will provide a lumpsum allowance towards

⁷⁶ Global Property Guide: <https://www.globalpropertyguide.com/asia/kazakhstan/taxes-and-costs>

⁷⁷ Depending on sources. Global Property Guide at (<https://www.globalpropertyguide.com/asia/kazakhstan/taxes-and-costs>) states it at 0.00%, whereas PWC highlight state registration fee as 1.5% (<https://taxsummaries.pwc.com/kazakhstan/corporate/other-taxes>)

moving costs that consider the above (i.e. transportation assistance and basic household expenses for a certain period).

Eligibility for moving costs will be to all physically displaced households and to any other households who choose to relocate (including any commercial entities impacted). PAEs who choose to rebuild on the remaining portion of their affected properties will not qualify for this assistance.

6.2.3 FRAGMENTED AND UNVIABLE LAND PLOTS

KTZ and the Akimats should ensure that the Project provides alternative access roads during the construction phase for land plots temporarily fragmented from the Project's construction activities, or those who have had their access disrupted.

Land plots (viable) permanently fragmented by land acquisition should be provided with permanent alternative access routes during the post-construction and operation phase of the Project. This section describes the entitlement for PAEs whose land plots have become fragmented because of the land acquisition and may have also been rendered economically unviable.

6.2.3.1 TEMPORARILY FRAGMENTED LAND PLOT

PAEs whose land plots are temporarily fragmented, i.e., due to the construction of temporary access roads, or temporary disruption of the land plots, are entitled to the provision of alternate access roads during the period of disruption.

If it is not feasible to provide alternate access roads, the landowner will be entitled to transitional agricultural support (if the landowner was also using the land user).

These provisions cater to the temporary loss of livelihood assuming a period of up to two years. If this exceeds 2 years, it should be considered a permanent impact and should be compensated in line with permanent impacts.

6.2.3.2 PERMANENTLY FRAGMENTED LAND PLOTS

PAEs whose land plots become permanently fragmented, and the fragmented land plot is still viable, should be eligible for a permanent access road to be built to enable access.

In the meantime, the PAEs should be eligible for transitional agricultural support for the period of temporary disruption (if the same is over 3 months and if the land owner is also the land user), until the permanent access road is provided.

If the access is not restored within a mutually agreed period of time (from 3 months up to a maximum of two years), the loss of land should be treated on par with acquired land and compensated in the same manner as permanent land acquisition (see above).

6.2.3.3 UNVIABLE FRAGMENTED LAND

PAEs of fragmented land plots that become unviable during the land acquisition process should be entitled to receive an offer for full acquisition and compensation of the unviable land plots (as per Article 86.1 of the Land Code). To determine the eligibility for unviable land plots, a valuator needs to assess that the remaining land is unviable for the PAE. This is to be added as

a "process support" from the LRP Implementation Team, i.e. to explore legal means to do so, for closed cases, and to add it for the ongoing cases, where relevant.

6.2.4 DEPRECIATION OF STRUCTURES

KTZ will review available information to be provided by the Akimats to assess if the depreciation of the structures has been included during the calculation of the compensation of the assets. KTZ needs to prepare an inventory and assess the gaps with full replacement cost⁷⁸. More guidance is provided in the Land Acquisition Compensation Status Report (**Section 10.5**) and the implementation of the LRP (**Section 11.4**).

There are three scenarios:

- For PAEs where compensation is deemed complete, if the compensation of the value of the structures provided is higher than the market value, KTZ will verify if depreciation has been applied. If the depreciation of the structures has been applied, then it is considered that the compensation provided is not at full replacement cost. However, as the overall amount is higher than the market value, no action is needed.
- For PAEs where compensation is deemed complete, if the compensation of the value of structures is calculated as lower than the market value, and if depreciation is seen to be included in the valuation, the PAEs are eligible for the value of depreciation to be covered through cash compensation. Special attention needs to be given to land plots classified as 'other' as it is assumed that no market comparable was used when valuating these lands and that depreciation may have been applied.
- For PAEs whose compensation is ongoing or not yet complete, KTZ needs to ensure that the compensation amount provided does not deduct the depreciation amount. KTZ need to verify if the comparative approach has been used and no deduction has been applied, or if the cost approach has been used in land plots where there is no available market comparable data. If they cannot ensure this, the PAEs are eligible for the value of depreciation to be covered at cash compensation.

6.2.5 TRANSITIONAL SUPPORT

It is recommended that either an in-kind transitional support or a cash-based transitional support is provided for specific categories of PAEs as supplementary assistance during the transition period⁷⁹, so that households can meet their basic needs until they recover from their losses and restore their incomes and livelihoods to pre-Project levels:

⁷⁸ Annex 5 of the IFC Gap Analysis Report highlighted the total compensation value of the land plot (land and assets on land) as a final lump sum figure but did not detail/ breakdown the value of each asset / structure on land including the depreciation deducted per each asset. This information is in the valuation reports. The implementation guidance of the LRP requests the independent valuator / resettlement consultant to prepare an inventory and include the total amount of depreciation deducted and the number of affected assets to close the gap with full replacement cost. In the implementation section of the LRP, more clarity is provided in Section 10.5 Land Acquisition Compensation Status Report and 11.4 Guidance on the implementation of the LRP.

⁷⁹ Transition Period means the immediate period between the sale of land by the owner to District Akimat or for the return of leased land to the government. For non-land title holders (such as workers and graziers/users), it means the immediate period where their livelihood becomes disrupted until they are able to restore their livelihoods to pre-project levels

- **In-kind Transitional Support:** This is intended to improve agricultural and livestock rearing livelihoods through the provision of in-kind assistance. Additional details are provided in Section 7.
- **Transitional Agricultural Allowance:** This is determined based on the average prevailing income from agriculture as reported in Kazakhstan.

PAEs who can be considered as eligible for the choice of in-kind transitional support or transitional agricultural allowance based on their impact category are below:

- Landowners (significantly impacted >20%-100%, includes fully acquired) who risk becoming landless.
- Leaseholders (significantly impacted >20%-100%, includes fully acquired) who have requested replacement land (full acquisition), who are also users.
- Tenants of landowners or users (significantly impacted >20%-100%, includes fully acquired) who risk becoming landless (in terms of access to land).
- Physically displaced households whose livelihoods are land-based and therefore may need supplementary transitional assistance.

Eligibility for any other PAEs can be determined case by case.

6.2.6 LAND-BASED LIVELIHOOD SUPPORT PROGRAM

To support medium to longer-term livelihood restoration for PAEs that are significantly dependent upon land for their livelihoods, a land-based livelihood support program will be funded by KTZ and implemented through experienced partners. The program will have two components, i.e. enhancing crop production and enhancing livestock rearing. Eligibility is discussed as part of the entitlement matrix.

The component on livestock rearing will also be extended into a cluster-level support program to consider impacts to graziers due to the project and loss of access to grazing lands.

6.2.7 TRAINING AND CAPACITY BUILDING

KTZ will put in place the following training and capacity building programs:

- Financial Literacy training: Each eligible PAE will have access to a financial literacy training program;
- Livelihood focused trainings on the following: Each eligible PAE will have access to one of three trainings summarized below
 - Land-based livelihoods linked to agricultural and livestock enhancement.
 - Skill-based technical and vocational training – this would be a set of programs offered on technical and vocational topics that PAEs can choose based on their existing or aspirational skill levels.
 - Enterprise development training – while this is focused towards commercial entities impacted by the project, it can be extended to any eligible PAE that chooses the same.

6.2.8 MERIT-BASED EMPLOYMENT AND PROCUREMENT OPPORTUNITIES

KTZ will co-opt the EPC contractor, their sub-contractors and any other O&M phase contractor as well as the procurement departments of these entities to help link PAEs to employment and procurement opportunities.

All PAEs that have been considered for compensation will be eligible for the same. These will be merit-based. Preferential access can be extended for members of vulnerable households with the required skill sets based on their monitoring and follow-up.

6.3 DETERMINING ELIGIBLE ENTITIES

Identifying the PAEs eligible for the above entitlements is a task that needs to be undertaken by KTZ and the LRP Implementation Team (See **Section 11**).

The following categories of PAEs are eligible for compensation and/or assistance, including Livelihood Restoration (LR) programmes, as relevant. In addition, details on whether PAEs have land-based livelihoods or land-based income have been integrated below to clarify eligibility.

6.3.1 TITLED LANDOWNERS ON PRIVATE LAND

Landowners whose livelihood are dependent on the land, and whose land has been >20% acquired

Landowners that have legal land-title rights, and based on the RoK's mandated compensation entitlements, landowners are required to receive cash compensation at full replacement cost (without depreciation of assets on land), unless land-for-land compensation is requested and granted. Regardless of whether landowners are actively using the land (e.g., cultivating crops, livestock rearing etc.) for livelihoods or income, they receive compensation for the land (and assets owned if any).

In addition, landowners whose land has been >20% acquired and whose livelihoods are dependent on land are eligible for the relevant proposed entitlements (see the Entitlement Matrix for details).

6.3.2 LEASEHOLDERS ON LEASED LAND

Leaseholders whose livelihoods are dependent on the land, and whose land access has been >20% acquired

Leaseholders have temporary land use rights (short-term (up to five (5) years) and long-term (between five (5) to 49 years)) and legal arrangements with the Akimats/government entities. The RoK mandates that leaseholders are only entitled to compensation of assets on the land at full replacement cost, but that no compensation of the land is required, as the land will return to the state. Leaseholders have the right to request for a replacement land lease at equal or better quality.

Leaseholders for whom the affected land plot represents >20% land accessed and who depend upon the land for their livelihoods are eligible for the following:

- Compensation for any assets they owned on the leased land where depreciation was deducted
- Transitional support through either in-kind assistance or allowance based in certain cases.
- Access to land-based livelihood support programs if the following conditions are fulfilled:
 - There are persistent and widespread concerns about livelihood restoration in certain sections or for categories of impacted entities
 - There are confirmed impacts (through the grievance process) on interrupted access to grazing land

- Replacement land has been requested through the akimats, but has not been granted
- Access to financial literacy training and one of the three (3) livelihood focused training programs.
- Support to reach out to the Akimats to request for lease/replacement land access, if required.

6.3.3 TENANTS/RENTAL USERS

Tenants/Users whose livelihood are dependent on the land, and whose land access has been >20% acquired

Under law, tenants are only entitled to compensation of assets on the land at market value but that no compensation of the land is provided. While data is available for leaseholders, data collection for land users needs to be gathered during the implementation of the LRP.

Tenants whose land access has been >20% acquired are entitled to the following:

- Compensation for any assets they owned on the land where depreciation was deducted
- Transitional support through either in-kind assistance or allowance based in certain cases.
- Access to one of the three (3) livelihood focused training programs
- Support to reach out to the Akimats to request for lease/replacement land access, if required.

Tenants on land where less than 20% has been acquired are entitled to compensation for any assets they owned on the land.

6.3.4 COMMERCIAL ENTITIES ON PRIVATE LAND

Commercial entities that are landowners and on private land receive cash compensation at full replacement cost for the land, and compensation for cost of assets (based on the valuation, and could include depreciation, depending on the Valuator's report). If they are renters on private land, they receive cash compensation for the cost of assets and any improvements on the land.

Commercial entities are eligible for financial literacy training and for any one of the three livelihood-based training programs of their choice.

It is proposed for the Akimats to support commercial entities who are renters, and also landowners, if requested, to find replacement land to restore their livelihood.

They are entitled to receive allowance towards moving costs (if they are relocating to another land).

6.3.5 COMMERCIAL ENTITIES ON LEASED LAND

Commercial entities that are leaseholders receive cash compensation for the cost of assets on the land that they owned (based on the valuation, and could include depreciation, depending on the Valuator's report) and receive support from the Akimats to identify replacement land for lease (as per regulations, as it includes mandatory procurement of state land for state needs).

Commercial entities that are tenants the same support as mentioned above.

In addition, these commercial entities are eligible for financial literacy training and for any one of the three livelihood-based training programs of their choice.

They are entitled to receive allowance towards moving costs if they are relocating to another land).

6.3.6 WORKERS

Workers who lost their primary employment as a result of the land acquisition, are eligible for financial literacy training and for any one of the three livelihood-based training programs of their choice.

6.3.7 GRAZIERS AND OTHER NON-TITLED LAND USERS

Graziers and other non-titled users who do not have formally recognized land use rights, are entitled to support from the Akimats to find alternate grazing land, livestock rearing support and financial literacy training. This support will be organized at a cluster level to enable effective and scalable implementation and not at an individual household level.

The Law on Pasture (Articles 13-17) states that it is the Akimat's responsibility to provide grazing areas for entities who lack land to pasture. Alternate land will be provided to those PAEs who have lost grazing areas due to the Project. Cluster level livestock rearing support will also be rolled out along the alignment. Refer to **Section 7.2.3.2**.

6.3.8 PHYSICALLY DISPLACED HOUSEHOLDS

The Resettlement Framework includes specific information on assisted self-relocation support for physically displaced households. In addition to the assisted self-relocation support (which includes moving allowance), all physically displaced households will receive:

- Transitional support in terms of in-kind assistance or cash-based allowance (should there be a livelihood impact).
- Linkage to the land-based livelihood support program (should there be a livelihood impact).
- Eligibility to participate in the financial literacy training (irrespective of whether their livelihoods are impacted)
- Eligibility to participate in one of the three livelihood-based trainings (irrespective of whether their livelihoods are impacted).

6.3.9 VULNERABLE GROUPS

All affected PAEs irrespective of their dependence on land or significance of impact, should they be considered as vulnerable households as per the identified criteria, will receive process support, i.e. more frequent monitoring and regular follow-up to ensure that they can access the relevant entitlements due to their category of impact, and applicable entitlements (including transitional support) regardless of their nature of impacts and based off their vulnerability criteria. In addition, they will be eligible for any two out of the three livelihood-based trainings, in addition to financial literacy training.

6.4 PROPOSED ENTITLEMENT MATRIX

The proposed entitlement matrix compiles proposed entitlements and eligible entities disaggregated by the affected asset and entity. Furthermore, it estimates the approximate

number of PAEs based on the available data from cadastral land plots and SSIs undertaken. The entitlements are disaggregated into existing compensation in relation to the RoK regulations, the gaps identified to be in conformity to IFC PS5, and the proposed allowances, transitional support and livelihood support programs. **Table 6-2** highlights the proposed entitlement matrix and also includes certain implementation considerations.

TABLE 6-2 PROPOSED ENTITLEMENT MATRIX

No	Affected Asset	Affected Entity	Extent of Land Acquisition	Approx. No of PAEs	Entitlements				Implementation Considerations
					Compensation		Allowances and Transitional Support	Livelihood Support	
					RoK Mandated	Gap Closure ⁸⁰			
1	Private agriculture land (peasant farming)	Owners (legal titles)	Significant Impact (>20-100%)	68 ⁸¹ Landowners who are also Users	Cash compensation for cost of land and assets for landowners, unless land-for-land compensation is requested (available during state property acquisition).	Landowners are compensated for the land and assets at full replacement cost. Compensation should ensure that depreciation is not applied to the valuation of structures and transaction costs are included in the compensation (as reimbursements for costs incurred in purchasing or leasing replacement land of an equal size).	Landowners who use their land will be offered transitional support through either in-kind assistance or cash-based allowance. 3-6 months transitional support.	Financial Literacy Training Choice of one of three livelihood focused trainings. Mechanism to seek merit-based access to employment and procurement opportunities (KTZ or through contractors)	Viability of remaining land is based on technical assessment by a third party with the endorsement of the Lenders, based on request. If remaining land is not viable, PAPs may request the Project to acquire the entire land holding (Land Code, Article 86 para 2)- while the process is usually triggered by the owner during the negotiation period, this will apply to in-progress acquisitions. The above may change the extent of land acquisition and therefore eligibility for entitlements. In cases where land acquisition has been completed, transitional allowance will be calculated on the whole land parcel, including the unviable (unacquired land parcel), and reimbursement of transaction costs will be up to the size of the whole land parcel (including the unviable land parcel). All transaction fees, taxes and other costs associated with re-issuance of land certificates of unaffected land and allocation of replacement land with title will be paid by the Project's reimbursement for costs incurred. Transfer of rights (deceased persons), and land plot under mortgage and lien is to be completed. If mortgage is not completed on time, the land will be arrested, and repayment options will be assessed on a case-by-case basis with reference to the RoK legal requirements. All other entitlements will apply If the landowners opt for cash compensation, the amount will be paid into a bank account in the name of the landowner and their spouse.
				5 ⁸² Only Landowners			None		
			Partially acquired (<90%)	118 ⁸³ Landowners who are also Users			None	Mechanism to seek merit-based access to employment and procurement opportunities (KTZ or through contractors)	
				10 ⁸⁴ Only Landowners			None		
			Entirely acquired (≥90%)	24 ⁸⁵ Landowners who are also Users			Landowners whose land plot is entirely acquired, who use their land, and their livelihood is dependent on the land, and <u>risk becoming landless</u> , will be offered transitional support through either in-kind assistance or cash-based allowance. They are entitled to allowance towards moving costs, if they choose to relocate. 3-6 months transitional support.	Financial Literacy Training Choice of one of three livelihood focused trainings. Access to land-based livelihood support. Mechanism to seek merit-based access to employment and procurement opportunities (KTZ or through contractors)	
				4 ⁸⁶ Only Landowners			None They are entitled to allowance towards moving costs, if they choose to relocate.		

⁸⁰ Includes residual impacts and gaps that needs to be addressed to ensure that full replacement cost as per IFC PS5 is achieved.⁸¹ 68 significantly impacted privately owned land plots under peasant farming.⁸² 5 significantly impacted privately owned land plots under "other" uses, assuming "other" uses are livelihoods which are not land-based.⁸³ 118 partially acquired privately owned land plots under peasant farming.⁸⁴ 10 partially acquired privately owned land plots under "other" uses, assuming "other" uses are livelihoods which are not land-based.⁸⁵ 24 completely acquired privately owned land plots under peasant farming.⁸⁶ 4 completely acquired privately owned land plots under "other" uses, assuming "other" uses are livelihoods which are not land-based.

No	Affected Asset	Affected Entity	Extent of Land Acquisition	Approx. No of PAEs	Entitlements				Implementation Considerations
					Compensation		Allowances and Transitional Support	Livelihood Support	
					RoK Mandated	Gap Closure ⁸⁰			
			In-use structure on private land plot impacted by land acquisition	TBC Landowners who are also Users	Cash compensation for affected structure.	Landowners are compensated for assets at full replacement cost. Compensation should ensure that depreciation of structures is not deducted.	None	None	The Project will be responsible for the cost of dismantling either to the structure owners in the case the owners dismantle the structure themselves or to a third party in the case the owners are not capable or not unwilling to dismantle such structures. However, owners will be allowed to recover any salvageable material.
		Tenants/Rental Users (legal agreements)	Significant Impact (>20%)	TBC	Cash compensation for assets, if any owned by the renters.	Tenants/Rental Users are compensated for the assets at full replacement cost. Compensation should ensure that depreciation is not included.	Renters whose land is significantly impacted will be offered transitional support through either in-kind assistance or cash-based allowance. 3-6 months transitional support.	Access to one of the three (3) livelihood focused training programs Support to reach out to the Akimats to request for lease/replacement land access, if required	As KTZ will need to reach out to PAEs compensated by the Akimats, they can identify if any tenants or rental users were impacted as part of this engagement. Note: These entitlements should be extended to any tenants/rental users on unviable fragmented land or land taken on lease or that is purchased by contractors.
			Partially acquired (<90%)	TBC		None	None		
			Entirely acquired (≥90%)	TBC		Renters on land plots entirely acquired, whose livelihood is dependent on the land, and <u>risk becoming landless</u> , will be offered transitional support through either in-kind assistance or cash-based allowance. They are entitled to allowance towards moving costs, if required. 3-6 months transitional support.	Access to one of the three (3) livelihood focused training programs Support to reach out to the Akimats to request for lease/replacement land access, if required		
			In-use structure affected by land acquisition	TBC	Cash compensation for affected structure.	Renters are compensated for assets at full replacement cost. Compensation should ensure that depreciation of structures are not included.	None	None	The Project will be responsible for the cost of dismantling either to the structure owners in the case the owners dismantle the structure themselves or to a third party in the case the owners are not capable or not unwilling to dismantle such structures. However, owners will be allowed to recover any salvageable material.
		Commercial farming	Significant Impact (>20%)	5 ⁸⁷ Landowners running Commercial agriculture	Cash compensation for cost of land and assets. For users, compensation of the assets for users (if they had made the	Landowners are compensated for the land and assets at full replacement cost. Compensation should ensure that depreciation of structures is not	They are entitled to receive allowance towards moving costs moving assistance (if they are relocating to another land).	Commercial entities are eligible for financial literacy training and for any one of the three livelihood-based training programs of their choice. Mechanism to seek merit-based access to employment and procurement opportunities (KTZ or through contractors).	The Project will be responsible for the cost of dismantling either to the structure owners in the case the owners dismantle the structure themselves or to a third party in the case the owners are not capable or not unwilling to dismantle such structures. However, owners will be allowed to recover any salvageable material.
			Partially acquired (<90%)	8 ⁸⁸ Landowners running Commercial agriculture					

⁸⁷ 5 partially acquired privately owned land plots under commercial agriculture. Assuming commercial entities do not share their land plots with other commercial entities.

⁸⁸ 8 partially acquired privately owned land plots under commercial agriculture. Assuming commercial entities do not share their land plots with other commercial entities.

No	Affected Asset	Affected Entity	Extent of Land Acquisition	Approx. No of PAEs	Entitlements				Implementation Considerations
					Compensation		Allowances and Transitional Support	Livelihood Support	
					RoK Mandated	Gap Closure ⁸⁰			
			Entirely acquired (≥90%)	0 Landowners running Commercial agriculture	assets), unless land-for-land compensation is requested (available during state property acquisition).	deducted but transactional costs are to be included and reimbursed.			The commercial agriculture entity must show documentation proof that the structure affected by land acquisition has been built during its tenure agreement with the landowner to be entitled for the compensation at full replacement cost.
			In-use structure affected by land acquisition	TBC Landowners running Commercial agriculture	Cash compensation for affected structure.	Compensation should ensure that depreciation of structures is not included.	None	None.	
2	Leased agriculture land (leased farming, commercial farming)	Leaseholder ⁸⁹	Significant Impact (>20%)	15 ⁹⁰ Leaseholders who are also Users	Compensation towards cost of assets, and land-for-land replacement leased plot if requested or reconfiguration of existing leased land plot.	Leaseholders can request for a new lease agreement that factors an updated lease agreement of the remaining viable land area that has not been procured.	Leaseholders who use their land and their land is significantly impacted will be offered transitional support through either in-kind assistance or cash-based allowance. 3-6 months transitional support.	Financial Literacy Training Choice of one of three livelihood focused trainings. Support to reach out to the Akimats to request for lease/replacement land access, if required	Viability of remaining land is based on technical assessment by a third party with the endorsement of the Lenders. If remaining land is not viable for livelihood, PAPs may request for a replacement plot or for land plot reconfiguration. For leased land, the Akimats should ensure that all provisions to provide new state land through reconfiguration of the land plot is made possible. Note: These entitlements should be extended to any leaseholders on unviable fragmented land or land taken on lease or that is purchased by contractors.
				4 ⁹¹ Only Leaseholders			None	Mechanism to seek merit-based access to employment and procurement opportunities (KTZ or through contractors)	
			Partially acquired (<90%)	29 ⁹² Leaseholders who are also Users			None	Mechanism to seek merit-based access to employment and procurement opportunities (KTZ or through contractors)	
				5 ⁹³ Only Leaseholders			None	Mechanism to seek merit-based access to employment and procurement opportunities (KTZ or through contractors)	
			Entirely acquired (≥90%)	4 ⁹⁴ Leaseholders who are also Users	Compensation towards cost of assets, and land-for-land replacement leased plot if requested or reconfiguration of existing leased land plot.	Leaseholders can request for a new lease agreement that factors an updated lease agreement of the remaining viable land area that has not been procured.	Leaseholders who use their land and their land is significantly impacted will be offered transitional support through either in-kind assistance or cash-based allowance. They are entitled to allowances towards moving costs. 3-6 months transitional support.	Financial Literacy Training Choice of one of three livelihood focused trainings. Access to land-based livelihood support.	Leaseholders whose land plot is entirely procured, who use their land will receive support from the Akimats for a land-for-land replacement and will only move out of their leased land once a land plot of equal or better land is found within the same settlement.

⁸⁹ Refers to formally registered leaseholders leasing land from the state.

⁹⁰ 15 partially acquired leased land plots under peasant farming.

⁹¹ 4 partially acquired leased land plots under “other” uses, assuming “other” uses are livelihoods which are land-based income dependent.

⁹² 29 partially acquired leased land plots under peasant farming.

⁹³ 5 partially acquired leased land plots under “other” uses, assuming “other” uses are livelihoods which are land-based income dependent.

⁹⁴ 4 completely acquired leased land plots under peasant farming.

No	Affected Asset	Affected Entity	Extent of Land Acquisition	Approx. No of PAEs	Entitlements				Implementation Considerations	
					Compensation		Allowances and Transitional Support	Livelihood Support		
					RoK Mandated	Gap Closure ⁸⁰				
				2 ⁹⁵ Only Leaseholders			None They are entitled to allowance towards moving costs, if they choose to relocate.	Support to reach out to the Akimats to request for lease/replacement land access, if required. Mechanism to seek merit-based access to employment and procurement opportunities (KTZ or through contractors)		
			In-use structure affected by land acquisition	TBC Leaseholders who are also owners of impacted structures	Cash compensation for affected structure.	Leaseholders are compensated for assets at full replacement cost. Compensation should ensure that depreciation of structures and transactional costs are not included.	If the in-use structure affected by land acquisition is agricultural related, the leaseholder is entitled to agricultural transition allowance. 3-6 months transitional support. They are entitled to a moving allowance and transaction cost reimbursements (if the building requires to be permitted or registered).	NA. Losses incurred by the dismantling of a agriculture structure (e.g, barn), and the time taken to rebuild it in another land plot, should be covered by the agricultural transitional allowance.		
		Tenant/Rental User long-term/ short term	Significant Impact (>20%)	TBC	Cash compensation for assets, if any owned by the renters.	Tenants/Rental Users are compensated for the assets at full replacement cost. Compensation should ensure that depreciation is not included.	Renters whose land is significantly impacted will be offered transitional support through either in-kind assistance or cash-based allowance 3-6 months transitional support.	Access to one of the three (3) livelihood focused training programs Support to reach out to the Akimats to request for lease/replacement land access, if required		As KTZ will need to reach out to PAEs compensated by the Akimats, they can identify if any tenants or rental users were impacted as part of this engagement. Note: These entitlements should be extended to any tenants/rental users on unviable fragmented land or land taken on lease or that is purchased by contractors.
			Partially acquired (<90%)	TBC			None	None		
			Entirely acquired (≥90%)	TBC		Tenants on leased land that is being fully procured can request for a replacement plot to lease on. Compensation should ensure that depreciation of structures and transactional costs are not included.	Renters on land plots entirely acquired, whose livelihood is dependent on the land, and <u>risk becoming landless</u> , will be offered transitional support through either in-kind assistance or cash-based allowance. They are entitled to allowance towards moving costs, if required. 3-6 months transitional support.	Access to one of the three (3) livelihood focused training programs Support to reach out to the Akimats to request for lease/replacement land access, if required		

⁹⁵ 2 completely acquired leased land plots under “other” uses, assuming “other” uses are livelihoods which are land-based income depen Leaseholders whose land plot is entirely procured, who do not use their land will receive support from the Akimats for a land-for-land replacement and, do not require transitional support.

No	Affected Asset	Affected Entity	Extent of Land Acquisition	Approx. No of PAEs	Entitlements				Implementation Considerations
					Compensation		Allowances and Transitional Support	Livelihood Support	
					RoK Mandated	Gap Closure ⁸⁰			
			In-use structure affected by land acquisition	TBC	Cash compensation for affected structure.	Renters are compensated for assets at full replacement cost. Compensation should ensure that depreciation of structures are not included.	None	None	The Project will be responsible for the cost of dismantling either to the structure owners in the case the owners dismantle the structure themselves or to a third party in the case the owners are not capable or not unwilling to dismantle such structures. However, owners will be allowed to recover any salvageable material.
		Commercial farming	Significant Impact (>20%)	2 ⁹⁶ Leaseholders running Commercial agriculture	Cash compensation for assets and replacement leased land plot.	Commercial entities on leased land that are significantly impacted or partially acquired, can request for a new lease agreement with the leaseholder that factors an updated lease agreement for the remaining viable land.	They are entitled to receive allowance towards moving costs moving assistance (if they are relocating to another land).	Commercial entities are eligible for financial literacy training and for any one of the three livelihood-based training programs of their choice Mechanism to seek merit-based access to employment and procurement opportunities (KTZ or through contractors).	The Project will be responsible for the cost of dismantling either to the structure owners in the case the owners dismantle the structure themselves or to a third party in the case the owners are not capable or not unwilling to dismantle such structures. However, owners will be allowed to recover any salvageable material. The commercial agriculture entity must show documentation proof that the structure affected by land acquisition has been built during its tenure agreement with the landowner in order to be entitled for the compensation at full replacement cost. Note: These entitlements should be extended to any commercial entities using unviable fragmented land or land taken on lease or that is purchased by contractors.
			Partially acquired (<90%)	9 ⁹⁷ Leaseholders running Commercial agriculture		Commercial entities on leased land that is being fully procured can request for a replacement plot to lease on.			
			Entirely acquired (≥90%)	1 ⁹⁸ Leaseholders running Commercial agriculture		Compensation should ensure that depreciation of structures and transactional costs are not included.			
			In-use structure affected by land acquisition	TBC Leaseholders running Commercial agriculture	Cash compensation for affected structure.	Compensation should ensure that depreciation of structures is not included.	None	None	
3	Crops	Persons/ households whose crops (seasonal/ annual/	-	TBC Landowners/ Leaseholders who are also owners of the	The Land Code (Article 166.2) states that the compensation method considers “the market value	Fruit trees, timber trees and standing crops (if not possible to harvest) are	Standing crops on the acquired lands will be compensated at market rates for the total value of one year's harvest losses (if they cannot be harvested before the land is taken).		The compensation will be distributed to any leaseholders and land users (renters/tenants) according to the
4	Trees						Timber trees will be calculated basis the volume of timber and prevailing market rates per ton/similar unit without deducting depreciation.		

⁹⁶ 2 significantly impacted leased land plots under commercial agriculture.
⁹⁷ 9 partially acquired leased land plots under commercial agriculture.
⁹⁸ 1 entirely acquired leased land plots under commercial agriculture.

No	Affected Asset	Affected Entity	Extent of Land Acquisition	Approx. No of PAEs	Entitlements			Implementation Considerations	
					Compensation		Allowances and Transitional Support		Livelihood Support
					RoK Mandated	Gap Closure ⁸⁰			
		perennial) and trees (timber and fruit trees) are affected by the Project		crops and trees	of any assets located on the land, including fruit trees and perennial plantings”.	compensated at market value. Compensation should ensure that future costs of replanting perennial trees are included, and that no other costs (depreciation, transport) have been incurred.	Fruit trees (annual or perennial trees) on acquired lands will be compensated at full replacement cost for, not only the production of the fruits over one year, but also the cost of reestablishing the crop (seedlings, soil preparation, fertilizer, pest control, etc), as well as income lost during the period needed to reestablish the tree to the same productive level.	mutually agreed sharing arrangement with the landowner. Owners will be able to keep the cut wood in case of loss of standing trees crops.	
Physical Displacement									
5	Livelihood assistance for Physically Displaced Households			TBC	-	Compensation should ensure that depreciation of structures are not included.	Physically displaced households will be offered transitional support through either in-kind assistance or cash-based allowance. Eligibility to participate in the financial literacy training (irrespective of whether their livelihoods are impacted). Eligibility to participate in one of the three livelihood-based trainings (irrespective of whether their livelihoods are impacted).	Assisted self-relocation is covered in the Resettlement Framework.	
Other PAEs									
6	Vulnerable Groups			Estimated to be 27 households	No specific requirements to identify and compensate vulnerable groups.	KTZ will identify individuals and groups that may be directly and differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status.	Transitional support and allowances to be provided as per category of impacts. 6 months transitional support.	Process support, i.e. more frequent monitoring and regular follow-up to ensure that they can access the relevant entitlements due to their category of impact. Any two livelihood-based trainings, in addition to financial literacy training. Preferential access can be extended for members of vulnerable households with the required skill sets based on their monitoring and follow-up.	
7	Workers			20-100. ⁹⁹	The Labor Code (Nº 414-V, 2024), Article 131, states that registered employees who are terminated	KTZ will consider registered workers on land or within commercial entities to be entitled to compensation equal to one	None	KTZ can identify impacted workers based on engagement with owners of commercial entities and any other landowners or leaseholders considered PAEs.	

⁹⁹ For private peasant farming: 7 workers on 400 Ha + 3 workers on 100 Ha + 3 workers on 3.59 Ha suggest an average of 3–7 workers per operation. For leased peasant farming: 10 workers on 260 Ha + 40 workers on 500 Ha suggest lower labour needs on leased land. Likely 30–50 workers. For commercial agriculture: 110 workers on poultry farm (66 Ha) + smaller operations (1–2 workers per plot), 1 manager on 5.2 Ha suggests minimal workforce for industrial plots. For mix, 50–80 workers. For Other: Auxiliary roles only. Negligible impact on overall count. Likely 0–5 workers.

No	Affected Asset	Affected Entity	Extent of Land Acquisition	Approx. No of PAEs	Entitlements			Implementation Considerations	
					Compensation		Allowances and Transitional Support		Livelihood Support
					RoK Mandated	Gap Closure ⁸⁰			
					due to the employer's cessation of operations are entitled to compensation equal to one month's average salary.	month's average salary, as per local regulations.			
8	Graziers / Non-titled land users			TBC Land-based	Law on Pastures According to Articles 13-17, the Akimats are responsible to provide grazing area for individuals and entities who lack land to pasture	KTZ will work with Akimats to help identify other grazing areas, so the communities are not negatively impacted by the temporary or permanent loss of grazing areas.	None	Linkage of individual Graziers / Non-titled land users to the nearest cluster-based livestock support program (see Row 12).	-
Land Fragmentation									
9	Private agriculture land (peasant farming)	Owners (legal titles)	Fragmented (viable land)	TBC Landowners who are also Users and	There are no RoK legislations for providing alternate access routes to viable lands cause by land fragmentation during the land acquisition process.	<u>If temporarily fragmented</u> , provision of temporary access roads and/or transition support if no temporary access roads are provided. <u>If permanent</u> , see S. No 1.	Landowners who use their land, where land acquisition results in <u>temporarily fragmentation</u> , viable land are entitled to provisional access roads.	None	KTZ has the responsibility to ensure that, during the implementation of the LRP, and to adhere to IFC standards of full compensation to pre-Project levels, landowners affected by fragmentation of land are provided with alternate access roads, if possible, or that the unviable land plots are being fully acquired. KTZ should also ensure that correct documentation of the PAEs affected by land fragmentation is recorded, there is proper disclosure of the landowners’ (whose land is affected by fragmentation) entitlements, and that the PAEs are able to access the grievance mechanism. Viability of remaining land is based on technical assessment by a third party with the endorsement of the Lenders. If remaining land is not viable for livelihood, PAPs may request for a replacement plot or for land plot reconfiguration.
				TBC Only Landowners			Landowners who do not use their land, where land acquisition results in <u>temporarily fragmentation</u> , viable land are entitled to provisional access roads to enable continuance of any income, linked to rent or otherwise.	None	
			Fragmented (unviable land)	TBC Landowners who are also Users and Only Landowners	The Land Code Article 86.1 mandates that if the remaining portion of the land becomes unviable and can no longer be used for its intended purpose, the entire plot must be purchased from the landowner.	Unviable land is mandatory for acquisition, as per RoK legislation. Ensure that unviable lands are being acquired.	To be determined basis significance of impact as per S. No 1.	To be determined basis significance of impact as per S. No 1.	
				TBC Only Landowners			<u>Landowners who do not use their land</u> and the acquisition of land resulted in fragmented unviable land, are not entitled to allowances or livelihood support.		

No	Affected Asset	Affected Entity	Extent of Land Acquisition	Approx. No of PAEs	Entitlements				Implementation Considerations
					Compensation		Allowances and Transitional Support	Livelihood Support	
					RoK Mandated	Gap Closure ⁸⁰			
		Renters (legal agreements)	Fragmented (viable land)	TBC	There are no RoK legislations for providing alternate access routes to lands cause by land fragmentation during the land acquisition process.	<u>If temporarily fragmented</u> , provision of temporary access roads. <u>If permanent</u> , see S. No 1.	None anticipated once access is provided	None anticipated once access is provided	KTZ has the responsibility to ensure that, during the implementation of the LRP, and to adhere to IFC standards of full compensation to pre-Project levels, renters affected by fragmentation of land are provided with alternate access roads, or transitional allowance / land-based livelihood support. KTZ should also ensure that correct documentation of the PAEs affected by land fragmentation is recorded, there is proper disclosure of the landowners’ (whose land is affected by fragmentation) entitlements, and that the PAEs are able to access the grievance mechanism.
			Fragmented (unviable land)	TBC Renters who are also Users	Article 86.1 of the Land Code mandates that if the remaining portion of the land becomes unviable and can no longer be used for the intended purpose, then the entire plot must be purchased from the landowner.	Unviable land is mandatory for acquisition, as per RoK legislation. Ensure that unviable lands are being acquired.	To be determined basis significance of impact as per S. No 1 for tenants/rental users.	To be determined basis significance of impact as per S. No 1 for tenants/rental users.	
10	Leased agriculture land (leased farming, commercial farming)	Leaseholder	Fragmented (viable land)	TBC Leaseholders who are also Users and TBC Only Leaseholders	There are no RoK legislations for providing alternate access routes to lands cause by land fragmentation during the land acquisition process. Leaseholders can request for land reconfiguration.	Leaseholders can request for land reconfiguration for land leased from the government.	Leaseholders who use their land and whose viable land is being <u>temporarily fragmented</u> are entitled to provisional access roads. They may also request for reconfiguration or for replacement land lease should access roads be not feasible.		KTZ has the responsibility to ensure that, during the implementation of the LRP, and to adhere to IFC standards of full compensation to pre-Project levels, leaseholders affected by fragmentation of land are provided with alternate access roads, or transitional allowance / land-based livelihood support, or the support from the Akimats for finding replacement land and reconfiguration land. KTZ should also ensure that correct documentation of the PAEs affected by land fragmentation is recorded, there is proper disclosure of the landowners’ (whose land is affected by fragmentation) entitlements, and that the PAEs are able to access the grievance mechanism.
Fragmented (unviable land)	TBC Leaseholders who are also Users and TBC Only Leaseholders	Leaseholders whose viable land is being <u>temporarily fragmented</u> are entitled to provisional access roads to continue earning income from any user or rental agreement. They may also request for reconfiguration or for replacement land lease should access roads be not feasible.							
		Leaseholders who use their land, where land acquisition results in <u>temporarily fragmented</u> , unviable land are to be considered as per leaseholders on acquired leased lands in S. No 2 depending upon significance of impact.							
					Leaseholders who use their land, where land acquisition results in <u>temporarily fragmented</u> , unviable land are to be considered as per leaseholders on acquired leased lands in S. No 2 depending upon significance of impact.				
Other considerations									
11	Temporary leasing of land: Land for Construction sites, camps,	Leaseholder	Temporary loss of land access during construction activities	TBC	-	Same as leaseholders in Row 2 depending upon significance of impact	Same as leaseholders in Row 2 depending upon significance of impact.	Same as leaseholders in Row 2 depending upon significance of impact.	KTZ/ the contractor will pay at full replacement cost for any impact on crops, structures or water supply systems resulting from movement of machineries and construction materials or pollution or soil erosion caused by construction activities.

No	Affected Asset	Affected Entity	Extent of Land Acquisition	Approx. No of PAEs	Entitlements				Implementation Considerations
					Compensation		Allowances and Transitional Support	Livelihood Support	
					RoK Mandated	Gap Closure ⁸⁰			
	quarries, or temporary service roads, etc.								Land used temporarily will be returned to the owners after being restored to the original condition or preferably after being rehabilitated to better conditions.
		Renters/ Tenant (with legal title)	Temporary loss of land access during construction activities	TBC Renters/Tenants who are also Users	Renters and tenants are not entitled to compensations as “second users” entering into agreements with landowners/ leaseholders.	Same as renters/tenants in Row 1 or 2 depending upon significance of impact	Same as renters/tenants in Row 1 or 2 depending upon significance of impact	Same as renters/tenants in Row 1 or 2 depending upon significance of impact	
		Commercial farming	Loss of land access during construction activities	TBC Commercial entities	The Land Code Article 12, Commercial entities that are renters/ tenants of private land/ leased land are not entitled to compensations between them and other “second users”.	Same as commercial entities who are not landowners	Same as commercial entities who are not landowners.	Same as commercial entities who are not landowners.	
		Other PAEs (workers, graziers, non-titled land users)	Temporary or Permanent loss of access or impacts during	TBC Other PAEs	No specific requirements to compensate non-registered and non-state workers or graziers or non-titled land users.	-	For workers and non-titled land users who are not renters/tenants, adequate notice to be provided along with clearing all dues payable. For Graziers, please see Row 12.		
12	Grazing areas that are owned by the State and/ or Akimats	Local communities in settlements along the alignment	Temporary or permanent loss of access or Impacts during construction activities	15-30 Settlements. ¹⁰⁰	Law on Pastures According to Articles 13-17, the Akimats are responsible to provide grazing area for individuals and entities who lack land to pasture	KTZ will work with Akimats to help identify other grazing areas, so the communities are not negatively impacted by the temporary or permanent loss of grazing areas.	KTZ will implement a cluster level livestock support program.		The Project and the Akimats/ State will identify other communal grazing areas to use by farmers, herders or shepherds to account for the potential loss of livelihood and economic displacement in collaboration with representatives of affected settlements. Affected villages will be assisted to find replacement land to be designated as grazing areas.

¹⁰⁰ Based on the settlements listed in Table 4-2

7. LIVELIHOOD RESTORATION AND IMPROVEMENT

The LRP proposes livelihood restoration options for eligible PAEs to enhance their existing activities and skills, with the goal of restoring incomes and livelihoods, affected by Project land acquisition, to pre-acquisition levels, at a minimum.

Eligible PAEs have the option not to avail of the livelihood program and participation is voluntary. Comprehensive outreach efforts will ensure that all PAEs are well-informed about the available opportunities and that willing and eligible ones have sufficient chances to participate (especially households of PAEs that are considered as vulnerable).

The overarching components of the entitlements (over and above full replacement cost for land and assets thereon) include:

- i. Allowances towards transaction costs and moving costs;
- ii. Transitional support in the work of in-kind assistance or cash-based allowances;
- iii. Land-based livelihood support programs (including a cluster-based livestock support program);
- iv. Training and capacity building on financial literacy and three livelihood focused trainings;
- v. Merit-based employment and procurement opportunities with KTZ and their contractors for the remainder of the construction phase and for the operations phase.

Note: The mandatory provision of employment and procurement, at this stage of construction, has not been recommended as typically identification, inclusion and upskilling of PAEs should have been conducted during the pre-construction/planning phase. This would also depend on the willingness for agriculture farmers to transition to construction workers and learn new highly technical skillsets that would be required during peak construction and operations. ERM has received confirmation, on January 2025, that none of the workforce of the EPC contractor Integra and its subcontractors are from the land acquisition affected households.

Section 6.2, Section 6.3 and the Proposed Entitlement Matrix in **Section 6.4** cover the eligibility of PAEs (including those that would need to be identified through a process element during implementation) for the LRP. The following **Table 7-1** summarises the anticipated number of entities:

TABLE 7-1 ANTICIPATED NUMBER OF PAES TO BE COVERED BY THE LRP

Entitlement	PAE Categories								
	Landowners	Leaseholders	Commercial Entities that are landowners	Commercial Entities – leaseholders	Tenants/ Rental Users	Workers	Physically Displaced Households	Any others	Total
Allowance to cover transaction cost ¹⁰¹	77	0	5	0	0	0	0 (covered in Resettlement Framework)	0	82
Allowance to cover moving costs ¹⁰²	72	15	5	2	0	0	0 (covered in Resettlement Framework)	-	94
Transitional support (Offer of in-kind assistance or cash-based allowance) ¹⁰³	68	15	0	0	0	0	0 (covered in Resettlement Framework)	-	83
Financial Literacy Training	154	42	8	10	TBC	100	15	-	329
Choice of one out of three livelihood-focused trainings	73	19	8	10	TBC only (>20-100%)	100	15	-	225
Choice of two out of three livelihood-focused trainings	For vulnerable groups only, estimated to be 10% of the above eligible for livelihood-focused trainings								23
Land-based Livelihood	28	6	0	0	0	0	0	0	34

¹⁰¹ Assuming that only private landowners with significantly impacted land (>20%) purchase a new land plot and incur transaction costs.

¹⁰² Assuming that only private landowners and leaseholders using the land for peasant farming, as well as commercial entities with significantly impacted land (>20%) incur moving costs.

¹⁰³ Only if livelihoods are land based.

Entitlement	PAE Categories								
	Landowners	Leaseholders	Commercial Entities that are landowners	Commercial Entities – leaseholders	Tenants/ Rental Users	Workers	Physically Displaced Households	Any others	Total
Support ¹⁰⁴ : Crop production									
Land-based livelihood support: Cluster based livestock support	15-30 settlements along the alignment, approximated as 7 population clusters.								7
Merit-based employment and procurement opportunities	154	42	8	10	-	-	-	-	214
Considerations for fragmented land that is unviable and will need to be purchased	0	0	0	0	0	0	0	48 (TBC)	48
Considerations for any users on land that is leased or purchased by contractors	Not Applicable	To be confirmed (TBC)	TBC	TBC	Not Applicable	TBC	Not Applicable	TBC	TBC
Process Support for Vulnerable Households	This will include enhanced monitoring and follow-up along with preferential access (based on merit) for employment and procurement opportunities. Assumed to be 10% of the PAEs.								27

¹⁰⁴ Contingent on the following conditions: There are persistent and widespread concerns about livelihood restoration in certain sections or for categories of impacted entities; There are confirmed impacts (through the grievance process) on interrupted access to grazing land; Replacement land has been requested through the akimats, but has not been granted

7.1 DETERMINING LIVELIHOOD RESTORATION OPTIONS

The livelihood restoration options outlined in this section are informed by the socio-economic baseline data, consultations with key stakeholders, focus group discussions, community consultations, semi-structured interviews and preliminary engagements (via IFC/AIIB) with KTZ on the draft versions of the entitlement matrix. From these discussions, several important themes emerged:

- There is lack of social support system for farmers, such as crop insurance and social security benefits for farmers.
- Besides full compensation of land and assets (for landowners) and assets on land (for landowners and leaseholders), respondents mentioned that there are no additional support for Project-affected landowners that risk becoming landless.
- There is no additional support provided to tenants renting from private landowners or leaseholders.
- There are no provisions to support non-titled land holders such as workers, graziers and users.
- During land acquisition, households with members from vulnerable groups did not receive any increased support or consideration.

7.2 LIVELIHOOD RESTORATION PROGRAMMES

The livelihood restoration program will be designed to leverage existing resources, knowledge, skills, and the experiences of households. This section describes the indicative modalities to develop and deliver the below:

- Allowances to cover transaction costs and moving costs;
- Provision of transitional support;
- Land-based livelihood support (including cluster level livestock support).
- Training and capacity building.
- Merit-based access to employment opportunities (through KTZ or Contractors).

Various implementation agencies should be identified, screened and contracted to carry out different livelihood restoration programs. The agencies should be identified by the LRP implementing committee. These partners will need to provide technical assistance and, importantly, develop solutions to enhance market access (where applicable to the program).

7.2.1 ALLOWANCES TO COVER TRANSACTION AND MOVING COSTS

The following allowances shall be reimbursed / provided to cover for additional costs and ensure that the PAE is compensated at full replacement cost, as per IFC PS5. Allowances entitlements have been discussed in **Section 6.2.1 and 6.2.2.**

7.2.2 TRANSITIONAL SUPPORT

Transitional support will serve as supplementary assistance during the transition period, so that households can meet their basic needs until they recover from their losses and restore their incomes and livelihoods to pre-Project levels. Eligible PAEs will be offered either an in-kind assistance or cash-based allowance as follows:

- **In-kind Assistance:**

Eligible PAEs (i.e. significantly impacted owners, leaseholders or tenants/rental users as well as physically displaced households) can request for agricultural support in the form of livestock feeding, supply of fodder, subsidised veterinary care, materials to improve the quality of the barns and material transport allowance for land plots that require more laborious work.

- **Cash-based Allowance:**

Eligible PAEs (i.e. significantly impacted owners, leaseholders or tenants/rental users as well as physically displaced households) will be offered a one-time cash-based allowance for a 3–6 month period of 212,300 tenge/month. This has been pegged to the average reported income per month from agricultural activities based on available public domain information.

7.2.3 LAND-BASED LIVELIHOOD SUPPORT

Land-based livelihood support will focus on two main areas:

- i) Crop production (with a focus on sustainable agriculture), and
- ii) Livestock rearing (with a focus on sustainable livestock rearing).

The primary challenges faced by PAEs in the project's area of influence include limited access to inputs and extension services. Consequently, the land-based livelihood program will aim to enhance production by assisting with new field preparation, supplying improved inputs, and promoting sustainable agricultural and livestock rearing practices. KTZ can consider making available subsidized crop protection and/or climate protection insurance schemes. This has not yet been considered in the budget as it will depend upon the uptake, results and scalability of these programs.

7.2.3.1 CROP PRODUCTION

Support for crop farming will be available to PAEs with alternative land or those who can secure new land after displacement. PAEs with existing farms outside the Project area or in other nearby villages will be referred to extension officers, while those with new farms will receive guidance on land cultivation. Specifically, support for land preparation and crop farming will encompass:

- Assistance and guidance on land preparation and planting.
- Training on the usage of inputs such as fertilizers and pesticides for the first planting year.
- Additional assistance for land preparation (including land clearing and levelling).
- Technical and vocational training for improved agricultural practices and technologies.

This support for crop farming will extend across at least three agricultural cycles (18 months), as international experience indicates that farmers typically require two seasons to adopt new or enhanced techniques. The extension into a third season will help reinforce good practices and allow for effective monitoring and evaluation of the program's impact in order to think through and prepare for an exit strategy.

7.2.3.2 LIVESTOCK REARING

Support for livestock rearing will be offered to all PAEs who currently raise livestock or those lacking access to replacement land who wish to transition from farming to livestock raising. Specific support will include:

- Supply of materials for adequate livestock housing.
- Offering medications, and feed.
- Technical and vocational training for livestock management, cultivation of green fodder and health practices.
- Access to veterinary services for livestock owners.
- Referral to extension officers to monitor progress and address any challenges.

This livestock rearing support programme is envisioned to be at cluster level along the alignment, at specific locations to be identified by KTZ and the Akimats. Therefore, this program will be extended to any graziers/informal land-users along the 15-30 settlements who will face loss of access to grazing land or impacts to grazing land. This support will run for 12 months and by then the Akimats would have assisted in finding alternate land for grazing and will be monitored every 3-months for its effectiveness. The final quarter will allow for the program's impact to be evaluated and inform of the other alternate land for grazing provided.

7.2.4 TRAINING AND CAPACITY BUILDING

While a majority of the PAEs will have access to financial literacy training, a sub-set of eligible PAEs (linked to significance of impacts and dependence on land-based livelihoods) will be able to additionally choose to be enrolled into one of three livelihood-based trainings discussed in 7.2.4.2, 7.2.4.3 and 7.2.4.4 below.

7.2.4.1 FINANCIAL LITERACY

The training will cover the following topics:

- Money management and household budgeting fundamentals.
- Savings strategies and effective cash management.
- Investing principles for sustainable use of compensation and/or income sources.

Financial literacy training will begin as soon as possible, as households have already received their cash compensation. Follow-up training will be conducted after the first year of the Project to further equip households with skills for managing their incomes effectively.

Additionally, households will be connected to local micro-credit facilities to promote savings and empower them to invest in their businesses and restore their livelihoods. The Project itself will not provide credit; instead, it will facilitate referrals to existing rural banks and micro-credit organizations for the PAEs.

7.2.4.2 TRAINING SUPPORT FOR LAND-BASED LIVELIHOODS

This training support should include capacity building and support for farmers, graziers and livestock owners to establish associations and to enhance their existing technical skills to improve/intensify land-based livelihoods, with a focus on sustainable and climate resilience practices. These trainings, while complementary to the training/capacity building needed for Section 7.2.3, will need to be more broad based as they will be accessible to a larger set of PAEs who may choose this as one of three livelihood focused training options.

7.2.4.3 TECHNICAL AND VOCATIONAL TRAINING

Support for technical and vocational training will initially focus on short-term courses for a duration of up to 4 weeks, targeting technical skills for both existing and new livelihood

options. Existing livelihoods that could benefit from skill enhancement include tailoring, mechanical work, carpentry, masonry, painting, steel bending, welding, and knitting. Potential new skills based on local training expertise might include mobile phone repairs, shoe making, mechanical repairs for vehicles, agricultural feed production, and so on. Support activities will include technical and vocational training courses for new skills or enhancement of existing ones, accompanied by startup assistance.

In addition to short-term training, long-term technical programs lasting 1 to 2 years will be considered, as these are more likely to lead to employment opportunities. Service providers identified in the District Akimats, will conduct the short-term training, while the long-term training will be delivered by technical and vocational institutions and apprenticeships with local artisans within the Project area with the help of the Almaty Oblast Akimat. The Project, under KTZ, should collaborate with the government to identify potential training centers in the most active District Akimats or within Almaty Oblast.

7.2.4.4 ENTERPRISE DEVELOPMENT TRAINING

This training intends to equip current and prospective/aspiring business owners with the necessary skills and knowledge to enhance their operations, improve financial management, and adapt to changing market conditions, ultimately ensuring their long-term sustainability. Key aspects of the training include:

- Business strategy development and growth planning
- Financial management and book-keeping skills
- Efficient resource and supply chain management
- Adaptation to new market conditions and business environments
- Networking and market linkages.

7.2.5 MERIT-BASED ACCESS TO EMPLOYMENT AND PROCUREMENT OPPORTUNITIES

Taking note that construction of the Project is already underway and nearly completed, and the inclusion and training of PAEs for other sources of income generation should have been conducted during pre-construction / planning phase of the project, KTZ and their construction and operations phase lead contractors, should assess the possibility of providing merit-based access to employment and procurement opportunities for the PAEs. This may require some specific thematic upskilling and/or specialized training in the case of employment opportunities, especially for the operations stage for activities along the railway alignment. In view of the highly advanced nature of skills required, this provision is an enabling measure and will need to be communicated via the Akimats, KTZ's website/social media accounts and any other accessible means of communication. For all publicly advertised positions as well as tenders/procurement contracts, the notice should clearly stipulate that PAEs are encouraged to apply.

7.3 VULNERABLE GROUPS

KTZ and the Livelihood Restoration Implementation Team (see **Section 11.3.2**), in consultation with the Akimat representatives, have the responsibility to screen and identify displaced vulnerable individuals and households for special project assistance in the form of process support and frequent monitoring and follow-up. Together with the vulnerable PAEs,

KTZ and the implementation team are responsible for developing the criteria for eligibility to assistance to the vulnerable and screening each potential vulnerable individual or household to determine which are eligible for the assistance.

Each vulnerable individual or household, after being consulted and depending upon their PAE impact category, determines which specific need is better suited to restore their livelihood (transitional agricultural support, if land based, or transitional financial support, if non-land based). The LRIT is responsible to monitor the vulnerable individual's or household's progress, and adjust the assistance where necessary, or agreed with by the PAE. In addition, should members from the vulnerable households proactively seek out a request to be linked to employment and procurement opportunities, they should be provided merit-based preferential access via the LRIT Implementation Team to forward/submit their application/request.

7.4 IDENTIFICATION AND SCREENING OF POTENTIAL PARTNERS

To further support LRP implementation, it is assumed that KTZ will identify and screen potential partners that may come from non-governmental organizations (NGOs), training institutes, academic or research institutions, as well as any specific development aid initiatives of interventions that may have been established in the Almaty region.

It is recommended that the LRP Implementation Team consider the following criteria to screen and eventually select potential partners for specific programs where support is needed (such as training/capacity building etc.):

- Reach (presence across impacted districts and ability to mobilize resources concurrently);
- Thematic areas of expertise (aligned to LRP);
- Existing relationships, including past partners and network;
- Core values and mission;
- Track record of delivering similar interventions; and
- Reputation and track record, including in terms of management of funds, anti-bribery and corruption (ABC).

This set of criteria will help determine potential partners' delivery capacity as well as presence of a local network of practitioners and on-the-ground experts to act as an implementing partner for KTZ and the LRIT.

8. STAKEHOLDER ENGAGEMENT, CONSULTATION AND DISCLOSURE

This chapter aims to summarize the activities related to stakeholder engagement, consultation, and disclosure that were conducted to prepare the LRP, as well as those planned for future disclosures of the LRP. For detailed information on future stakeholder engagements, refer to the Stakeholder Engagement Plan (SEP).

8.1 PURPOSE OF STAKEHOLDER CONSULTATIONS

Consultations and discussions were conducted with relevant stakeholders, particularly the PAEs to ensure their active involvement in project activities. The consultations aim to:

- Collect information from PAEs and other stakeholders to evaluate the project's impact on them and their impact on the project;
- Assess the needs and priorities of PAEs and affected communities to facilitate effective planning of the LRP;
- Develop a comprehensive LRP that adequately supports the livelihoods and well-being of the PAEs.

Stakeholder engagement is an ongoing process which has to be conducted throughout the Project's lifecycle. The following subsections outline the past engagements undertaken and outlines the guidance for future engagements to be undertaken.

8.2 SUMMARY OF STAKEHOLDER ENGAGEMENT

8.2.1 PRIOR TO PREPARATION OF THE LRP

Prior to the preparation of the LRP, several public hearings were conducted by KTZ and representatives from contractors (InTech and Poligram) as part of the national EIA process to present project details, key environmental and social considerations, and possible impacts of the project. For detailed information on the outcomes of the public hearings, please refer to the national EIA and the supplementary ESIA. The public hearings conducted are as follows:

- **29 January 2024 in Zhambyl District:** The outcome of the meeting indicated strong support for the proposed project, with 31 participants in favour, and none against or abstaining from the vote.
- **30 January 2024 in Iliy District:** The outcome of the meeting was positive, with 12 votes in favour and none against or abstaining from the vote. Key questions were raised regarding demolition concerns.
- **9 April 2024 in Kazybek bek:** The minutes indicate that there was a total of 38 participants in the hearing, and included presentations by "InTech". Key concerns of the hearings included the construction timeline, the Project's affect on the China-Central Asia China Gas Pipeline, obtaining construction permits, and environmental concerns.
- **10 April 2024 in Iliy District:** The minutes of the hearing suggest that participants raised several concerns regarding the project, including the route alignment and land expropriation, compensation for tree cutting, and other general concerns on future engagements and environmental and ecological impacts and safeguards.

- **10 April 2024 in Talgar District:** The hearing had an overall of 10 attendees who expressed favour during the meeting and supportive of the Project's proposals. The key concern was the management of wastewater and the absence of designated wastewater accumulation facilities in the Talgar District.

8.2.2 DURING THE PREPARATION OF THE LRP

Between 28 October to 5 December 2024 and 15 to 24 January 2025, environment and social consultations, as well as social surveys, were conducted with key stakeholders including: KTZ, EPC Contractors Poligram and Integra, five District Akimat representatives, Cultural Heritage representatives and Valuers. Key informant interviews (KII), focus group discussions (FGDs), community consultations and semi-structured interviews (SSI) were conducted with project affected entities at individual level.

- **KII, FGDs, Individual Community Consultations and SSIs:**
 - Key Informant Interviews with KTZ and EPC Contractors Poligram and Integra to understand the overall status of the Project, including land acquisition and compensation status, alternative design considerations, and community engagement; with District Akimats to understand compensation status of individuals and any grievances that have been raised by the communities; with Valuers to better understand the process of valuation and compensation.
 - Focus Group Discussions and Community Consultations with women, farmers, lease holders of government land, farm workers, informal users such as shepherd, railway workers, and workers in labour accommodation.
 - Semi-structured interviews with a total of 46 project affected entities, representing 55 cadastral land plots, including landowners, leasers on government land, registered companies, renters, women headed households, women respondents and people in the vulnerable groups category (including handicapped/physically disabled adult, senior citizen 60+ year, widow, low-income households).
 - Continuous online engagements.
- **Social Surveys along the alignment and at Zhetygen station (potential of physical displacement):**
 - Visit of the entire alignment by sections (including quarries, rivers, labour accommodation, and other ad-hoc social consultations) accompanied by KTZ, Integra and/or Poligram.

8.3 IDENTIFIED PROJECT STAKEHOLDERS

The key stakeholders involved for the preparation, implementation and monitoring of land acquisition are listed below. These involved various governmental and non-governmental organisations. Furthermore, agencies with technical capacity and responsibilities during the land acquisition process (such as cultural heritage stakeholders), are also included as outcomes on their studies could have the potential of halting on-going operations during the land acquisition and construction phase. **Table 8-1** summarizes the key responsibilities of the entities directly and indirectly involved in the land acquisition process.

TABLE 8-1 KEY STAKEHOLDERS INVOLVED IN LAND ACQUISITION

No	Entity	Responsibility
1	Government of the Republic of Kazakhstan; Ministry of Finance	Allocates budget for the land acquisition
2	KTZ	Responsible for securing the necessary approvals and permits for the project. Responsible for contractual engagements with the design consultant, construction contractor, and others. Responsible for the monitoring and effective coordination with the Akimats for the land acquisition process to ensure that all the land necessary for the project is available for construction and project implementation. Manages contractors and has oversight on how subcontractors are being managed
3	Poligram	Development of a design package and identification of areas needed for project implementation, whether permanently or temporarily Manages subcontractors.
4	Integra	Conducts and implements construction works, makes sure works are implemented adhering to technological and national requirements. Manages subcontractors.
5	Margulan	Responsible for conducting historical and cultural studies to detect the presence of objects of historical and cultural heritage and significance in the land plots acquired and surrounding areas, in accordance with the national legislations. If any objects of historical and cultural significance are found, they are responsible for alerting the Akimats that construction/excavation on the acquired land should be halted.
6	Regional Akimat of Almaty	Coordination with all the districts for land acquisition Responsible for overall report and progress on land acquisition
7	District Akimats of Zhambyl, Karasay, Talgar, Iliy and Alatau	Implementation of decrees concerning land acquisition for state purposes. Informing owners/users about the involuntary acquisition of land parcels. Conducting a tender process for appraisal services and selecting a valuator. Preparing and submitting a draft agreement for the acquisition of land parcels to the landowner/user. Executing agreements with the affected parties (APs). Overseeing the entire land acquisition process and ensuring compensation payments are made to the APs. Reporting on the land acquisition process to the Almaty Regional Akimat.
8	NC JSC "State Corporation "Government for Citizens" in the Almaty region	Identification of affected land plots Compilation and explanations for the list of affected land plots for each District.
9	Valuators (Private Companies)	Chamber of Professional independent Valuators are responsible for calculating the valuation of a land plot. They are responsible for preparing the valuation report.
10	Court	Tasked with reviewing civil cases concerning claims associated with land acquisition matters.

8.4 GUIDANCE FOR FUTURE ENGAGEMENTS

Engagement with stakeholders at all levels has highlighted the necessity for the Project to carefully manage their expectations. During discussions with the Akimats, it was noted that many PAE stakeholders would be under the impression that the LRP would offer additional cash compensation beyond what was initially provided and agreed upon between the Akimat and the PAE. Consequently, future stakeholder engagements should spend efforts clarifying the objectives of the LRP and the objectives of the stakeholder engagements, to accurately determine the levels transitional support (agriculture/financial) and the entitlements of the PAEs through the different livelihood options and programmes.

Several additional stakeholder engagement activities need to be conducted to disclose the LRP, including: the preparation of the Land Acquisition Compensation Status Report, disclosure of the entitlements for Project-affected persons, disclosure of the eligibility criteria for the livelihood restoration programmes, disclosing the livelihood restoration programmes and transitional support to the interested PAEs and local communities. Guidance on the implementation of the LRP is described in **Section 11.4**.

8.4.1 DISCLOSURE

Disclosure activities will happen on two levels: general and individual. For guidance on the disclosure at these levels, for those who have already been compensated and those yet to be compensated, refer to **Section 11.4**.

General level

General disclosure will involve dissemination of information on livelihood restoration options to the PAEs, Akimats, community leaders, NGOs, government agencies and all other stakeholders.

1. KTZ,
2. District Akimats Land Representatives, Almaty Regional Oblast,
3. Members of the government, including, but not limited to representatives from the Ministry of Finance.
4. Focus Groups, which could include the sample PAEs that were present for the SSIs

Individual level

Individual disclosure will involve engagement with individual PAEs so that the livelihood interventions address the specific needs of each household.

5. Individual face-to-face meetings with each Project Affected Entity to discuss the eligibility and entitlements matrix, outline the final set of livelihood restoration measures included in the LRP, and provide updates on the status of the project and construction schedule.

9. GRIEVANCE MECHANISM

This chapter outlines the Grievance Redress Mechanism (GRM) for the Project, designed to ensure effective receipt, management, and resolution of grievances raised by affected persons, community members, and other stakeholders. This GRM aims to facilitate transparent communication, restore trust, and resolve disputes amicably, thereby fostering a harmonious relationship between the Project and its stakeholders. A labour specific Grievance Mechanism is presented in Appendix E of the ESMS.

9.1 OBJECTIVES OF THE GRIEVANCE PROCEDURE

The GRM is accessible to individuals living or working in areas affected by the project's activities. Anyone impacted by or having concerns about the project has the right to engage with the GRM, should find it easily accessible, and is encouraged to utilize it. The proposed GRM does not replace the public complaint and conflict resolution mechanisms established by the legal system of the Republic of Kazakhstan (RoK), such as "eTONISH"¹⁰⁵, but it aims to be more project specific and minimize reliance on other systems which are not project specific as much as possible.

The specific objectives of the GRM include:

- To provide stakeholders with a structured process to voice complaints and concerns.
- To ensure grievances are addressed promptly and transparently.
- To document and analyse grievances to inform project improvements.
- To prevent escalation of issues through proactive conflict resolution.
- To uphold the rights of complainants and prevent retaliation.

9.2 GUIDELINES ON THE PROCEDURE FOR GRIEVANCE REDRESS

When developing the Grievance Mechanism, KTZ must follow the following procedures:

Step 1 - Establish Procedures: KTZ will ensure that clear procedures for submitting and recording grievances are established before the plan is executed at the site. These procedures will include identifying personnel responsible for receiving and managing grievances at both the Corporate level (Chief Grievance Officer) and the Site level (Community Liaison Officer). The procedures will address assessment methods, determination of suitable resolution processes, decision-making regarding proposed settlements, timelines for each stage of the grievance resolution process, and notification protocols for informing complainants about eligibility, assessment outcomes, proposed resolutions, and other relevant matters.

Step 2 - Create Resolution Options and Response: After establishing the procedures, KTZ will develop formal and informal resolution options and prepare appropriate responses (the measures can be an adaptation of existing formal and informal resolution options in place). Common approaches to resolving grievances may involve proposing solutions, reaching agreements through discussions or negotiations, utilizing a third party for mediation, or employing traditional and customary practices.

Step 3 - Promote the Grievance Mechanism: Once the Grievance Mechanism procedures are developed, KTZ will publicize them through various stakeholder engagement activities

¹⁰⁵ Source: <https://eotinish.kz/ru>

outlined in the Stakeholder Engagement Plan (SEP) included in the Environmental and Social Impact Assessment (ESIA). Initial outreach will inform the local community, with ongoing reminders throughout the project's construction and operation phases. Information about the GRM will also be regularly shared with direct and indirect workers. Various communication methods will be used to disseminate information, including printed materials, displays, face-to-face meetings, updates on the website, and mobile notifications in existing mobile platforms already used by KTZ and other stakeholders, including "KTZ HSE".

Step 4 - Awareness Campaign for the Grievance Mechanism: KTZ will conduct a dedicated awareness campaign aimed at the community and workers to explain how to register grievances, provide details about local contact persons or trained grievance officers (in this case, the CLO would be trained to handle grievances), discuss the importance of grievance boxes, outline timelines for addressing grievances, and introduce the personnel involved in the redress process. KTZ needs to coordinate closely with the Akimats for awareness raising campaigns at village and community level. These campaigns will occur semi-annually, with feedback and suggestions from the community and workers being recognized and potentially implemented to enhance the user-friendliness of the GRM.

Step 5 - Documenting Grievances: Once stakeholders are informed about the mechanism and can access it to submit grievances, KTZ must acknowledge receipt while ensuring the complainant's identity remains confidential. **KTZ will routinely check grievance boxes once every week**, record and register the grievances according to specified formats, and track them throughout the resolution process to monitor their status and key details. A grievance log or database will be maintained by the designated CLO at the site, which can be used to analyze patterns in grievances and conflicts, community issues, and project operations, allowing for proactive measures to address potential future conflicts. The location of the grievance boxes must be easily accessible and distributed evenly along the alignment and should be located preferably at the Village / District Akimat level.

Step 6 - Appeal Process: If a grievance resolution is unsatisfactory to the complainant, they will be provided with an opportunity to appeal. KTZ will define the circumstances under which an appeal can be made to ensure social accountability and transparency at every stage. Encouragement will be given for resolution through the National Court or by convening an independent panel with representatives from both governmental and civil society sectors. This panel may also conduct strategic oversight and assure the mechanism's effectiveness through monitoring and data tracking.

Step 7 - Resolution and Follow-Up: After agreeing on corrective action, it is advisable to document proof of the implemented actions through photographs, documentation, and confirmation from the complainant, which will be filed within the case records. Monitoring and follow-up on the agreed resolution will be conducted to properly close the case. KTZ is required to provide regular (quarterly) reports to the public and workers detailing the number of complaints received, resolved, unresolved, and those referred to a third party. Additionally, Lenders must be kept informed with these quarterly reports to assist in the early identification of potential risks.

9.3 LEVELS AND PROCEDURE FOR GRIEVANCE REDRESS

The overall responsibility for the timely implementation of the GRM rests with KTZ, with support from the Project Managers at headquarter/site level and Project Technical Supervisors

at contractor/subcontractor level, who are involved in managing and overseeing the civil works and other activities associated with the project. Additionally, relevant village / district / oblast, Akimats, which are legally mandated to handle grievance redress tasks, as well as mediators and non-governmental organizations (NGOs) engaged in facilitating amicable resolutions of grievances, are also incorporated into the GRM.

This GRM envisages three levels of grievance resolution: Level 0: CLO at Project Site level, Level 1 Grievance Redress Committees (GRC) at District Akimat levels and Level 2 GRC at the Regional (Oblast) Akimat levels. **Figure 9-1** highlights the proposed grievance mechanism structure for KTZ.

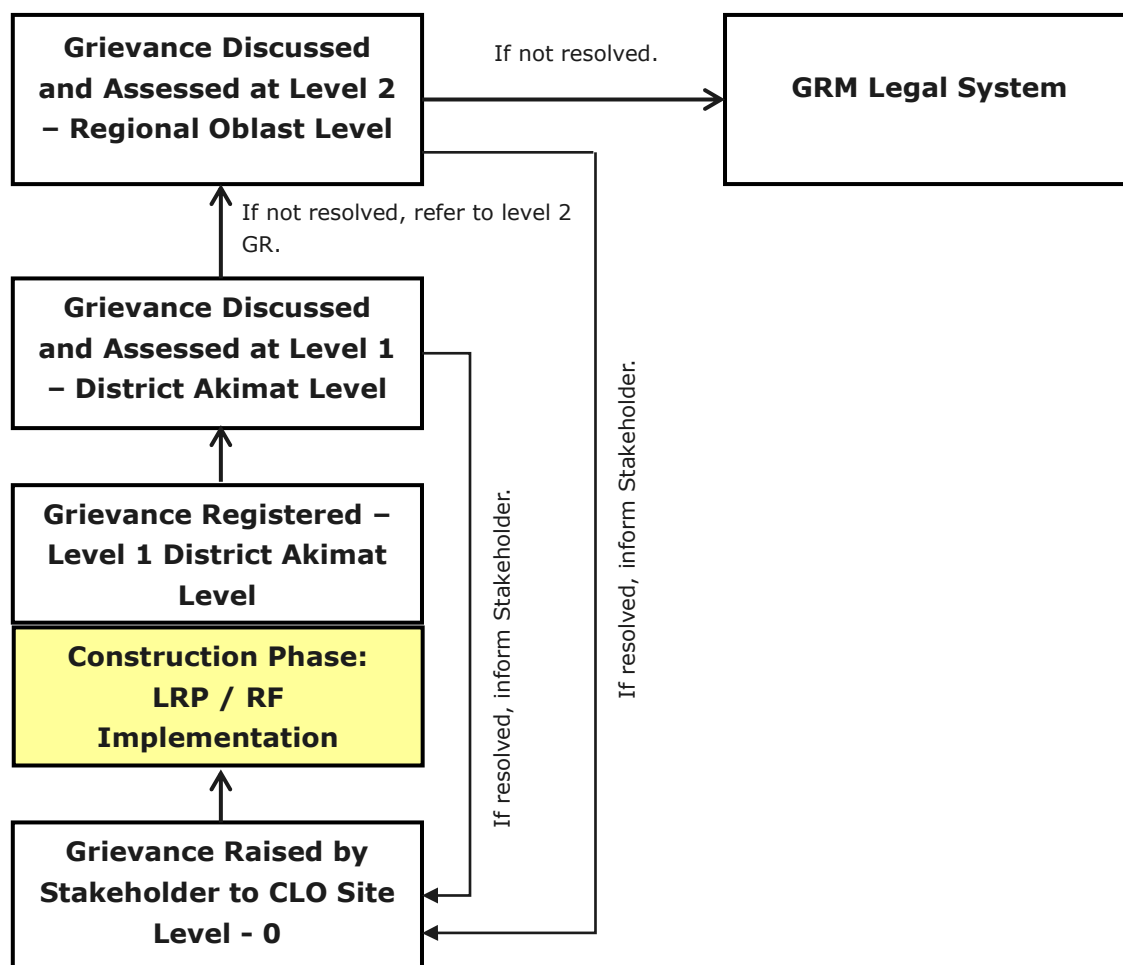


FIGURE 9-1 PROPOSED GRIEVANCE MECHANISM STRUCTURE FOR KTZ

9.3.1 GRM: PROJECT SITE LEVEL

At the first stage, the resolution of the grievance will be attempted by the CLO on site. The CLO will be required to follow the process of response and documentation of all grievances received (Refer to the **Stakeholder Engagement Plan**). If not addressed by the CLO, within **1 week**, the grievance will be escalated to the next level, Level 1.

1. Receiving and Registering the Grievance

- Secure grievance boxes will be placed at various key designated locations along the alignment area (the existing Kazybek bek and Zhetygen train stations, and the new proposed Sorbulak, Moyinkum and Zhana-Arna train stations), and at Akimats office at village/district level.

- Receipt of grievances lodged in person, via phone, through a letter or e-mail or fax will be acknowledged.
- Complainants may choose to remain anonymous by writing down their grievances and submitting them in the available complaint boxes.
- Upon receiving a complaint, it will be logged in the grievance register or data system, and an acknowledgment slip will be issued to the complainant.
- Grievances will be recorded in a standard format. Refer to the GRM Procedure.

2. Assessment and Addressing the Grievance

- The designated CLO at Level 0 will check the complaint boxes **once every week**.
- The grievance will be reviewed to determine if the issues raised fall within the scope of the grievance mechanism.
- During the assessment, the CLO will collect information on the key issues and concerns to evaluate potential resolutions.
- The CLO will attempt to resolve the grievances on site **within 1 week**.
- If the CLO not make a decision within 1 week, the issue will be escalated to the GRC at District Akimat level 1 for further screening and assessment. If intervention is necessary, it will be considered for further action; otherwise, the grievance will be deemed invalid, and the CLO at the site level will inform the complainant within the 1 week period.
- The GRC at District Akimat level will address grievances at Level 1 within an additional 1 week after receipt from the CLO at Level 0.
- If the grievance is resolved at the CLO Level 0, the complainant will be notified of the outcome. If the grievance remains unresolved and is escalated to the Grievance Redress Committee (GRC) at the District Akimat level 1 for further consideration, the complainant will receive pertinent information, including the date the case was forwarded to the central GRC and the anticipated date for the resolution.
- In cases of anonymous complaints, the written response will be displayed on the information board of the KTZ or the relevant District Akimat where the complaint was lodged, allowing the complainant to view and assess the feedback.

9.3.2 GRM: DISTRICT (AKIMAT) LEVEL

At this stage, the resolution of grievance will be attempted through GRC at the District Akimat level. The GRC at District Akimat level is composed of the following stakeholders:

- Almaty KTZ Project Manager, including CLO
- Designated Project Technical Supervisors, if relevant
- Akim of District Akimat of Iliy, Talgar, Karasay, Zhambyl and Alatau, or designated representative
- Representative of Women's, Vulnerable Groups, and Farm Worker's / Commercial Agriculture's Association where applicable.

Akims of the affected Districts located in the project area will be informed on the GRM process and will be involved in considering the grievances and can attend the GRC meeting in case the issue is related to their community. In addition, professional mediators or representatives of NGOs may be involved in resolution of grievance cases, as needed.

A representative from the Almaty branch of KTZ, or the CLO will chair the GRC at the District Akimat level and be responsible for the overall operation of GRM and its efficient and timely implementation. Coordinator of the GRC at the District Akimat level will be nominated by the management of the Almaty branch of KTZ and be responsible for involving the relevant parties and coordinating the works of GRC at District Akimat level.

1. Assessment and Addressing of Complaints

- If the grievance is resolved at the CLO Level 0, the complainant will be notified of the outcome. If the grievance remains unresolved and is escalated to the Grievance Redress Committee (GRC) at the District Akimat level 1 for further consideration, the complainant will receive pertinent information, including the date the case was forwarded to the central GRC and the anticipated date for the resolution.
- In cases of anonymous complaints, the written response will be displayed on the information board of the KTZ or the relevant District Akimat where the complaint was lodged, allowing the complainant to view and assess the feedback.
- At the GRC District Akimat Level 1, the CLO and KTZ Almaty PM will attempt to solve the grievance **within 1 week from the receipt of the escalation of the grievance** (in other words, within two weeks since the receipt of the grievance from the complainant).

9.3.3 GRM: REGIONAL (OBLAST) LEVEL

Following unsuccessful consideration of grievance by GRC at the Akimat level 1, the complaint resolution will be attempted at the Regional (Oblast) level. The GRC at Almaty Regional (Oblast) level is composed of the following parties:

- KTZ (Headquarters - Astana) Project Manager and Almaty KTZ Project Manager, including the CLO
- KTZ Chief Grievance Officer (Corporate level)
- Akim of Almaty Oblast or designated representative
- Akim of District Akimat of Iliy, Talgar, Karasay, Zhambyl and Alatau, or designated representative

For grievances related to the project, the representatives of the KTZ Project Manager will be invited to take part in the meeting of the GRC at the Oblast level. The complaining party, as well as representatives of relevant state stakeholders, village / district / oblast Akimats, designated Project Technical Supervisors (as needed) will also be invited to attend the GRC meeting.

1. Assessment and Addressing of Complaints

- If the grievance is resolved at the District Akimat level 1, the complainant will be notified of the outcome. If the grievance remains unresolved and is escalated to the Grievance Redress Committee (GRC) at the Regional (Oblast) level 2 for further consideration, the complainant will receive pertinent information, including the date the case was forwarded to the central GRC and the anticipated date for the resolution.
- At Level 2, the KTZ Chief Grievance Officer (Corporate level) will collaborate with the Corporate-level Director of Human Resources & Administration and the Director of Operations to address the grievance. The Chief Grievance Officer will facilitate decision-making, and if necessary, meetings will be held with the complainant to examine evidence. The **grievance will be resolved within 1 month** following the referral. In total, the

grievance has to be resolved **within 1.5 months (6 weeks)** from the raise of the grievance at Level 0 escalated to Level 2.

- Complainants will have the opportunity to participate in committee meetings and discuss their grievances at both levels. If the issue remains unresolved after both levels, the complainant may approach an appropriate court for redress.
- Anonymous complaints will be registered at the site level, discussed by the GRC committee, and appropriate actions will be taken if the complaints are found to be valid.

9.3.4 GRM: LEGAL SYSTEM

If after the intervention and assistance from the GRCs at both District Akimat level and Regional (Oblast) level, no solution has been reached, and if the grievance redress system fails to satisfy the complaining parties, the case will be referred to the court for resolution in accordance with the RoK legislation.

It should also be emphasized that, at any time, the complaining party has the right to submit the case to the court of law in the first stage of grievance process, and does not have to follow the two levels of grievance resolution envisaged by the GRM.

9.4 GRIEVANCE FOCAL POINTS

Project Affected Entities or other concerned individuals may visit, call or send an email, letter or fax to GRC at the District Akimat levels of Karasay, Zhambyl, Iliysky, Talgar and Alatau City or the Almaty Oblast.

9.4.1 GRC CONTACT DETAILS AT DISTRICT AKIMAT LEVEL

- Almaty KTZ Project Manager
- Community Liaison Officer
- Designated Project Technical Supervisors
- Iliy District Akimat
- Talgar District Akimat
- Karasay District Akimat
- Zhambyl District Akimat
- Alatau City Akimat
- Representative of Women's, Vulnerable Groups, and Farm Worker's / Commercial Agriculture's Association where applicable.

9.4.2 GRC CONTACT DETAILS AT REGIONAL (OBLAST) LEVEL

- KTZ (Headquarters - Astana) Project Manager and Almaty KTZ Project Manager
- KTZ Chief Grievance Officer (Corporate level)
- Community Liaison Officer
- Akim of Almaty Oblast
- Akim of District Akimat of Iliy, Talgar, Karasay, Zhambyl and Alatau City, or designated representative

9.5 DISCLOSURE OF THE GRIEVANCE PROCESS

The grievance resolution process for this LRP has been and will continue to be communicated through informational brochures distributed to the community at village, district and oblast Akimats and to other relevant stakeholder representatives (workers, farm workers, association of women, vulnerable groups). The grievance redress mechanism will also be outlined during public consultations and informal meetings within the Project area during the preparation of the final LRP, its implementation, and throughout the subsequent civil works. Additionally, summaries of grievance resolutions will be included in the progress reports from KTZ that will be submitted to the Lenders, AIIB and IFC.

10. MONITORING AND EVALUATION

Monitoring and Evaluation are essential processes for evaluating the success of livelihood restoration objectives. Monitoring involves regularly assessing planned activities to provide insights that facilitate adjustments, feedback, and guidance for ongoing efforts. In contrast, evaluation focuses on determining whether the activities carried out have successfully met their intended goals and outcomes. This section outlines the monitoring and evaluation framework established for the implementation of the Livelihood Restoration Plan (LRP).

10.1 KEY PERFORMANCE INDICATORS AND MONITORING

To measure the degree of achievements of the LRP activity objectives, the internal and external monitoring will use a set of key monitoring indicators. **Table 10-1** highlights the proposed key performance indicators (KPIs).

The KPIs are to be internally monitored quarterly, and externally semiannually.

These indicators are not exhaustive and could be revised as required during the implementation of the LRP monitoring.

The monitoring indicators are planned to inform:

- Compensation progress (Government-led process)
- Replacement land development and status (Government-led process)
- LRP implementation progress
- Budget and expenditures
- Quality of the compensation process, including issues relating to consultations, gender, ethnic minority, vulnerable groups, grievances, transparency and disclosure, and
- Outcome of the implementation of the approved LRP.

TABLE 10-1 INDICATIVE MONITORING INDICATORS

Performance Objective	Key Performance Indicator (KPI)
Initial LRP Process elements	<ul style="list-style-type: none"> • Correct determination of gaps. • Completion of the Land Acquisition Compensation Status Report (Refer to Section 10.5) for completion of the land acquisition database. Refer to Section 11.4 on Guidance on the Implementation of the LRP. • The process can be undertaken by an independent third party in coordination with KTZ/Akimats.
Disbursement of compensation payment	<p><u>Government-led process (not part of the KPI, but part of the overall disbursement of compensation payment)</u></p> <ul style="list-style-type: none"> • Compensation of remaining land plots acquired and completed agreements are signed and registered with the "Government for Citizens" State Corporation in Almaty Region. • Compensation payments disbursed according to the number and category of losses set out in the entitlement matrix (women, men, and vulnerable groups) • Compensation payment disbursed against timeline • Provision of replacement land plots for those requesting replacement land • Quality of new plots and issue of land titles • Issue of revised lease agreements for land plots under partial acquisition <p><u>KTZ LRIT-led (to be included as part of the KPI)</u></p>

Performance Objective	Key Performance Indicator (KPI)
	<ul style="list-style-type: none"> Identification of the displaced persons losing land temporarily during construction, e.g. soil disposal, borrow pits, contractors' camps (women, men, and vulnerable groups)
Disbursement of allowances	Number of displaced entities who receive transitional agricultural support (women, men, vulnerable groups, commercial entities, workers, non-titled users)
	Number of displaced entities who receive transitional financial support (women, men, vulnerable groups, workers, non-titled users)
Restoration of Livelihoods	Number and percentage of displaced entities in the livelihood restoration program (women, men, vulnerable groups, commercial entities, workers, non-titled users)
	Number of displaced entities and the extent of such impact on their livelihood (particularly vulnerable groups) during construction and operation
	Number of displaced entities who receive financial literacy training (women, men, vulnerable groups, commercial entities, workers, non-titled users)
	Number of displaced entities who receive land-based livelihood support / crop production (women, men, vulnerable groups, commercial entities)
	Number of displaced entities who receive land-based livelihood support / livestock rearing (women, men, vulnerable groups, commercial entities)
	Types of training and number of participants in each (women, men, vulnerable groups, workers, non-titled users)
	Degree of satisfaction with livelihood programs (women, men, vulnerable groups, commercial entities, workers, non-titled users)
	Percentage of displaced persons who improved their income (women, men, vulnerable groups, workers, non-titled users)
	Number of displaced entities with replacement agriculture land (women, men, and vulnerable groups, commercial entities)
	Quantity of land owned/contracted by displaced entities (women, men and vulnerable groups, commercial entities)
	Number of entities with agricultural equipment (women, men, commercial entities)
	Number of entities with large/medium/small livestock (women, men, commercial entities)
	Number of displaced persons who have restored their income and livelihood patterns (women, men, vulnerable groups, workers, non-titled users)
	Number of displaced persons who improved their standard of living (women, men, vulnerable groups, workers, non-titled users)
Meaningful consultation and Grievance redressal	Number of affected entities who know their entitlements (women, men, vulnerable groups, commercial entities, workers, non-titled users)
	Consultations organized as scheduled including meetings, groups, and community Activities
	Level of participation in meetings of women, men, vulnerable groups, commercial entities, workers, non-titled users (specify if high, medium, low)
	Number of general meetings (all entities)

Performance Objective	Key Performance Indicator (KPI)
	Percentage of women out of total participants
	Number of meetings exclusively with women
	Number of meetings exclusively with vulnerable groups
	Have any displaced persons used the GRM? What were the outcomes? (all entities)
	Number of grievances resolved
	Number of grievances in -progress
	What are the subjects of the grievances? (all entities)
	Level of information communicated - adequate or inadequate? (men, women, vulnerable groups)
	Information disclosure to the displaced persons
	Fair and equitable sharing of benefits associated with the Project
Budget and Time Frame	Achieving resettlement implementation activities against the agreed implementation plan
	Funds allocation for resettlement to responsible implementation agencies on time.
	Funds disbursement according to the resettlement plan.
	Land acquisition and occupation in time for implementation.
Institutional arrangement	Official engagement and onboard of the Liaison Officer in charge for the administrative support for the implementation of the LRP.
	Percentage of land acquisition and resettlement staff been appointed and mobilized on schedule for the field and office work (women, men)
	Overview on the status / engagement of the agency responsible for external monitoring.
	Changes in patterns of occupation, production, and resource use compared to pre-project situation (women, men, workers, non-titled users)
	Changes in income and expenditure patterns compared to pre project situation (women, men, workers, non-titled users)
	Changes in cost of living compared to pre-project situation (women, men, workers, non-titled users)
	Changes occurred for vulnerable groups
	Have displaced persons incomes kept pace with these changes? (women, men, workers, non-titled users)
	Number of households getting non-compensation benefits by type of benefit and household
	Number of households with in-house utilities by type i.e., individual water connection, electricity connection and internet connection
Employment and capability building	Employment priority for significantly impacted people and vulnerable groups (women, men, workers, non-titled users)
	Number of recruitments of unskilled workers (women and men)

Performance Objective	Key Performance Indicator (KPI)
	Recruitments of semi-skilled workers (women and men)
	Percentage of skilled workers are women and/or vulnerable peoples
	Number of households/entities owning appliances, communication gadgets and vehicles
	Number of households/entities owning farm machineries by type
	Number of persons trained by gender and type of training course
Vulnerable groups support	Number of economically vulnerable households receiving support
	Number of elderly people / elderly headed households receiving support
	Number of adults with disabilities (physical or mental) receiving support
	Number of women headed households receiving support
Women led support	Number of women undertake alternative/additional income generating activities
	Number of women undertake home-based income generating activities
	Number of women undertake capacity building
	Number of women generate overall improved income and livelihood
Graziers / Non-titled land users	Number of graziers / non-titled land users receiving support from the Akimats or alternate land for grazing to ensure sustained or improved livelihoods better than pre-Project levels

10.2 MONITORING PROCESS

10.3 INTERNAL MONITORING AND EVALUATION

Internal monitoring will be carried out by the LRP Implementation Team in accordance with the implementation schedule. The activities to be monitored, along with the respective responsible agencies, are outlined in the LRP Plan. A key responsibility of the Team will be to regularly monitor activities and assess outcomes at consistent intervals. Monitoring is a continuous duty, and the Implementation Team and KTZ Project Manager will ensure the timely execution of LRP activities and compile progress reports.

These reports will be submitted to the KTZ Project Manager and will be included in the Quarterly Report for reviewing the progress and results of LRP implementation. The monitoring process will encompass planning, implementation, feedback, issue resolution, grievances, maintenance of individual PAE files, community relations, and documentation of consultations, among other aspects. After a thorough review, these findings will be forwarded to the Lender and external auditors (when applicable) for their consideration.

10.3.1 RESPONSIBILITIES OF KTZ HEADQUARTERS

The KTZ Headquarters will assume a high-level management role in the monitoring process. Its responsibilities include:

- Approving detailed monitoring and evaluation plans that will guide the monitoring and evaluation processes.

- Reviewing monitoring and evaluation reports and recommendations as needed.
- Endorsing the implementation of additional monitoring and evaluation interventions and related implementation plans.
- Making strategic decisions for higher-level issues that require action.
- Commissioning external evaluation initiatives.

10.3.2 RESPONSIBILITIES OF THE LIVELIHOOD RESTORATION IMPLEMENTATION TEAM

The Implementation Team, including a specialist related to livelihood restoration, and responsible for Monitoring and Evaluation “M&E Coordinator”, will be the driving force behind all monitoring and evaluation actions. The Implementation Team is responsible for reviewing all monitoring and evaluation deliverables as they are submitted. They will direct the implementation of recommended corrective actions when necessary. The Implementation Team may also refer monitoring issues to the KTZ Project Manager at Headquarters level, for information or decision-making purposes as needed. Guidance in these matters will be provided by the M&E Coordinator. The LRIT is expected to oversee the implementation of the LR programmes during the construction until the operational phase of the project, until

The Community Liaison Officer, part of the Implementation Team, is responsible for adhering to the plan, collecting the required data in a timely manner, and submitting reports in the agreed format. This information will be utilized to generate monitoring insights.

10.4 EXTERNAL MONITORING AND EVALUATION

External monitoring will be conducted semiannually by an independent third-party agency, distinct from the LRP Executing Agency, to assess LRP implementation. The Consultant will generate a report based on its evaluations, which will be distributed to various stakeholders—including lenders, government bodies, communities, and shareholders for their review and records, and will also be disclosed on the Consultant’s website.

The primary objectives of the external evaluation process are to:

- Systematically assess the implementation of the LRP.
- Evaluate the overall success of the LRP in achieving its intended goals.
- Determine if the process effectively restored or improved the living standards and livelihoods of the affected households.

The external evaluation will utilize both primary and secondary data collection methods and will be informed by internal monitoring outputs, including monitoring reports, meeting minutes, and progress reports, along with independent surveys and consultations carried out by the external monitoring and evaluation consultant. The external monitoring program will consist of two key components: an interim audit and a completion audit.

10.4.1 INTERIM AUDIT

The interim audit will assess whether the program's implementation aligns with the LRP framework and international requirements (IFC PS 5). The external consultant will provide quarterly reports to the Lenders. The interim audit will focus on the following areas:

- General Implementation

- Livelihood Restoration
- Monitoring and Evaluation
- Vulnerable Groups
- Grievance Management

10.4.2 COMPLETION AUDIT

The purpose of the completion audit is to determine whether the implementation of the LRP has led to the restoration of the livelihoods of the affected households to pre-Project levels. This includes:

- Evaluating the effectiveness of measures taken to prevent and mitigate displacement impacts by comparing actual Project outcomes to those predicted in the LRP.
- Verifying that all entitlements and commitments outlined in the LRP have been fulfilled.
- Assessing whether LRP measures have been successful in restoring or enhancing the living standards and livelihoods of affected individuals.
- Reviewing any unresolved systemic grievances.
- Identifying corrective actions necessary to fulfil LRP commitments, if any remain incomplete or as gaps.

The timing of the external audit is crucial, as it must allow for prompt corrective measures to be implemented.

10.5 LAND ACQUISITION COMPENSATION STATUS REPORT

Immediately after the approval of the final LRP, KTZ will prepare a **Land Acquisition Compensation Status Report**, confirming the number of affected entities (those who have received compensation, those yet to receive, and users without legal titles to land but who are eligible for compensation). The Land Acquisition Compensation Status Report should include the following additional information in order to close the gap on existing data:

- Number of households / project affected people per cadastre land plot.
- Land dependency: information whether households have other land not affected by the project or whether they are dependent on this land.
- Number of assets of land / structures per cadastre land plot, including the amount of depreciation deduction of these assets.
 - Additional information on whether these assets were affected during the land acquisition.
- Number and types of trees and crops per cadastre land plot, including the amount of depreciation deduction of these assets.
- Status of compensation: fully or partially paid or on-going (state the reason).

The report could be stand alone or integrated into the applicable monitoring report. KTZ Project Manager is required to conduct quarterly monitoring and reporting during the construction phase and semi-annual monitoring and reporting during operation for the first three years, thereafter annually. The relevant information in the monitoring reports will also be disclosed to the affected entities which includes implementation status of the LRP, information on the compensation disbursement, land and asset acquisition and relocation progress, livelihood/income restoration progress and any information on benefit sharing, and any new

identified compliance issues and corrective action plan. The reports will also include any grievances filed by PAEs and their resolutions.

11. IMPLEMENTATION FRAMEWORK

This chapter provides an overview of the personnel and organizational structure proposed for the planning and delivery of the LRP, including the tasks needed to achieve a successful implementation of the LRP.

The section also specifically highlights the composition of the Livelihood Restoration Implementation Team (LRIT), and the roles and responsibilities of KTZ, Akimats and the Implementation Team, which will be established to oversee and manage the LRP as detailed below.

Since these have not been discussed with KTZ, they should be treated as preliminary, pending further discussion with the concerned parties, before finalization.

11.1 OBJECTIVES AND TASKS OF THE IMPLEMENTATION PHASE

Task 0: Priority activities before full-scale LRP implementation

Task 1: Define the LRP-based entitlements for each affected entity and obtain a sign-off by the PAE. This task involves:

Government-led with support from KTZ LRIT

- Negotiate and formalize compensation agreements with each affected entity and obtain their written sign-off.

KTZ LRIT-led with support from Akimats

Already Displaced PAEs:

- The LRIT, is responsible to engage with the people that have already been displaced during the land acquisition. These could include:
 - Renters renting from landowners or tenants renting from leaseholders who have already been displaced.
 - Workers previously employed by commercial entities affected by land acquisition.
 - Graziers and users which used the grazing land.
 - Vulnerable people.
- The LRIT is responsible to find out if the displaced PAEs have been able to restore their livelihoods to pre-Project levels, and chose the appropriate entitlements based on their affected entity category and extent of land acquisition. The disclosure to the displaced PAEs should happen at District level, and the entitlement claims must be retro-active claims.
- Processing compensation entitlements for each affected entity (households, individuals, businesses, communities) based on the data provided by the Akimats and KTZ.

Compensation Not Yet Complete

- For cases where compensation has not yet been complete, the LRIT will ensure proper documentation, disclosure and that the PAEs are able to access a grievance mechanism during the entire process, including those considered vulnerable. The KTZ liaison officer must ensure that all people whose compensation and entitlements has not yet been complete are duly recorded and documented.

Task 2: Delivery of the LRP-based entitlements.

Government-led with support from KTZ-LRIT

- *Economic Displacement.* Deliver the compensation entitlements, including both in-cash and in-kind compensation.
- *Replacement land and/or reconfiguration.* Get the affected households and Akimats to agree on the location and/or reconfiguration layout for the replacement land provided or for the reconfiguration of the land. Preparation of new tenure agreements for both landowners on private land or leaseholders.

Task 3: Implementation of livelihood restoration activities

Organise community consultations through focus groups and at an individual level to disclose and disseminate information on the LRP and livelihood restoration options and implement the livelihood-restoration activities.

Task 4: Monitor the implementation of the livelihood restoration plan.

11.1.1 TASK 0: PRIORITY ACTIVITIES BEFORE FULL-SCALE LRP IMPLEMENTATION

Prior to the implementation of the LRP, the following priority activities need to be undertaken:

- Address the land survey and determine the amount of household level data gap that is needed to comply with IFC PS5 full-replacement cost. This includes:
 - Determining the amount of depreciation on assets and structures on land that has been deducted while calculating compensation (in the Valuation process)
 - Determining whether transaction costs and relocation costs were incurred by PAEs buying alternate land with their cash compensation received during displacement.
- Identification of additional PAEs basis engagement with landowners and leaseholders that the Akimats has already compensated or is in the process of being compensated
- Formation, set up and training of the LRP Implementation Team
- Completion of the Land Acquisition Compensation Status Report.

Refer to **Section 11.4** on the Guidance on Implementation of the LRP.

11.1.2 TASK 1: DEFINING AND FORMALIZING THE LRP ENTITLEMENTS

Based on Task 0 and the following Task 1, KTZ will, as described in **Section 11.4**, develop a **Livelihood Restoration Implementation Plan (LRIP)**.

Based on the proposed Entitlement Matrix found in **Section 6.4**, the following key steps in defining and formalizing the LRP entitlements include:

Government-led with support from KTZ LRIT

- Obtaining overall agreement from the project affected entities, KTZ and the Akimats on the compensation rates and the livelihood restoration activities. This involves:
 - Community and individual consultations to refine details of entitlements, if necessary, which will be conducted and organized by KTZ.
- Finalising the list of PAEs for the LRP implementation (including the list of vulnerable groups), with a clear breakdown of assets recorded, crop area and count, type and maturity and other structural assets and immovable assets, if any.
- Obtain household sign-off on these entitlements.

- Prepare an LRP-agreement (with KTZ leading but officially signed off by the Akimats), which includes LRP-based entitlements as well as the livelihood restoration packages offered and selected by the household.

KTZ LRIT-led with support from Akimats

- Support the Akimats in the official processes.
- Explain the compensation, entitlements and livelihood programmes to the key stakeholders: KTZ, the LRIT, and the Akimats.
- Provide and disclose the GRM to the PAEs. Refer to **Section 9**.
- Allow PAEs, who have yet to be compensated, time to verify the asset data with a clear cut-off period.
- For those who have been compensated, KTZ to verify if the PAEs have been compensated at full replacement cost (with no deduction of depreciation costs and transaction costs included), and if not, to contact the PAEs and inform them of their ability to seek reimbursement of the additional costs incurred.
 - KTZ LRIT to work closely with the Akimat in parallel to simultaneously supplement gap-closure process and follow closely in the implementation process and LRP add-ons.
- Obtain sign-off of the verified assets, with KTZ to identify third-party mutually trusted witness. Ensure households receive a printed copy of the sign-off asset summary and valuation.
- Apply the entitlement matrix, including all costs (transitional allowances, and in-kind and in-cash compensations to cover depreciation and transaction costs) of those already compensated and those yet to be compensated, and to determine the overall package of resettlement benefits, cash compensations and livelihood restoration benefits the PAEs will receive.
- Present and explain the LRP agreements at a cluster level (but each PAE and household members can sign agreements and ask for clarifications separately). Where households consist of a family or couple, ensure that the agreements are understood by both spouses. Clearly outline the options given, including the additional retro-active costs and allowances for those who have already received compensation allowances, and for those who have yet to receive compensation.
- Make sure the process is inclusive and understandable to all PAEs.
 - Vulnerable groups should be included, and information pertaining to the process above should be clearly shared with people under this category. The additional compensation for people from vulnerable group categories should be shared with them.
 - Ensure that women and women-headed households are equally involved in the asset survey, verification and sign-off process between the households and LRIT. Ensure the compensation agreements include both spouses and are signed by both male and female. In situations where cohabiting applies and the persons are not married, the same rule above applies.

It is recommended that KTZ create a database to document the process of asset summary and compensation agreements.

11.1.3 TASK 2: DELIVERY OF ENTITLEMENTS

Once Task 1 has been complete, and the LRP entitlements per PAE have been agreed upon by the PAEs, **Table 11-1** presents the key steps that need to be considered prior to the delivery of cash compensation.

TABLE 11-1 DELIVERING CASH COMPENSATION

Implementation Activity	Description
Cash payments	<ul style="list-style-type: none"> • Ascertain the identity of the entitled individual, using official identity documents. Presence of witnesses, such as Village Akimat representatives or other community members (Association of Veterans, Association of Women, etc), should be made available where identity cannot be ascertained. • Member of the LRIT should document the entire process. • Cash compensation should be paid by check or bank transfer, wherever possible. Encourage and assist affected persons to open bank accounts, in the name of both spouses, if no bank account is available. • KTZ should seek cooperation of a reliable bank in the payment process. Once one or a few reliable banks, with good track record, have been selected, work with them to streamline the payment process and sensitize employees to the specific needs of the affected persons. If affected persons come to the banks to grieve about the project, the banks should inform them that the project has a specific GRM and direct them towards it. KTZ to monitor the payment process at the bank to ensure that compensation reaches the intended recipients. • Provide training in cash and financial literacy to recipients where significant amounts are paid in cash and to those who might be unfamiliar with the management of such amounts. The service should be offered to both men and women. • Cash to be paid in installments, if this is possible and a preferred option to affected persons.

11.1.4 TASK 3: IMPLEMENTATION OF LIVELIHOOD RESTORATION ACTIVITIES

Refer to **Section 7** for the livelihood restoration activities. In addition, this task will include the selection of partners who will be involved in certain programs, their tendering and onboarding onto the project.

11.1.5 TASK 4: MONITORING AND IMPLEMENTATION OF THE LIVELIHOOD RESTORATION PLAN

Refer to **Section 10** for the monitoring and evaluation of the implementation of the LRP.

11.2 ORGANISATIONAL FRAMEWORK FOR LRP IMPLEMENTATION

The following figure below shows the organizational framework for the LRP implementation.

The implementation management structure will involve two levels of management. These are:

- KTZ
- Livelihood Restoration Implementation Team (LRIT)

Government support, through the District and Regional Akimats, are also essential stakeholders for the collaborative implementation of the LRP.

Figure 11-1 illustrates the organizational framework.

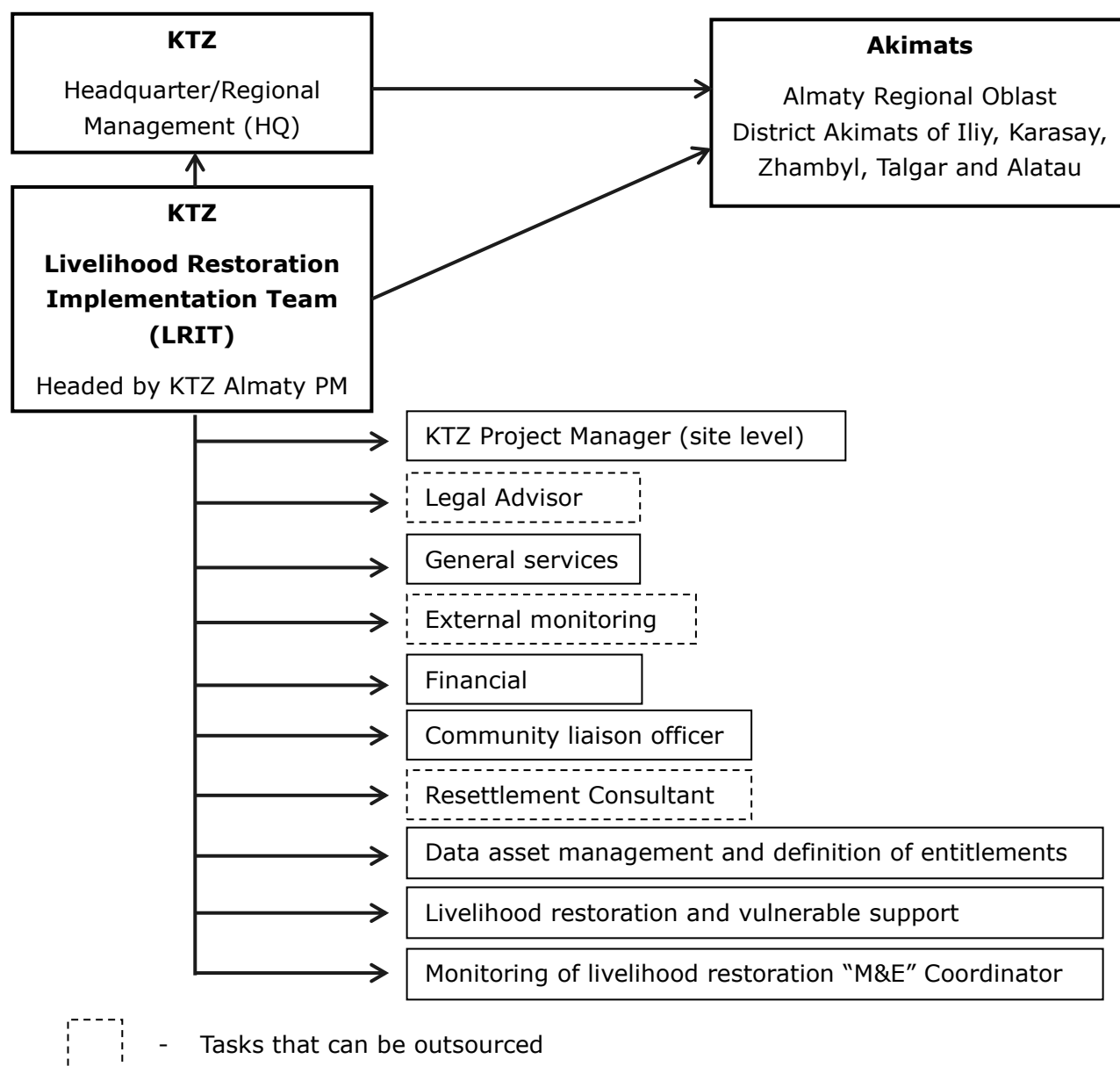


FIGURE 11-1 ORGANIZATIONAL FRAMEWORK

11.3 ROLES AND RESPONSIBILITIES

Oversight responsibilities are held by KTZ and the LRIT. KTZ manages the project, while the Livelihood Restoration Implementation Team (LRIT) handles operational activities.

11.3.1 KTZ HEADQUARTERS

KTZ will oversee the implementation of livelihood restoration activities. This team will include Senior Project Managers of KTZ and is tasked with overseeing the planning, implementation, monitoring, and funding of the livelihood restoration initiatives and represents all institutions and agencies involved in facilitating the Livelihood Restoration Plan (LRP) process. Additionally, the team will address policy-related decisions and resolve high-level issues requiring attention.

11.3.1.1 ROLES AND RESPONSIBILITIES

- Ensure alignment among all stakeholders, including KTZ, Government representatives including Almaty Akimat Oblast level and District Akimat level, Almaty Regional Land Committee and LRP beneficiaries.
- Oversee ethical and governance matters to ensure that the LRP process is transparent and free from corruption.
- Ensure that the LRP aligns with national, state, and local development plans.
- Provide advisory support to the KTZ LRIT, including resolving internal and external livelihood restoration issues and monitoring the budget.
- Review monitoring reports submitted by the KTZ LRIT, ensuring that any identified issues are addressed efficiently and effectively.
- Respond to implementation challenges identified in internal and external monitoring reports.
- Ensure effective information sharing with the LRWG regarding processes and decisions made.

11.3.2 LIVELIHOOD RESTORATION IMPLEMENTATION TEAM

The Livelihood Restoration Implementation Team (LRIT) will oversee the implementation of livelihood restoration activities and collaborate directly with the designated implementation agencies to put the LRP into action. This team will coordinate the activities of all stakeholders on the ground and oversee the planned livelihood restoration initiatives. The KTZ LRIT reports directly to the KTZ Headquarters. The team will oversee:

11.3.2.1 ROLES AND RESPONSIBILITIES

- Oversee the execution of livelihood restoration programs.
- Monitor all activities within the LRP, including the implementation of livelihood restoration initiatives and engagement with land-affected households and impacted communities.
- Foster trust among stakeholders.
- Address emerging issues as they arise, including reviewing trends and the nature of grievances.
- Review monitoring results.

11.3.3 COMMUNITY LIAISON OFFICER

The Community Liaison Officer (CLO) plays a vital role in managing communication and engagement between KTZ, the LRIT and the local communities. The responsibilities focus on ensuring transparent dialogue, addressing concerns, and minimising potential social impacts of during the implementation of the LRP. The CLO will also be responsible for handling grievances between all PAEs and the community and relay the information back to the KTZ Almaty PM or the KTZ Headquarters

11.3.3.1 ROLES AND RESPONSIBILITIES

- Serve as the primary point of contact between KTZ, the LRIT and the local communities.
- Facilitate regular meetings with community representatives to provide updates on project activities and address concerns.

- Communicate relevant project information, including timelines, potential impacts, and mitigation measures, to local communities in an accessible manner.
- Provide advance notice of construction activities that may affect communities, such as road closures, increased traffic, or noise.
- Manage the GRM by receiving, documenting, and addressing complaints or concerns from community members.
- Ensure grievances are resolved in a timely and transparent manner and maintain records of all cases for reporting purposes.
- Act as a mediator to resolve conflicts between the project team and local communities, ensuring fair and equitable outcomes.
- Escalate unresolved conflicts to the appropriate project personnel (KTZ Almaty PM level or escalating it to KTZ Headquarters in Astana).
- Prepare and submit regular reports on community engagement activities, grievances, and resolutions to the EPC Contractor's management and project owner.
- Maintain accurate records of interactions with communities and any actions taken.

11.4 GUIDANCE ON IMPLEMENTATION OF THE LRP

The following section highlights additional details and process elements to help guide KTZ in the implementation of the entitlements and recommendations that are listed in this LRP. The guidance on implementation is split into two methodologies:

- Entitlements and Recommendations for Retrospective Land Acquisition
- Entitlements and Recommendations for Ongoing/Yet to Commence Land Acquisition

A cut-off date is proposed to be established for both categories, along with adequate disclosure as per the Stakeholder Engagement Plan (SEP) and Grievance Redressal Mechanism (GRM).

As agreed between the Lenders, KTZ will commission a competent Livelihood Resettlement Consultant to develop a Livelihood Restoration Implementation Plan (LRIP) which will address the following:

- i) address the land survey and household level data gap;
- ii) identify household level entitlements to compensation, allowances, assistance, and livelihood restoration measures; and
- iii) design implementation arrangements for the livelihood supports to be provided to affected households with an implementation organisation and timeline, discussed between KTZ and the Lenders.

KTZ will also complete a Resettlement Action Plan consistent with the Resettlement Action Plan Framework prepared as an addendum to LRP within the scope of Supplementary ESIA to ensure procedures to be followed for the physical relocation of these affected people including consultation mechanisms and assistance to be provided to 13 - 15 households in Alatau city, as compliant with IFC PS5 requirements.

The supplemental mitigation measures which will be provided to people affected by land acquisition and physical resettlement will include providing merit-based access to employment opportunities in construction and operation phases of the project (as discussed in **Section 7.2.5**). KTZ will ensure the workforce hiring plans for construction and operation phases of the

project includes mechanisms for maximizing the employment of affected people where feasible based on workforce needs and skills required. The company will hire an external consultant to monitor and report on the implementation of LRIP and RAP. The external consultant will provide quarterly LRIP and RAP implementation report to the Lenders (as discussed in **Section 10.4.1**). At completion of the land acquisition and resettlement related plans and programs, the consultant will carry out a completion audit to verify the expected outcomes achieved as per the requirements of IFC PS5.

11.4.1 ENTITLEMENTS AND RECOMMENDATIONS FOR RETROSPECTIVE LAND ACQUISITION AND ALREADY DISPLACED PAES

The following section describe the process for the eligibility of Entitlements and Recommendations for Retrospective Land Acquisition for the PAEs already displaced.

1. The LRIT and CLO will oversee the entire process of land acquisition including the LR entitlements, eligibility for retrospective reimbursements and the recommendations.
2. KTZ will complete the Land Acquisition Compensation Status Report, verify all the Valuation Reports and develop an asset inventory checklist.
3. The LRIT and CLO will identify the non-titled land PAE users already displaced (renters, tenants, workers and graziers) to disclose LRP and GRM, and disclose their eligibilities.
 - a. This process also includes identifying the people belonging to vulnerable groups already displaced.
4. The LRP and LR options will be disclosed to the communities at District Level, as well as the GRM options to be able to access retrospective LRP entitlements.
5. The LRIT and CLO officer will reach out to the PAEs already compensated, or, the PAEs already compensated can reach out to KTZ (through one of the GRM options) for more information on the LRP, LR options and information on the retrospective claims.
6. The LRIT will explain the eligibility and entitlements of the LRP, through community consultations, FGDs or individual consultations, and will provide support to the vulnerable groups.
7. The LRIT will validate and assess the possibility of reimbursement of
 - a. transaction costs,
 - b. reimbursement of deducted depreciation amount on affected assets,
 - c. claims to compensation of fragmented unviable lands, or
 - d. access disruption.
8. When necessary, the LRIT and PAEs shall work with legal advisors to assess the costs that have been incurred and calculate the amount of reimbursement, in retrospect, for the compensation of assets (without deducting depreciation), and valuers to assess if the land was viable and fragmented and the access to land has been disrupted.
9. The LRIT will establish two Cut-Off dates to assess claims:
 - a. a cut-off date set as the date of, and
 - b. a horizon period for retrospective claims and enrolment at LR programmes at 6 months from the date of disclosure of the LRP.

Refer to **Figure 11-2** for a schematic flowchart for the Retrospective Land Acquisition: Entitlements Reimbursements and Recommendations process.

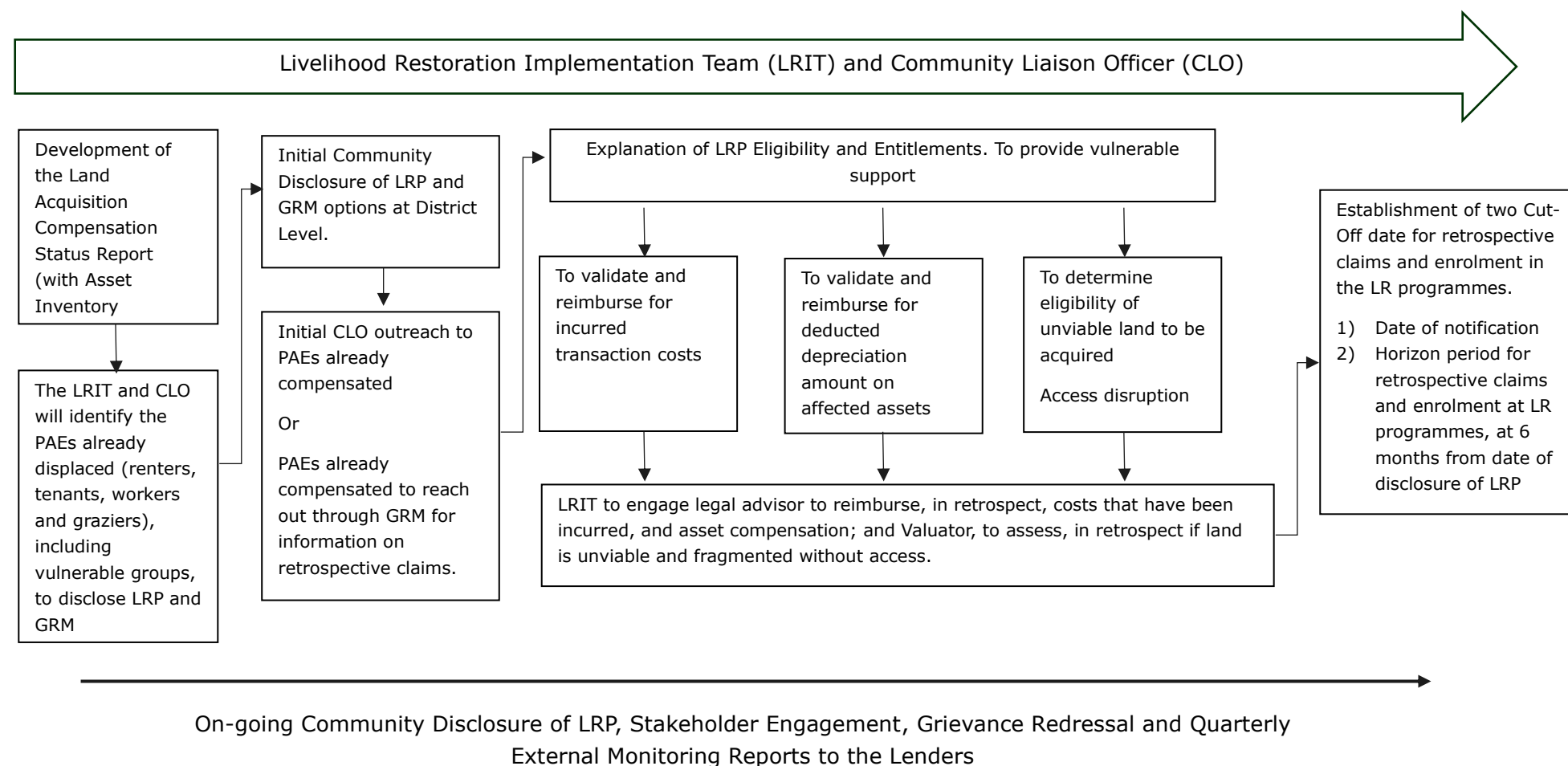


FIGURE 11-2 FLOWCHART FOR RETROSPECTIVE LAND ACQUISITION: ENTITLEMENTS REIMBURSEMENTS AND RECOMMENDATIONS

11.4.2 ENTITLEMENTS AND RECOMMENDATIONS FOR ONGOING/YET TO COMMENCE LAND ACQUISITION

The following section describe the process for the eligibility of Entitlements and Recommendations for Ongoing / Yet to Commence Land Acquisition.

1. The LRIT and CLO will oversee the entire process of land acquisition including the LR entitlements and eligibility for cash reimbursements, if any and recommendations. The CLO will also be responsible to make clear the PAEs legal rights for some of the following claims.
2. KTZ will complete the Land Acquisition Compensation Status Report, verify all the Valuation Reports and develop an asset inventory checklist. At this stage, for those yet compensated, the LRIT will determine those who are vulnerable and entitle to support.
3. The LRP and LR options will be disclosed to the communities at District Level, as well as the GRM options available to them.
4. The LRIT and CLO officer will reach out to the PAEs or the PAEs can reach out to KTZ (through one of the GRM options) for more information on the LRP, LR options and information on the retrospective claims. For those yet to be compensation, the CLO will understand which part of the process of acquisition they are in (pending acquisition; pending contract adjustment, land reconfiguration, or replacement land; pending owner's availability; pending re-evaluation; pending user availability; lien; court case, etc)
5. The LRIT will explain the eligibility and entitlements of the LRP, through community consultations, FGDs or individual consultations, including the PAE's legal rights, , and will provide support to the vulnerable groups.
6. In consultations with the LRIT, the PAEs will
 - a. Request for replacement land, if eligible. If no replacement land is provided, even though PAEs have request for this, and PAEs buy alternate land and incur transaction costs, the LRIT will ensure transaction costs are reimbursed.
 - b. If depreciation is deducted for assets on land (registered or unregistered), the landowner/user will ensure that the cost of depreciation of assets is included in the overall compensation package, ie. Depreciation cost shall not be deducted for full-replacement cost as per IFC PS5.
 - c. If the land acquisition will result in unviable fragmented land, the PAE has a legal right to claim that the unviable land be acquired and compensated, as per Article 86.1 of Land Code.
 - d. If land acquisition has resulted in fragmented viable land, the PAEs should request for alternate access routes.
7. When necessary, the LRIT and PAEs shall work with legal advisors and valuers to assess the viability of these claims and methods for compensation.
8. The LRIT will establish a Cut-Off date:
 - a. for the enrolment in the LR programmes,
 - b. For unregistered users who have claims to land to present them
 - c. For owners/users who have had unregistered assets on land to raise claims.
9. PAEs who face fragmented land (temporary) during the construction phase, are entitled to request that KTZ, in coordination with the Akimats, provide alternate access for the

duration of the temporary disruption. If this is not possible, the fragmented land should be acquired.

Refer to **Figure 11-3** for a schematic flowchart for the Retrospective Land Acquisition: Entitlements Reimbursements and Recommendations process.

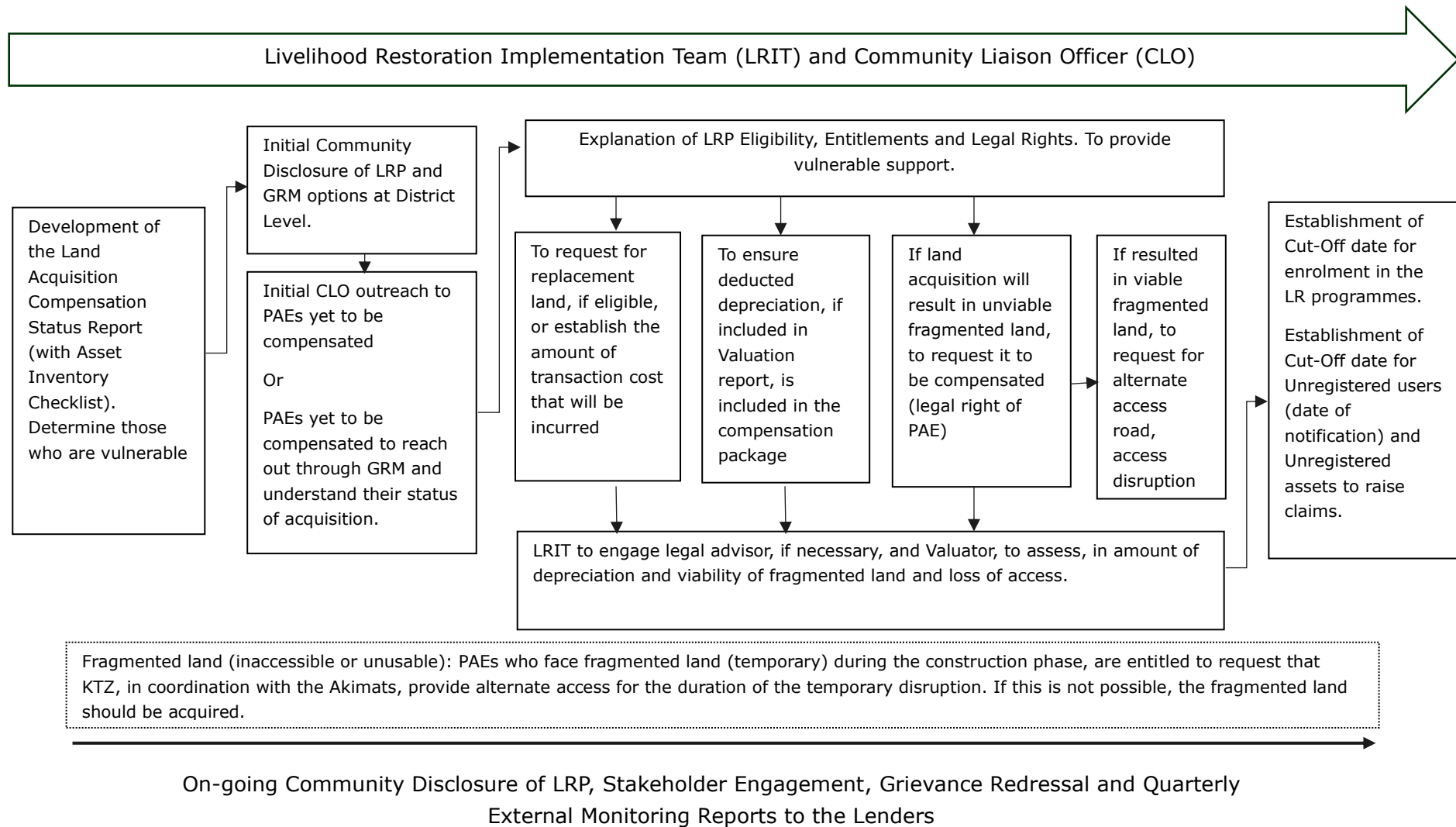


FIGURE 11-3 FLOWCHART FOR ONGOING / YET TO COMMENCE LAND ACQUISITION: ENTITLEMENTS REIMBURSEMENTS AND RECOMMENDATIONS

11.5 BUDGET OF LRP

The following section provides the indicative budget for the implementation of the LRP. It also includes costs for taking forward the Resettlement Framework (accounting for overlaps) in terms of planning and implementation.

Financial compensation for the private lands requiring acquisition shall be paid in accordance to the value stipulated by the latest valuation reports of each private land plot, as per regulations, and in instances of disputes arising in court due to the amount of valuation, the final compensation amount depends on the final verdict and decision by the court. The below table summarizes available information on these costs as provided by the Akimats.

TABLE 11-2 ESTIMATED FEES FOR LAND ACQUISITION BY AKIMATS

District	Total No. of Affected Land Plots	No. of Affected Land Plots with Compensation Values ¹⁰⁶	Compensation Value (Tenge)
Iliy	140	81	850,067,947.00
Karasay	13	5	26,380,516.00
Talgar	48	40	247,783,831.00
Zhambyl	34	6	100,767,593.00
Alatau City	49	34	126,668,760.00
Total	284	166	1,351,668,647 (USD 2,680,074)

In addition, incremental measures for livelihood restoration and improvement have been consolidated across an estimate of beneficiaries in order to derive the total LRP and RF budget in **Table 11-3**.

Key assumptions used to estimate costs in the table are summarized below, and clarified in the footnotes as well.

- Incomplete or evolving PAE data: Final beneficiary numbers for different impacted entities, especially leaseholders and communal land users, may change based on land acquisition progress and additional verification conducted in the implementation of the LRP and RF.
- The compensation values for the 10 new additional land plots in Alatau City were not available. Where possible, they are approximated using the average values of the other affected land parcels.

¹⁰⁶ Based on information received; including only leased land plots and land plots under private ownership. Voluntarily donated land plots, as well as the 10 new land plots which were identified in Alatau City are excluded.

- Estimations for input costs such as fodder, fertilisers and building materials were based on market estimates conducted in April 2025. In practice, market prices may fluctuate due to inflation, seasonality and supply chain issues among others.
- Cost assumptions for land transactions, moving costs, and agricultural input were informed data collected during semi-structured interviews and publicly available market data at the time of writing.
- Asset depreciation is applied uniformly at 40% for “Other” category assets, with reference to the valuation report in Zhambyl made available to ERM.
- Where vulnerable households are impacted, it is assumed that 10% of the affected households are vulnerable households.

TABLE 11-3 INDICATIVE BUDGET FOR LRP, AND RF BUDGET SUMMARY (ASSUMPTIONS IN FOOTNOTES BELOW)¹⁰⁷

Budget Component	Description	No. of Affected Entities	Type of Affected Entity	Cost Per Entity (tenge)	Total Cost (tenge)	Rationale
Cash reimbursements (reimbursement will be based on actual expenditure or costs incurred upon verification)						
Cash reimbursement to cover depreciation applied in the valuation of affected structures and assets (where applicable)	Depreciation applied in valuation process when cost method is used for atypical assets or structures with no market comparable. ¹⁰⁸	23	Private landowners and leaseholders	2,214,040	50,922,920 ¹⁰⁹	Using the information available in the valuation report from Zhambyl District, it is estimated that an average depreciation of 40% is applied to assets and/or structures in the “Other” land use category, when the affected land plot is valued.
Reimbursement of: land transaction cost incurred	Additional costs incurred when a new land plot is purchased in replacement of the affected land plot. ¹¹⁰	82	Private landowners	110,662	9,074,248	Transaction costs are estimated to be 1% of the land value, based on key informant interviews and data provided by semi-structured interview respondents. The estimates are based on the average price per land plot, and apply to land plots where over 20% of land area is impacted by land acquisition. ¹¹¹
Reimbursement of: moving cost incurred	Costs incurred when moving including packing, transport and other logistical arrangements as required ¹¹² .	72	Private landowners using the land for peasant farming	200,000	14,400,000	Assets which require moving may include basic tools, possibly a small shed or temporary shelter for equipment.
		15	Leaseholders using the land for peasant farming	500,000	7,500,000	Assets which require moving may include hand tools, irrigation hoses, light fencing and storage containers. It is assumed that leaseholder, on average, have a higher cost of moving than landowners, as it is more likely that the land is cultivated or used for livelihood purposes, increasing the likelihood that there are more assets that require moving.
		7	Commercial entities	2,000,000	14,000,000	Assets which may require moving include small machinery, feed storage, fencing, coops, among others.
Subtotal for cash reimbursements	95,897,204 tenge (190,144 USD ¹¹³)					
Transitional support (choice of in-kind assistance or cash-based support) ¹¹⁴						
Option A: In-kind assistance	Includes considerations for cattle feed, subsidised	33 (estimate: ~40%)	Landowners and leaseholders	750,000	24,750,000	Assumes:

¹⁰⁷While the details are in the Resettlement Framework (RF), the budget summary covering physical and economic resettlement impacts for the 15 physically displaced households are clubbed under RF budget summary and the economic resettlement component is not included in the Livelihood Restoration Plan budget

¹⁰⁸ Only land plots categorized as for “Other” use are considered here. Based on a review of the sample valuation reports for the Project, depreciation is applied when the cost method is used in the absence of a market comparable. The available information suggests that the affected land plots mostly have market comparables, with the exception of land plots designated for “Other” use. It is hence assumed that all land plots for “Other” use have depreciation applied to the assets and/or structures in the valuation process.

¹⁰⁹ Derived from the compensation value for private landowners with land designated for “Other” use, assuming that similar to the sample valuation report from Zhambyl, the value of the structures and improvements made to the land is 65% of the compensation value, and a depreciation of 40% is applied to affected assets or structures.

¹¹⁰ Assuming that all landowners whose land plots are significantly impacted, that is with >20% of the land plot being acquired, will acquire new land with the compensation received and incur transaction costs.

¹¹¹ The estimates are based on available information as of 4 April 2025. The amount valued for the 10 additional new land plots identified in Alatau City are excluded from the estimates and are accounted for using the average price per land plot based on available data.

¹¹² Only landowners whose land parcel are >20% impacted are considered here. The estimated costs are based on local moving rates, assuming that private landowners have the smallest number of assets (on average) which require moving, considering that not all lands are actively being used. Leaseholders using the land for peasant farming are assumed to incur a higher cost of moving as they are more likely to have some assets on the land used for farming or livestock rearing. Finally, commercial entities are assumed to incur the largest cost of moving, assuming that there are a larger number of assets (some of which may require special handling) and livestock in some scenarios that will require moving.

¹¹³ Based on the exchange rate of 1 USD = 504.34 KZT. National Bank of Kazakhstan (2025). Daily Official (market) Foreign Exchange Rates. Available at: <https://nationalbank.kz/en/exchangerates/ezhednevnye-oficialnye-rynochnye-kursy-valyut>, accessed 7 April 2025

¹¹⁴ 68 landowners and 15 leaseholders. Assumed 40% of the PAEs will take in-kind assistance (33 PAEs) and 60% of PAEs will take cash-based allowance (50 PAEs).

Budget Component	Description	No. of Affected Entities	Type of Affected Entity	Cost Per Entity (tenge)	Total Cost (tenge)	Rationale
Agricultural and livestock support ¹¹⁵ over a six-month period	veterinary care and material to improve barn quality					<ul style="list-style-type: none">• Cost of cattle feed estimated: 600,000 KZT¹¹⁶• Veterinary services: 50,000 KZT¹¹⁷• Barn repair materials: 100,000 KZT¹¹⁸
Option B: Cash-based support	Cash allowance based on lost income due to impacts of land acquisition, for a period of 3 months.	50 (estimate: ~60%)	Landowners and leaseholders	636,900 ¹¹⁹	31,845,000	Eligible PAEs (i.e. significantly impacted owners, leaseholders or tenants/rental users as well as physically displaced households) will be offered a one-time cash-based allowance for a 3-month period of 212,300 tenge/month. This is extendable by another 3 months (to a maximum of 6 months) if required, where after monitoring, it is found that specific PAEs require additional support.
	Additional 3-month allowance for specific PAEs which require additional support, estimated to be about 10% of the affected entities.	5		636,900	3,184,500	
Subtotal for transitional support	59,779,500 tenge (USD 118,530 ¹²⁰)					
Training and Capacity Building ¹²¹						
Financial Literacy for all affected households	A short-form financial literacy training course of 2-3 days, covering budgeting, debt management, and mobile banking.	329	154 landowners 42 leaseholders 8 commercial entities that are landowners 10 commercial entities – users only Tenants/Rental users TBC 100 workers 15 physically displaced	50,000	16,450,000	This reflects local training norms under government-supported programmes such as <i>Enbek</i> ¹²² and <i>Atameken</i> ¹²³ , and aligns with similar workshops conducted by non-governmental organizations.
<ul style="list-style-type: none">• Training Support for Land-Based Livelihoods• Technical and Vocational Training• Enterprise Development Training	Choice of <u>one out of three</u> livelihood-focused trainings.	225	73 landowners 19 leaseholders 8 commercial entities that are landowners 10 commercial entities – users only	160,000	36,000,000	Assuming 2,400,000,000.00 tenge was provided in 2017 in the “Enbek” programme, which benefited 15,000 people. An average cost of such a programme would be 160,000 tenge.

¹¹⁵ Note: While the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan offers comprehensive data on overall livestock production costs, for instance, livestock and pou+ltry production costs, encompassing various categories such as pig, horse, and poultry production, they do not specifically itemize veterinary care costs.

¹¹⁶ Assuming an average of 5 cattle per household, considering that not all households rear livestock. Assumes 120,000 KZT per cow for cattle feed over six months, based on feed intake and current hay and feed prices, available at: <https://en.orda.kz/elite-meat-varieties-to-rise-in-price-in-kazakhstan/#:~:text=,through%20the%20other%2C%20Zhubatyrov%20calculated>

¹¹⁷ Estimated on the basis that vaccines, deworming and basic medicines are mostly state-provided. Available at: <https://pmc.ncbi.nlm.nih.gov/articles/PMC4972401/#:~:text=cost%20of%20%240,4%20million%20was%20spend> and <https://eurasianet.org/kazakhstan-from-drought-to-disease-farmers-alone-with-their-problems#:~:text=Khairatbek%20told%20Eurasianet%20that%20she,Erkenshilik%2C%20for%20her%20remaining%20animals>

¹¹⁸ Estimated based on the assumption that KTZ is able to directly provide or subsidize certain construction materials.

¹¹⁹ The cost per entity here refers to the cash-based three-month allowance.

¹²⁰ Based on the exchange rate of 1 USD = 504.34 KZT. National Bank of Kazakhstan (2025). Daily Official (market) Foreign Exchange Rates. Available at: <https://nationalbank.kz/en/exchangerates/ezhednevnye-oficialnye-rynochnye-kursy-valyut>, accessed 7 April 2025

¹²¹ According to the National Chamber of Entrepreneurs, programs such as “Enbek” are focused on creating productive employment and encouraging entrepreneurship, including microfinancing for start-up projects, expanding training, and relocation from labor-surplus to labor-deficient regions, with various subsidised provided.

¹²² Skills Enbek (n.d.) Find the skills of your future. Available at: <https://skills.enbek.kz/ru>, accessed 6 April 2025.

¹²³ Atameken (n.d.) Kazakhstan launches Atameken support centers to raise employment. Available at: <https://atameken.kz/en/projects/32615-v-nur-sultane-zapustili-pervyj-atameken-oldau-ortalyy>, accessed 6 April 2025.

Budget Component	Description	No. of Affected Entities	Type of Affected Entity	Cost Per Entity (tenge)	Total Cost (tenge)	Rationale
	For vulnerable households ¹²⁴ , a choice of <u>two out of three</u> livelihood-focused trainings will be provided.	23	Tenants/Rental users TBC only (>20-100%) 100 workers 15 physically displaced		3,680,000	
Subtotal for Training and Capacity Building	56,130,000 tenge (USD 111,294 ¹²⁵)					
Resettlement Framework Budget						
Resettlement budget: support for assisted self-relocation (and includes economic displacement related entitlements for the 15 physically displaced households)	Includes: <ul style="list-style-type: none">Reimbursement of transaction costs incurredMoving allowanceStandard transition allowance for economic displacement incurredTransition allowance for vulnerable groups for economic displacement impacts incurred	15	15 Households affected by physical displacement	1,250,000	18,750,000	Refer to the Resettlement Framework for a breakdown on how the estimate was obtained.
Independent monitoring and compliance (including for LRP)	An external monitor is required to track compensation adequacy, verify the disbursal of the entitlements and conduct a Resettlement Completion Audit to assess whether displaced persons have successfully transitioned.	NA	External, third party monitoring contract	30,000,000 to 65,000,000	30,000,000 to 65,000,000	Taken to be 65,000,000 tenge as a conservative estimate.
Valuation and compensation verification (including for LRP)	Independent valuation experts need to be engaged to verify that compensation meets full replacement cost	NA	Independent valuation contract	23,000,000 to 45,000,000	23,000,000 to 45,000,000	Taken to be 45,000,000 tenge as a conservative estimate.
Subtotal for Resettlement Framework Budget	128,750,000 tenge (USD 255,284 ¹²⁶)					
Land-based livelihood support (contingent on specific conditions ¹²⁷)						
Crop production	Includes technical training, fertilisers or other basic inputs like seeds and land	34	Landowners and leaseholders (crop farming)	740,000	25,160,000	The estimated unit cost reflects the typical cost of providing targeted support for agricultural recovery. This includes training on improved crop production techniques (based on operational costs from programs like <i>Enbek</i> ¹²⁸

¹²⁴ Assuming that 10% of the affected households are vulnerable households, based on semi-structured interview data. 23 vulnerable households are assumed here (rounded up).

¹²⁵ Based on the exchange rate of 1 USD = 504.34 KZT. National Bank of Kazakhstan (2025). Daily Official (market) Foreign Exchange Rates. Available at: <https://nationalbank.kz/en/exchangerates/ezhednevnnye-oficialnye-rynochnnye-kursy-valyut>, accessed 7 April 2025

¹²⁶ Based on the exchange rate of 1 USD = 504.34 KZT. National Bank of Kazakhstan (2025). Daily Official (market) Foreign Exchange Rates. Available at: <https://nationalbank.kz/en/exchangerates/ezhednevnnye-oficialnye-rynochnnye-kursy-valyut>, accessed 7 April 2025

¹²⁷ The following conditions are to be met: There are persistent and widespread concerns about livelihood restoration in certain sections or for categories of impacted entities; there are confirmed impacts (through the grievance process) on interrupted access to grazing land; replacement land has been requested through the akimats, but has not been granted.

¹²⁸ Egov (2024) Implementation of the “Enbek” State Productive Employment and Mass Entrepreneurship Development Program for 2017 – 2021, available at: https://egov.kz/cms/en/articles/zanyatost_2020, accessed 6 April 2025.

Budget Component	Description	No. of Affected Entities	Type of Affected Entity	Cost Per Entity (tenge)	Total Cost (tenge)	Rationale
	preparation for one (1) growing season.					and <i>Bastau Business</i> ¹²⁹), input support (fertilizer and seeds), and land preparation.
Cluster-based livestock support	Support for temporary or permanent loss of grazing areas for local communities	7 settlements ¹³⁰	Support provided at settlement level (likely representing 15-30 rural administrative settlements)	13,800,000	96,600,000	This program provides one year of fodder support to grazing-dependent communities who may lose access to shared pastureland. Each cluster is assumed to have approximately 1,000 livestock with an average daily fodder requirement of 1,000 kg. Based on market prices (~500tenge/kg), each cluster requires approximately 13,800,000 tenge for 12 months.
Sub-total for land-based livelihood support	121,760,000 tenge (USD 241,424 ¹³¹)					
In-kind support: Merit-based access to employment and procurement						
Merit-Based Access to Employment and Procurement	<p>To be determined based on the needs by KTZ and Contractors.</p> <p>Inclusion and training of PAEs for other sources of income generation to be undertaken by KTZ and their construction and operations phase lead contractors. This may require some specific thematic upskilling and/or specialized training in the case of employment opportunities, especially for the operations stage for activities along the railway alignment. To be assessed by KTZ and contractors, on a case-by-case basis.</p>					
Institutional and administrative fees						
Liaison Officer	To provide administrative and process support for the implementation of the LRP and RF for a period of 24 months.	1	Monthly salary of 600,000 tenge	14,400,000	14,400,000	The liaison officer will lead coordination, reporting, and engagement with stakeholders while support staff will assist with local implementation, documentation and monitoring across districts. Salaries are benchmarked slightly above national averages to ensure retention of qualified personnel.
Support Staff		5	Monthly salary of 350,000 tenge per person	8,400,000	42,000,000	
Process support for assisted self-relocation	Additional budget for process support considering the monitoring efforts required, especially for affected vulnerable groups.	1	Households affected by physical displacement	NA	1,875,000	Estimated to be 10% of the assisted self-relocation budget
Subtotal for institutional and administrative fees	58,275,000 (USD 115,547 ¹³²)					
Total	520,591,704 tenge (USD 1,032,224 ¹³³)					
5% Contingency	26,029,585 (USD 51,611 ¹³⁴)					
Grand Total	546,621,289 tenge (USD 1,083,835 ¹³⁵)					

¹²⁹ Atamekeh (2016) About the Project, available at: <https://atameken.kz/en/pages/832-o-proekte>, accessed 6 April 2025.

¹³⁰ Based on a review of satellite imagery, there are seven population clusters across approximately 15 to 30 administrative settlements along the entire project alignment.

¹³¹ Based on the exchange rate of 1 USD = 504.34 KZT. National Bank of Kazakhstan (2025). Daily Official (market) Foreign Exchange Rates. Available at: <https://nationalbank.kz/en/exchangerates/ezhednevnye-oficialnye-rynochnye-kursy-valyut>, accessed 7 April 2025

¹³²Based on the exchange rate of 1 USD = 504.34 KZT. National Bank of Kazakhstan (2025). Daily Official (market) Foreign Exchange Rates. Available at: <https://nationalbank.kz/en/exchangerates/ezhednevnye-oficialnye-rynochnye-kursy-valyut>, accessed 7 April 2025

¹³³ Based on the exchange rate of 1 USD = 504.34 KZT. National Bank of Kazakhstan (2025). Daily Official (market) Foreign Exchange Rates. Available at: <https://nationalbank.kz/en/exchangerates/ezhednevnye-oficialnye-rynochnye-kursy-valyut>, accessed 7 April 2025

¹³⁴ Based on the exchange rate of 1 USD = 504.34 KZT. National Bank of Kazakhstan (2025). Daily Official (market) Foreign Exchange Rates. Available at: <https://nationalbank.kz/en/exchangerates/ezhednevnye-oficialnye-rynochnye-kursy-valyut>, accessed 7 April 2025

¹³⁵ Based on the exchange rate of 1 USD = 504.34 KZT. National Bank of Kazakhstan (2025). Daily Official (market) Foreign Exchange Rates. Available at: <https://nationalbank.kz/en/exchangerates/ezhednevnye-oficialnye-rynochnye-kursy-valyut>, accessed 7 April 2025

TABLE 11-4: SUMMARY OF BUDGET

Budget Component	Cost (Tenge)	Proportion of Budget (%)
Cash reimbursements (reimbursement will be based on actual expenditure or costs incurred upon verification)	95,897,204	18.42
Transitional support (choice of in-kind assistance or cash-based support)	59,779,500	11.48
Training and capacity building	56,130,000	10.78
Resettlement Framework Budget	128,750,000	24.73
Land-based livelihood support (contingent on specific conditions)	121,760,000	23.39
Institutional and administrative fees	58,275,000	11.19
Total	520,591,704 tenge (USD 1,032,22)	
5% Contingency	26,029,585 (USD 51,611)	
Grand Total	546,621,289 (USD 1,083,835)	

11.6 IMPLEMENTATION SCHEDULE

This section of the report details the implementation process and timeline necessary to complete the various activities outlined in the proposed LRP. The project is currently in the construction phase, and the implementation of the LRP will be coordinated with ongoing activities to ensure that income levels reach or exceed pre-project standards, while also addressing livelihood restoration programs such as transitional support, financial literacy, land and non-land-based livelihood support programs for all PAEs, including owners, leasers, renters, users, and non-title land users.

The LRP must be approved and subsequently disclosed to the families and communities affected by the project. It should also be made accessible at the project site. Following approval, all arrangements for fund disbursement must be established, which includes initiating livelihood restoration measures and other related activities.

The disbursement of funds and implementation of various activities will commence according to the project schedule. The LRP will be executed in close collaboration with community members and other stakeholders as outlined in the previous section. An indicative timeline for the implementation of the LRP is presented in **Table 11-3** below. The table needs to be updated based on mutually agreed milestones and timelines between the Lenders and KTZ.

TABLE 11-5 PROPOSED TIMELINE FOR LRP IMPLEMENTATION

No	Activity	Stakeholder Implementer	Completion Period	Proposed Completion Date
Task 1: Defining and Formalizing the Compensation Entitlements				
1	Approval of Final LRP	Lenders, KTZ	Within 1 month	March 2025
2	Establishment of the GRM (from SEP-GRM)	KTZ	Within 1 month of approval of final documents	March 2025
3	Disclosure of Supplementary ESIA (Non-Technical Summary) <ul style="list-style-type: none"> Online Disclosure (30 days) Public Disclosure (60 days) at District level 	Lenders, KTZ, CLO, Regulatory Authorities, Local Communities	Within 30-60 days of approval of final documents	March-April 2025
4	Disclosure of SEP-GRM to stakeholders: <ul style="list-style-type: none"> Corporate Labour / Workers / Contractors/ Subcontractors Community 	KTZ, CLO, Regulatory Authorities, Akimats	Within 30-60 days of approval of final documents	March-April 2025
5	Establishment of the LRIT	KTZ	Within 1 month after disclosure of Supplementary ESIA	April-May 2025

No	Activity	Stakeholder Implementer	Completion Period	Proposed Completion Date
6	Hiring/Appointment of KTZ Project Manager in charge of the LRIT and Community Liaison Officer, and External Monitoring agency	KTZ	With the establishment of the LRIT	April-May 2025
7	Preparation of Land Acquisition Compensation Status Report.	KTZ, LRIT, District Akimats	Commence after establishment of the LRIT. Continuous Process, to be carried out all through the activity period and updated quarterly.	
8	Finalization of PAEs for LRP Implementation	KTZ, LRIT, District Akimats	Within 2 months of establishment of the LRIT	April-June 2025
9	Financial support during transition period (agriculture landless/vulnerable household)	KTZ, LRIT, CLO	Within 1 month after Completion of Activity No. 8	April-June 2025
10	Additional financial support to vulnerable.	KTZ, LRIT, Liaison Officer	Within 1 month after Completion of Activity No. 8	April-June 2025
11	Training need Assessment	KTZ, LRIT, Liaison Officer	Within 1 month after Completion of Activity No. 8	April-June 2025
12	Identification & discussion with training agencies & other resource persons	KTZ, LRIT, Liaison Officer	Within 1 month after Completion of Activity No. 8	April-June 2025
Task 2: Delivery of Entitlements				
13	Allocating & facilitating required funds	KTZ	Within 1 month after Completion of Activity No. 12	May-July 2025
14	Communicating training schedules with the interested PAEs/ local community	LRIT	Within 1 month after Completion of Activity No. 12	May-July 2025
15	Disbursement of Retrospective Claims for PAEs Already Compensated	KTZ, LRIT, Liaison Officer	Within 1 month after Completion of Activity No. 13 and on-going for a Horizon Period of 6 months	June-December 2025
Program 1 – Transitional Support (In-kind or Cash-based) (2 years)				
16	Transitional Support to Significantly Impacted Private land plots / Leased land plots	KTZ, LRIT, Liaison Officer	Within 2 months after Completion of Activity No. 13	June 2025 – June 2027

No	Activity	Stakeholder Implementer	Completion Period	Proposed Completion Date
	(includes fully acquired) and physically displaced, and tenants/rental users TBC			
17	Transitional Support to other users on land that is leased or purchased by contractors TBC	KTZ, LRIT, Liaison Officer	Within 2 months after Completion of Activity No. 13	June 2025 – June 2027
18	Process Support to Vulnerable Households	KTZ, LRIT, Liaison Officer	Within 2 months after Completion of Activity No. 13	June 2025 – June 2027

Task 3: Implementation of Livelihood Restoration Activities (2-year estimation)

Program 2 – Land-based Livelihood Support

19	Land-based Livelihood Support: Crop Production	KTZ, LRIT, Liaison Officer	Within 2 months after Completion of Activity No. 13	June 2025 – June 2027
20	Land-based Livelihood Support: Livestock Rearing	KTZ, LRIT, Liaison Officer	Within 2 months after Completion of Activity No. 13	June 2025 – June 2027

Program 3 – Financial literacy

21	Financial Literacy Training	KTZ, LRIT, Liaison Officer	Within 2 months after Completion of Activity No. 13	June 2025 – June 2027
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Program 4 – One out of three Livelihood-Focused Trainings

22	Training support for land-based livelihoods	KTZ, LRIT, Liaison Officer	Within 2 months after Completion of Activity No. 13	June 2025 – June 2027
23	Technical and Vocational Training	KTZ, LRIT, Liaison Officer	Within 2 months after Completion of Activity No. 13	June 2025 – June 2027
24	Enterprise Development Training	KTZ, LRIT, Liaison Officer	Within 2 months after Completion of Activity No. 13	June 2025 – June 2027

Program 5 – Merit-based access to employment and procurement opportunities

25	Enterprise Development Training	KTZ, Contractors LRIT, Liaison Officer	Within 2 months after Completion of Activity No. 13	June 2025 – June 2027
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Administrative tasks

26	Identification of Screening of Potential Partners	KTZ, LRIT	Within 2 months after Completion of Activity No. 13	June 2025 – June 2027
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Task 4: Monitoring and Implementation of the Livelihood Restoration Plan

Monitoring and Evaluation

27	Program Implementation Monitoring-Quarterly	KTZ, LRIT, Liaison Officer	Continuous Process, to be carried out all through the activity period.	
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No	Activity	Stakeholder Implementer	Completion Period	Proposed Completion Date
28	Program Implementation Monitoring-Semi Annually	External Monitoring Agency	Continuous Process, to be carried out all through the activity period.	
29	Evaluation of each Training Program	KTZ, LRIT, Liaison Officer	Continuous Process, to be carried out after completion of each activity and efficacy of the various Programs imparted has to be evaluated by continuous engagement with the PAEs and reported to the KTZ management at quarterly intervals for any intervention or enhancement required.	
30	Follow up of activities	KTZ, LRIT, Liaison Officer	Continuous Process, to be carried out after completion of each activity.	
31	Mid Term Evaluation	External Monitoring Agency	June 2026 (15 months from the start).	
32	Completion Audit	External Monitoring Agency	March 2028	
33	Preparation of Completion Report	KTZ	March 2028	

APPENDIX A DISCREPANCIES IN LAND DATA FROM IFC GAP ANALYSIS REPORT AND SSI RESPONSES

The discrepancies highlight the need to develop a Land Acquisition Compensation Status Report (refer to **Section 10.5** for the description and **Section 11.6** for the timeline) to clarify and update any discrepancies of data between what is documented in the IFC Gap Analysis (data from the Akimats) and what is understood by the respondents, and a need to conduct surveys for all affected PAEs. The discrepancies need to be clarified, especially when the IFC Gap Analysis and the respondents' responses differ in responses of their parcel being "Entirely acquired", as compensation and entitlements for these PAEs differ. The discrepancies could also simply highlight a misunderstanding during the SSIs process; however, a full list of data verification needs to be conducted by KTZ during the implementation process of the LRP.

TABLE DISCREPANCIES IN LAND DATA FROM IFC GAP ANALYSIS REPORT AND SSI RESPONSES

Respondent	Total Area (ha) (IFC)	Affected Area (ha) (IFC)	Total Area (ha) (SSIs)	Affected Area (ha) (SSIs)	Remark
Respondent 1	0.19	0.19	4	0.19	The total area and affected area differ from the IFC Gap Analysis Report and the respondent's answer.
Respondent 2	0.009	0.005	0.09	0.09	The affected area differs slightly in the IFC Gap Analysis report.
Respondent 3	100	10.17	100	10.7	There is a slight difference in the affected area from what is shown in the Gap Analysis Report (10.17 ha) compared to what the respondent declared (10.7 ha).
Respondent 4	1.7	0.17	0.0285	0.0285	The total area and affected area differ from the IFC Gap Analysis Report and the respondent's answer.
Respondent 5	577.06	2.76	634	3.27	The total area and affected area differ from the IFC Gap Analysis Report and the respondent's answer.
Respondent 6	15.44	15.44	230	15.4	The total area differs from the IFC Gap Analysis Report and the respondent's answer.
Respondent 7	0.0579	0.025	0.579	0.579	The total area and affected area differ from the IFC Gap Analysis Report and the respondent's answer.
Respondent 8	3	2.02	3	2.3	The affected area differs marginally from the IFC Gap

Respondent	Total Area (ha) (IFC)	Affected Area (ha) (IFC)	Total Area (ha) (SSIs)	Affected Area (ha) (SSIs)	Remark
					Analysis Report and the respondent's answer.
Respondent 9	8.7	1.46	No info	No info	No info was provided by the respondent in the SSIs.
Respondent 10	14	3.56	64	9.05	The total area and affected area differ from the IFC Gap Analysis Report and the respondent's answer.
Respondent 11	11	2.81	Same as No. 9	Same as No. 9	
Respondent 12	53.23	53.14	Same as No. 10	Same as No. 10	
Respondent 13	0.08	0.0027	0.08	0.08	The total area and affected area differ from the IFC Gap Analysis Report and the respondents answer.
Respondent 14	1.501	0.215	1.51	0.0215	The affected area differs marginally from the IFC Gap Analysis Report and the respondents answer.

APPENDIX B THE APPRAISER'S HANDBOOK BY THE CHAMBER OF APPRAISER

ADJUSTMENT FOR BARGAINING

Bargaining adjustment results from the essential process of negotiation aimed at securing better terms or a reduced price when purchasing a product or service. The magnitude of this adjustment should align with the average market disparity between the initial price (offered price) and the final transaction price, with a focus on utilizing information regarding discounts provided directly by the owner or seller.

Valuators use bargaining adjustments as it considers the differences between transaction prices and offer prices when applying the comparative approach. Below are the various adjustment ranges in Almaty Region, and the Average in Kazakhstan as a comparison. The table below highlights the adjustment ranges for **peasant farm/ agriculture production in vacant land**.

ADJUSTMENT RANGES FOR THE SALE OF VACANT LAND

State, region	Office and administrative land plots	Individual housing construction (private household plots)	Production and warehouse	Peasant Farm / Agricultural Production	Other Commercial
Almaty region	3 – 18	3 – 17	9 – 21	8 – 18	4 – 21
Average in Kazakhstan	6 – 21	5 – 20	11 – 25	9 – 21	7 – 24

It is common practice to apply a bargaining adjustment for real estate transactions in Kazakhstan. For example, in Adjustment Ranges for the sale of Vacant Land, the range of bargaining for peasant farm / agricultural production in vacant land is 8 – 18% in Almaty Region, whereas the average is 9 – 21% in Kazakhstan. In comparison, other commercial use in vacant land has an adjustment range much wider between 4 – 21%, and the average in Kazakhstan is 7 – 24%. For a comparison between the other regions in Kazakhstan, refer to the Handbook for more details. The Handbook suggests that, following an analysis of market supply and demand, along with consideration of the condition (liquidity) of comparable properties and the subject property being appraised, the adjustment value varies within the specified range.

LOCATION ADJUSTMENT

Location adjustment – considers the location of the property, as well as the influence of various environmental factors, in particular:

1. **Area Prestige:** The reputation of the neighborhood, marked by notable landmarks and attractions.
2. **Proximity to Business Centers:** Distance from key administrative and commercial areas, affecting the property's economic location.

3. **Accessibility:** Ease of access via transport routes, parking, and public transportation stops.
4. **Surrounding Environment Quality:** The nature of nearby developments, recreational areas, and distance from pollution sources.

TERRITORIAL COEFFICIENTS FOR THE LOCATION OF VACANT LAND PLOTS

State, region	In the city	In large settlements (population of about 3 thousand people)	In large settlements (population 1-3 thousand people)	In medium-sized rural settlements (population 0.2 - 1 thousand people)	In small settlements (aul, village, peasant and other settlements) (population less than 0.2)
Almaty region	1	0,86	0,84	0,78	0,75
Average in Kazakhstan	1	0,91	0,87	0,82	0,78

An example of how to determine the location adjustment for an assessment of a vacant land plot is extrapolated from the Handbook. The example: *"To determine the location adjustment for the assessment of a vacant land plot located in the village of Ali, Ili district, Almaty Region"*

1. As an analogue, there is information on the price of a comparable land plot located in the village of Otegen Batyr, Iliy District, Almaty Region. The analysis of the statistics of the Almaty Region showed that the village of Otegen Batyr is a district center with a population of over 20 thousand people, and the population of the village of Ali, located 20 km from the analogue, is about 2 thousand people.
2. $Km = Ko / Ka = 0.84 / 0.86 = 0.98$ (or minus 2%)
where Km is the adjustment factor for the location, Ka and Ko are the adjustment factors that consider the location of the analogue and the object of valuation, respectively.
3. Since data from websites for the sale of real estate, in particular, vacant land plots, the dependence of the unit price of land on the distance from major highways is analyzed. Furthermore, when comparing property from the same market segment which are located next to a highway (an example), the following must be considered:
4. If the valuation subject for a peasant farm is situated far from major traffic routes, whereas the comparable property from the same market segment is located close to the highway. According to the data in Ratio of unit prices of land plots located at a distance in comparison with similar plots located in the vicinity of major highways, the adjustment factor will be 0.75, representing the average of the range [0.80 – 0.70], indicating a reduction of 25%.

RATIO OF UNIT PRICES OF LAND PLOTS LOCATED AT A DISTANCE IN COMPARISON WITH SIMILAR PLOTS LOCATED IN THE VICINITY OF MAJOR HIGHWAYS

Nº	Intended purpose (permitted use)	Price Ratio Range
1	Office and administrative land plots	0,92 – 0,88
2	Individual housing construction (private household plots)	0,90 – 0,85
3	Production and warehouse	0,85 – 0,75

Nº	Intended purpose (permitted use)	Price Ratio Range
4	Peasant Farm / Agricultural Production	0,80 – 0,70
5	Other Commercial	0,88 – 0,74

The following adjustments towards locations highlights how similar vacant land plots located settlements of different sizes have different coefficient values, and in addition if their location is close to access routes (including highways), this added variable could affect the final location adjustment value.

ADJUSTMENT FOR THE NUMBER OF STOREYS (LOCATION OF THE OBJECT ON THE FLOOR)

The adjustment for the number of storeys considers how the floor location of a property affects its value. Prices for residential real estate are influenced by the number of storeys due to buyer preferences.

ADJUSTMENT FOR THE CONDITION OF INTERIOR DECORATION

The adjustment for the condition of the interior decoration considers the quality of finishing materials and the necessity for major or cosmetic repairs.

ADJUSTMENT FOR THE OWNERSHIP OF A LAND PLOT

The adjustment for landownership considers how partial ownership rights affect value compared to full ownership. It is applied to reflect differences in value among land plots with varying ownership rights. For example, to determine the adjustment for a land plot designated for building an individual residential home, property rights are considered: the subject property is privately owned, while the comparable property is leased. The average price ratio for these segments is $0.92 (0.95+0.89)/2$, leading to an adjustment of plus 8%, indicating an increase, as the subject property is considered "better" relative to the comparable

AVERAGE RATIOS BETWEEN THE OFFER PRICES OF LAND PLOTS WITH FULL OWNERSHIP RIGHTS AND LONG-TERM LEASE RIGHTS TO A LAND PLOT

State, region	Purpose				
	Office and administrative land plots	Individual housing construction (private household plots)	Production and warehouse	Peasant farm / agricultural production	Other Commercial
In the city	0,98 – 0,90	0,95 – 0,85	0,92 – 0,85	0,90 – 0,82	0,92 – 0,87
In large villages (population of about 3 thousand people)	0,98 – 0,92	0,95 – 0,89	0,97 – 0,82	0,90 – 0,83	0,93 – 0,83
In large settlements (population 1-3	0,97 – 0,89	0,92 – 0,88	0,95 – 0,88	0,91 – 0,84	0,92 – 0,81

State, region	Purpose				
thousand people)					
In medium-sized rural settlements (population 0.2 - 1 thousand people)	0,95 – 0,89	0,93 – 0,90	0,90 – 0,88	0,90 – 0,83	0,92 – 0,80
In small settlements (village, peasant and other settlements) (population less than 0.2)	0,95 – 0,90	0,93 – 0,89	0,90 – 0,82	0,90 – 0,81	0,95 – 0,81

ADJUSTMENT FOR THE TYPE OF DESIGNATED PURPOSE (PERMITTED USE) OF THE LAND

The adjustment for designated purpose (Permitted Use) considers how the value of a vacant land plot is influenced by its legally defined purpose or use at the time of valuation. This adjustment should be applied when there are differences in the intended use between the comparable land plots (analogues) and the property being appraised.

This adjustment needs to be considered if the property being appraised and the comparable land plots are both not privately owned or under leased agreement.

AVERAGE RATIOS BETWEEN THE VALUE OF LAND PLOTS ON FULL OWNERSHIP OF VARIOUS PURPOSES

State, region	Office and administrative land plots	Individual housing construction (private household plots)	Production and warehouse	Peasant farm / agricultural production	Other Commercial
In the city					
Almaty region	1	0,84	0,95	0,63	0,85
Average in Kazakhstan	1	0,81	0,93	0,61	0,85
In large settlements (population over 3 thousand people) and large settlements (population 1-3 thousand people)					
Almaty region	1	0,75	0,84	0,62	0,83

State, region	Office and administrative land plots	Individual housing construction (private household plots)	Production and warehouse	Peasant farm / agricultural production	Other Commercial
Average in Kazakhstan	1	0,70	0,83	0,60	0,85
In medium-sized settlements (population 0.2 – 1 thousand people) and in small settlements (population less than 0.2 thousand people)					
Almaty region	1	0,81	0,94	0,60	0,88
Average in Kazakhstan	1	0,82	0,93	0,58	0,85

ADJUSTMENT FOR AREA (SCALE)

The adjustment for total area considers the variation in unit pricing for real estate with differing square footage. The Handbooks recommends to employ the data from the Directory in adjustment calculations using Yaskevich E.E.'s¹³⁶ method, which relies on the power relationship between the price and area of the property. Furthermore, the average indicators of power coefficients for the regions of Kazakhstan are calculated based on sales ads on the **Krysha.kz**¹³⁷ website by establishing the relationship between the area and the cost of the relevant objects. Both methodologies were referred by Valuators on site.

AVERAGE INDICATORS OF THE BRAKING COEFFICIENT REFLECTING THE DEPENDENCE OF THE COST OF A LAND PLOT ON ITS AREA BY TYPE OF PURPOSE

State, region	Office and administrative land plots	Individual housing construction (private household plots)	Production and warehouse	Peasant farm / agricultural production	Other Commercial
Almaty region	-0,04	-0,05	-0,07	-0,04	-0,07
Average in Kazakhstan	-0,07	-0,10	-0,14	-0,08	-0,10

AVERAGE INDICATORS OF THE BRAKING COEFFICIENT, WHICH REFLECTS THE DEPENDENCE OF THE VALUE OF REAL ESTATE ON ITS AREA

State, region	Apartments and individual residential houses (cottages) that are not classified as high-comfort housing, including the social housing fund		Superior apartments	Individual residential houses (cottages) of increased comfort	Garden and summer houses	State, region
	in the city	in rural areas				
Almaty region	-0,03		-0,06	-0,06	-0,06	-0,06

¹³⁶ During KII consultations with a Valuator from Talgar, this methodology was referred to.

¹³⁷ During KII consultations with a Valuator from Talgar, this website was referred to.

State, region	Apartments and individual residential houses (cottages) that are not classified as high-comfort housing, including the social housing fund	Superior apartments	Individual residential houses (cottages) of increased comfort	Garden and summer houses	State, region
Average in Kazakhstan	-0,09	-0,12	-0,12	-0,12	-0,11

State, region	Retail Real Estate	Office and administrative real estate	Industrial and warehouse real estate	Agricultural complexes (elevators, livestock bases, greenhouses, etc.)
Almaty region	-0,05	-0,06	-0,06	-0,05
Average in Kazakhstan	-0,10	-0,12	-0,12	-0,10

ADJUSTMENT FOR THE PRESENCE OF UTILITIES

The adjustment for the presence of utilities considers the variation in unit pricing for real estate based on the availability of different engineering systems. The presence of these utility networks is essential for the efficient functioning and use of any property, thereby enhancing its value. These include:

1. **Electricity Supply:** Provides electrical energy for lighting, operation of appliances, heating and cooling systems, and other electronic devices.
2. **Water Supply:** Delivers fresh water to buildings for drinking, hygiene, kitchen use, and other purposes.
3. **Sewerage:** Manages the diversion of used water and wastewater from the building to the sewage network or treatment systems.
4. **Heating:** Maintains a comfortable indoor temperature through various methods, including central heating, radiators, and underfloor heating.
5. **Gas Supply:** Supplies natural gas for energy use in stoves, heating, and other gas appliances.

ADJUSTMENT FACTORS TAKING INTO ACCOUNT THE AVAILABILITY OF UTILITIES

	Without power supply	With electricity supply	No water supply	With water supply	Without gas supply	With gas supply	No heating	With heating	Sewerage septic tank	Central sewerage
Valuation Object	Object analogue									
Without power supply	1	0,83								
With electricity supply	1,20	1								
No water supply			1	0,89						

	Without power supply	With electricity supply	No water supply	With water supply	Without gas supply	With gas supply	No heating	With heating	Sewerage septic tank	Central sewerage
With water supply			1,12	1						
Without gas supply					1	0,8				
With gas supply					1,25	1				
No heating							1	0,78		
With heating							1,28	1		
Sewerage septic tank									1	0,85
Central sewerage									1,18	1

ADDITIONAL REFERENCE INFORMATION IN THE FIELD OF REAL ESTATE VALUATION

The technical condition of building structures is assessed based on their serviceability and degree of damage, which affects their bearing capacity and operational characteristics. The evaluation involves comparing actual measurements of the structures with those established by relevant projects or regulations.

Five categories of technical condition are defined:

1. Serviceable: No defects or damages that impact bearability or serviceability.
2. Operable: Minor deviations from project standards that do not affect performance, with sufficient bearing capacity despite some defects.
3. Limited Damage: Presence of damages that reduce bearing capacity but pose no immediate risk, allowing for continued monitoring and use.
4. Significant Damage: Notable bearing capacity decline and safety concerns necessitating reinforcement and precautions.
5. On the Verge of Collapse: Severe damages indicating imminent failure, requiring urgent safety actions.

The assessment can distinguish between categories of operational and limit states of buildings and structures, which include "Serviceable," "Workable," "Damage Limitation," "Significant Damage Near Collapse," and "Near Collapse."

Additionally, the design service life indicates how long a structure can function without major repairs while maintaining its intended purpose. Examples of expected service lives for various buildings include:

- 100 years for industrial and large non-industrial buildings.
- 85 years for certain two-storey buildings.

- 60 years for one-storey framed buildings with stone walls.
- 20 years for wooden buildings.

Overall, the text outlines the assessment protocols, categories of technical condition, and expected service lives for different building types, emphasizing the importance of maintenance and monitoring to ensure structural integrity.

DESIGN SERVICE LIFE OF BUILDINGS (STRUCTURES)

Design life class	Design service life (years)	Examples
1	10	Load-bearing structures with limited-service life
2	10 – 25	Replaceable sections of the load-bearing structure, e.g. crane girders, supports
3	15 – 30	Load-bearing structures used in agriculture and similar to them
4	50	Buildings and other common load-bearing structures
5	100	Buildings or structures are technically complex

ESTIMATED SERVICE LIFE OF BUILDINGS

Types of buildings	Service life, years
Industrial and non-industrial buildings	
Multi-storey buildings (more than two floors), single-storey buildings with a reinforced concrete or metal frame with a floor area of more than 5,000 sqm	100
Two-storey buildings of all purposes (except for all types of wood), one-storey buildings with a reinforced concrete or metal frame with a floor area of up to 5,000 sqm	85
One-storey frameless buildings with walls made of stone materials	60
One-storey frameless buildings with walls of clad masonry	40
Wooden buildings (frame and panel)	20
Residential buildings	
Capital stone buildings with brick walls; brick with a reinforced concrete or metal frame; with large-panel walls and reinforced concrete floors	140
Buildings with brick and large-block walls, reinforced concrete floors	125
Buildings with walls of clad masonry made of bricks, monolithic slag concrete, shell rock, reinforced concrete floors; The buildings are large-block and made of small cinder blocks, the ceilings are wooden	100
Buildings with wooden walls	50
Prefabricated panel buildings	30
Note: Except for large-panel buildings built according to standard designs of mass series before 1975 (1-464A, etc.)	

APPENDIX C KEY INFORMANT INTERVIEW WITH A VALUATOR

GENERAL INFORMATION

The following section describes the general information valuers undertake when assessing the valuation of land and land assets.

Land Valuation

Appraisers generally select at least three comparable properties but prefer more for accuracy.

Asset Valuation

A correction factor (adjustment coefficient) is subtracted from each price (since the listed price is always higher and final transactions are subject to negotiation and settle at lower prices).

The average or median value determines the net price of the land.

The resulting value is the final price for the property (in this case, the land plot) or the net price.

Adjustment Coefficients

From the buyer's perspective, the adjustment coefficient is always applied downward. The adjustment coefficient is a combination of costs related to various criteria.

From the seller's perspective, the adjustment coefficient or conditional liquidity adjustment represents compensation for the time it takes to sell the asset: the more liquid the asset, the faster it can be sold.

Key Criteria

Criteria adjust the final property value. Key criteria include the property's designated purpose, availability of engineering infrastructure, location, presence of buildings, and the property's legal status.

By designated purpose: the cheapest land is for agricultural use, followed by industrial sites, individual housing (IHS), and multi-family housing (MHS) in terms of cost.

Only the market (comparative) method is used for land valuation. The cost or revenue-based methods are not applied.

It is essential to distinguish between the land's value and compensation. Compensation refers to payment for the comfort lost by the seller due to expropriation.

Public Real Estate Markets and References

Coinvest (CIS published in Russian) is the most reliable source for determining adjustments when there are no market comparables available. It provides updated property prices when comparables are absent. Coinvest is not used for land valuation.

There is an International Valuation Standard (IVS) that provides guidance on performing appraisal activities. However, it does not specify particular methods for land valuation.

Cadastral Value

The government assigns a cadastral value to every land plot in the country, but the methodology for determining this cadastral value is unknown.

When valuing land, a problem with the quality of assessment arises. The appraiser must visit the land for a physical inspection. In the case of appraisal activities in the Iliy District for the

Bypass Project, the quality of the assessment may have decreased due to the large number of land parcels. It is important to know how many appraisers participated in the assessment process in the regions.

DETERMINING LAND PRICE (MATHEMATICAL FORMULA)

5. To determine the land price (L_{net}), the appraiser selects at least three comparable properties— though it's preferable to choose more.
6. From each market (listed) price M_i , a correction factor Q is subtracted (since no one pays the listed price). The land value is determined by selecting either the average or the median value.
7. From the buyer's perspective, Q is a correction factor and is always used to decrease the value. According to the survey of appraisers (involved in the Almaty Project), who assessed land plots, Q varied between 3–10%.¹³⁸.
8. From the seller's perspective, Q is a correction factor, a conditional adjustment for liquidity, or payment for the time the seller is willing to wait. The higher the liquidity, the faster the property will sell, and consequently, the coefficient is always used to increase the value. The higher the liquidity, the higher the correction factor and the longer the seller is willing to wait. However, in the Bypass Project, the land seller aims to at least maintain the market value.
9. For an independent appraiser, the correction factor consists of several key criteria (x_j): intended land use, availability of engineering communications, geography, presence and legality of buildings on the plot, and the presence of socially and economically significant objects.
 - a. Regarding the intended land use, the lowest value land use designation is agricultural. The price increases in the following order: personal subsidiary farm (PSF), industrial (production base), individual housing construction (IHC), multi-story housing construction (MHC).
 - b. Availability of utilities: water, gas, electricity, road (automobile or railway).
 - c. Geographical location – the closer to the city and engineering infrastructure, the more expensive.
 - d. Other criteria reflect the presence of socio-economic factors – educational institutions, medical centers, transportation options.
10. Presence of physical structures (S) that were created as a result of investment by the landowner (in some cases users), and their values are added to the asset's value:
 - i. buildings – only legalized buildings are considered. If objects are not legalized, their value is not included in the final price of the land.
 - ii. fruit-bearing trees objects, such as trees, increases the value in absolute terms, as tree value is provided by official sources (for example, Coinvest).
11. Below is the method for determining the net price, which is used as the amount to be paid for the land when purchasing it from the owners:

¹³⁸ This estimation was based off a KII with a Valuator. The Appraiser's Handbook suggested a bargaining coefficient to be around 10-15% for an individual residential house (cottage) of increased comfort in Almaty Region, and around 8-18% for a vacant peasant farm in Almaty Region.

$$Q = \sum x_j Q = \sum x_j$$

where x_j is the factor reflecting the presence of the criterion, in %

$$L_{net} = (M_i + S) - Q$$

L_{net} – net price for the land

M_i – market prices of analogs in monetary terms

Q – adjustment coefficient, %

S – value of physical structures (if it is relevant to evaluate)

- The prices of analogs are selected from various sources, mainly internet resources like www.krisha.kz
- The adjustment coefficient is a cumulative decreasing coefficient used to determine the liquidity of an asset. The shorter the period during which the seller has the opportunity to sell the asset, the lower the adjustment coefficient.

VALUATOR'S ASSESSMENT FOR THIS PROJECT

The valuator estimated that, for the Project:

From the buyer's perspective, the criteria values used in calculations aim for maximum values. Considering the values of all criteria above, each criterion has a weight of 1-2%, and thus, the cumulative adjustment coefficient (Q) is used to reduce the land value and obtain a lower price.

From the seller's perspective, favorable criteria values tend toward zero. During negotiations, the seller aims to preserve the market value of the asset. Therefore, the cumulative adjustment coefficient (Q) should have a minimal value, sometimes even zero.

APPENDIX D EXAMPLE OF VALUATION REPORT (TRANSLATED ONLINE FROM ORIGINAL)



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«RICH», 2 qabat.
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e-mail: tvv@bp.com.kz

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"Ap
proved" by
the General
Director

Business Partner Consult LLP

Vitaly Vladimirovich Timonov

**Report on market value assessment of real
estate No42 ALM-159 REPORT No42 ALM-
159**

on the assessment of the market value of real estate

Name of the object Object	Land plot with an area of 0.3000 hectares, cadastral number 03-045-242-081 with additional improvements and perennial plantations
Property Location Facility Address	RK, Almaty region, Zhambyl district, reserve lands
Customer Customer	State Institution "Department of Land Relations of Zhambyl District" Almaty region, Zhambyl district, Uzynagash village, Karash batyr, 117B BEAN 230840042308 VERY KKMFKZ2A ИИК KZ08070103KSN0903000 TREASURY COMMITTEE OF THE MINISTRY OF FINANCE OF THE REPUBLIC OF KAZAKHSTAN Tel.: 87084249621
Owner owner	Limited Liability Partnership "Platform-A"
Basis for the assessment of Baǵalý júrgizýdiń negizderi	Public Procurement Agreement No10 dated 22.04.2024
Date osmotra View Date	23.05.2024
Appraisal date	23.05.2024
Date of composition of the report Date of the report on appraisal	19.06.2024
Type of value to be determined: Baǵalaýdyń túri	Market value
Purpose of the assessment Estimation objective	Determination of possible market value
Assignment of the grade Baǵalaýdyń taǵaıyndalýy	For the purpose of alienation for state needs
Type of Assessment	Mandatory
Possible market value of the Mint	39,254,869 (Thirty-nine million two hundred fifty-four thousand eight hundred sixty-nine) tenge

<p>Appraiser (Certificate of assignment qualifications), insurance responsibility of the Appraiser, information on membership in the Chamber of the Appraiser Appraiser (qualification certificate), appraiser information on liability insurance, membership in the Appraisal Chamber</p>	<p>Vitaly Vladimirovich Timonov IIN:791003399010 113 Mukanov Street, Almaty, Republic of Kazakhstan Certificates of qualification "Appraiser" No "00153-(ODI), 00154-(ONI), 00063-(OIS, SNA, OBIPUVB)", issued by the Self-Regulatory Organization "Central Association of Appraisers of Kazakhstan "Bagalau Qazaqstan" dated 13.07.2018, Full Member of the Chamber of Appraisers of the Self-Regulatory Organization "SRO "Commonwealth of Appraisers of Kazakhstan" No00363 dated 07.12.2020, valid until termination of membership. The civil liability of the appraiser is insured by Amanat Insurance Company JSC on the basis of Contract No433-23-150-0000289 dated 14.11.2023 by Business Partner Consult LLP General Director Vitaly Vladimirovich Timonov BIN 060 540 002 193 Legal. Address: 050026, Kazakhstan, Almaty, Mukanov Street, 113 Tel.: +7 (727) 313 13 75, +7 (727) 313 15 75, AO «KASPI BANK» ИИК KZ51722S000001664899 БИК CASPKZKA</p>
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ALMATY 2024

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SECTION 1. REPORT OVERVIEW

BASIS FOR VALUATION

Public Procurement Agreement No10 dated 22.04.2024

ASSESSMENT ASSIGNMENT

Name of the object being appraised: Land plot with an area of 0.3000 hectares, cadastral number 03-045-242-081 with additional improvements and perennial plantations

Owner of the object: Limited Liability Partnership "Platform-A" **Location of the object:** Republic of Kazakhstan, Almaty region, Zhambyl district, reserve lands **Evaluated rights:** Possession, use, disposal

Type of assessment: Mandatory

Identification of the property to be appraised: Real estate

Type of determinable value: Market value – the estimated amount of money for which an asset would have been exchanged at the valuation date between an interested person and the seller as a result of a commercial transaction after proper marketing, in which each of the parties would have acted with knowledge, prudence and without coercion

INFORMATION ABOUT APPRAISER TIMONOV VITALY VLADIMIROVICH

IIN:791003399010

113 Mukanov Street, Almaty, Republic of Kazakhstan

Certificates of qualification "Appraiser" No "00153-(ODI), 00154-(ONI), 00063- (OIS, SNA, OBiPUVB)", issued by the PA "Self-regulatory organization "Central Association of Appraisers of Kazakhstan "Bagalau Qazaqstan" dated 13.07.2018,

Full member of the Chamber of Appraisers of the SRO "Commonwealth of Appraisers of Kazakhstan" No00363 dated 07.12.2020, valid until termination of membership.

The civil liability of the appraiser is insured by JSC "Insurance Company"

"Amanat" on the basis of Contract No433-23-150-0000289 dated 14.11.2023

BUSINESS PARTNER CONSULT LLP

General Director Vitaly Vladimirovich Timonov BIN 060 540 002 193

Legal. Address: 050026, Kazakhstan, Almaty, Mukanov Street, 113 Tel.: +7 (727) 313 13 75, +7 (727) 313 15 75,

AO «KASPI BANK»

ИИК KZ51722S000001664899 БИК
CASPZKA

ASSUMPTIONS AND RESTRICTIVE CONDITIONS IN ACCORDANCE WITH INTERNATIONAL VALUATION STANDARDS USED BY THE APPRAISER IN VALUATION

Assumptions

- The appraiser is not responsible for the assessment of the hidden characteristics of the object of valuation, defects that cannot be detected otherwise than by ordinary visual inspection or by studying plans and specifications without the use of special technical means, i.e. the object of valuation does not have any hidden defects entailing a change in its value;
- When conducting the valuation, the Appraiser proceeded from the fact that the information

- provided to him from the Customer and third parties is accurate and reliable, and did not verify it;
- Property valuation is carried out objectively on the basis of publicly available data and information. For all data and information, the report indicates its source;
 - All conclusions about the value of the objects of valuation are made on the basis of the assumption that the current use of the object of valuation is the form of the most efficient use, and the owner manages the property being evaluated based on the purpose of obtaining the greatest material benefit.
 - All calculations are made in Microsoft Excel.

RESTRICTIONS

- This report is reliable only for the purposes specified in it. The appraiser shall not be liable if it is used by third parties not specified in the contract for valuation;
- Neither the report as a whole, nor any part of it, may be used by the client for advertising purposes, as well as for public relations activities without the prior written permission of an independent appraisal company. The parties shall not have the right to use the report or any part thereof otherwise than provided for in the valuation agreement;
- Publication of the report in full, in parts or in parts of the report, data contained in the report, name and professional affiliation of the appraiser is prohibited without his written consent;
- The appraiser is not responsible for the legal description of the rights of the property being evaluated or for issues related to the consideration of property rights;
- The appraisal report contains the professional opinion of the appraiser regarding the most probable market value of the object of valuation and is not a guarantee that the object will be sold on the free market at a price exactly equal to the value of the object specified in this report;
- Neither the client nor the appraiser may use the report in any other way than it is provided for in the valuation agreement;
- The appraiser's opinion regarding the market value of the property is valid only as of the valuation date. The appraiser does not assume any responsibility for changes in economic, legal and other factors that may arise after this date and affect the market situation, and, consequently, the market value of the object;
- The Appraiser is not required to appear in court or otherwise testify about the Report or the appraised property, except on the basis of a separate agreement with the Customer or an official subpoena;
- The Appraiser is not obliged to provide a full description of the methods of analysis and calculations that are the intellectual property of the Appraiser;
- The initial data used by the appraiser were obtained from reliable sources and are considered reliable. However, the Appraiser cannot guarantee their absolute accuracy.

LIST OF DOCUMENTS USED IN VALUATION LEGISLATION IN THE FIELD OF VALUATION ACTIVITIES:

1. Law of the Republic of Kazakhstan "On Appraisal Activity in the Republic of Kazakhstan" No133-VI ZRK dated 10.01.2018;
2. Order of the Minister of Finance of the Republic of Kazakhstan "On Approval of Requirements for the Form and Content of the Appraisal Report" No 501 dated 03.05.2018 (with amendments and additions);
3. Order of the Minister of Finance of the Republic of Kazakhstan "On Approval of Valuation Standards" No519 dated 05.05.2018 (with amendments and additions);
4. "Model Code of Business and Professional Ethics of Appraisers", approved by the Order of the Minister of Finance of the Republic of Kazakhstan No487 dated April 26, 2018;
5. Order of the Minister of Finance of the Republic of Kazakhstan dated April 22, 2024 No 227 "On Amendments to the Order of the Minister of Finance of the Republic of Kazakhstan dated May 5, 2018 No 519 "On Approval of Valuation Standards";
6. International Valuation Standards 2022 (IVSC).

LIST OF DOCUMENTS USED BY THE APPRAISER:

The valuation was made on the basis of the following title, technical and other documents (photocopies) provided by the customer:

1. Act of private ownership of the land plot No605170 dated 25.07.2008;
2. Certificate of registered rights (encumbrances) to real estate and its technical characteristics No101000055387092 dated 05/29/2024;
3. Cadastral passport of the real estate object No002257370305 dated 05/23/2024;
4. Act State Acceptance Commission about Acceptance Built
Object put into operation on 04.03.2009;

5. Contract purchase and sale Land Parcel duplicate Issued along Statements No 002253011767 dated 30.01.2024 No 101 dated 10.06.2008;
6. Resolution of the Akim, a duplicate was issued on the basis of application No 002253010347 dated 01/30/2024. No 342 dated 09.06.2008;
7. Letter No76-2-24/526-I/620 dated 06/19/2024.

LIST OF DATA USED IN THE ASSESSMENT: REFERENCES:

1. Valuation of real estate. Edited by the Honored Scientist of the Russian Federation, Doctor of Economics, Professor A.N. Asaul, G.R. Shulenbayev. from 2022;
2. Appraiser's Handbook No1-2024 / Edited by Shulenbayeva G.R., Yakovleva O.N., Guzeva E.B. – Almaty: PO "Capital Chamber of Professional Appraisers", 2024.

OTHER DATA:

1. Данные сайта: www.krisha.kz, www.olx.kz.

KEY TERMS AND DEFINITIONS USED IN THE REPORT

Immovable property is land plots, buildings, structures, perennial plantations and other property firmly connected with the land, i.e. objects that cannot be moved without disproportionate damage to their purpose. Aircraft and sea vessels, inland water navigation vessels, river-sea navigation vessels, and space objects subject to state registration are also equated to immovable property.

Valuation – determination of the possible market or other value of the object of valuation in accordance with the legislation of the Republic of Kazakhstan;

Valuation approach is a method of determining the possible market or other value of the object of valuation using one or more valuation methods;

Valuation method is a set of legal, financial, economic, organizational and technical actions performed during valuation;

Valuation date – the day or period of time for which the possible market or other value of the object of valuation is determined;

Appraisal activity – professional activity of subjects of valuation activity aimed at establishing in relation to the object of valuation a market or other provided for by the Law of the Republic of Kazakhstan "On Appraisal Activity in the Republic of Kazakhstan", other laws of the Republic of Kazakhstan and standards for valuation as of a certain date;

Valuation standard – a regulatory legal act developed and approved by the authorized body in the field of valuation activities, which establishes uniform requirements for the subjects of valuation activities to determine the market or other value of the object of valuation;

Appraisal report – a written document drawn up in accordance with the legislation of the Republic of Kazakhstan on appraisal activities based on the results of the appraisal;

Appraiser – an individual who carries out professional activities on the basis of a certificate of qualification of "valuator" issued by the Chamber of Appraisers, and is a member of one of the chambers of valuers;

Certificate of qualification "appraiser" – a document confirming the person's compliance with the requirements for special theoretical knowledge, practical skills, skills and work experience;

Rules of the Chamber of Appraisers – a document developed and approved by the Chamber of Appraisers, which determines the procedure for organizing the activities of the Chamber of Appraisers and its members;

Market value is the estimated amount of money for which an asset would have been exchanged as of the valuation date between an interested party and the seller as a result of a commercial transaction after conducting proper marketing, in which each of the parties would act with knowledge, prudence and without coercion;

Customer – an individual and (or) a legal entity that has entered into a contract for valuation;

International Valuation Standards are valuation standards adopted by the International Valuation Standards Board.

QUALITY CERTIFICATE

1. The facts stated in the Valuation Report are true and true.
2. The analysis, opinions and conclusions contained in the Valuation Report belong to the Appraisers themselves and are valid strictly within the limits of the restrictive conditions and assumptions that are part of the report.
3. Neither the Company nor the Appraisers have any real or expected interest in the property being valued and act with an open mind and without prejudice towards the parties involved.
4. The remuneration for the Appraisal does not depend on the final valuation, as well as on those events that may occur as a result of the use by the Customer or third parties of the conclusions and conclusions contained in the Appraisal Report.
5. The Assessment was carried out, and the Valuation Report was drawn up in accordance with the regulatory legal acts reflected in clause 1.5;
6. The assessment has been made taking into account all restrictive conditions and prerequisites, either imposed by the conditions of the original task or introduced by the undersigned persons themselves. Such limitations have had an impact on the analysis, opinions and assessments set out in the Report.
7. The appraiser is not responsible for the discrepancy between the sale price of the object of valuation and the valuation received by him, and does not guarantee its sale.
8. The Appraiser observes the confidentiality of this study, but is not responsible for the copy handed over to the Customer.
9. The appraiser declares that he is not the owner of a part of the object being evaluated and has no other property interests related to this object, which may raise doubts about the independence and objectivity of the appraiser.

SECTION 2. GENERAL INFORMATION DESCRIPTION OF THE OBJECT OF VALUATION

2.1. Date of inspection of the object of valuation: 23.05.2024

GENERAL CHARACTERISTICS, CONDITION OF THE OBJECT, AND COMPOSITION OF THE OBJECT OF VALUATION:

The valuation object includes: Land plot with an area of 0.3000 hectares, cadastral number 03-045-242-081 with additional improvements and perennial plantations

Table 1. "Characteristics of the land plot"

Name of the characteristic	Description
Cadastral number	03-045-242-081
Ownership of a land plot	private property
Site area, ha	0,3000
Purpose of the land plot	for the placement of a water tower
Restrictions on Use and Encumbrances	No
Divisibility	divisible
Topography of the area	even

Table 2. "Technical characteristics and description of structural elements"

Name	Letter A	Letter G1	Letter I	Letter II	Letter III	Letter IV
	Hole	WNB	Gate	enclosure	zemlyan. Nasp.	reservoir
Year of construction	2007	-	-	-	-	-
Total area, sq.m	4,40	-	-	-	-	-
Built-up area, sq.m	6,80	6,3	-	383,50	-	-
Volume, cubic meters	14,00	-	-	-	-	50,0
Height/depth, m	80	9,0	2,0	2,0	-	9,0
Length, m	-	-	4,3	191,75	-	-
Material	brick	-	metal	Concrete	Concrete	-
Foundation	Concrete	Concrete	-	-	-	-
Hole	casing pipe - 279m, depth 80m metal	-	-	-	-	-
General technical condition	Satisfactory	Satisfying	Satisfying	will satisfy the	Satisfying	Satisfying

Table 3. "Description of perennial plantations"

No. p/p	Name	Quantity, pieces	Height, m	Age, years*	Condition
1	Maple	4	3,5	10	Satisfactory
2	Oak	1	4	40	Satisfactory
3	Elm	1	4,5	40	Satisfactory
4	Elm	2	4,5	10	Satisfactory
5	Elm	1	3,5	10	Satisfactory
6	Elm	2	6,5	40	Satisfactory

*Note: The age of perennial plantations was taken from the words of the owner.

PURPOSE AND CURRENT USE OF THE VALUATION OBJECT:

Purpose of the facility: for the maintenance of the water tower

Current Usage: Not Used

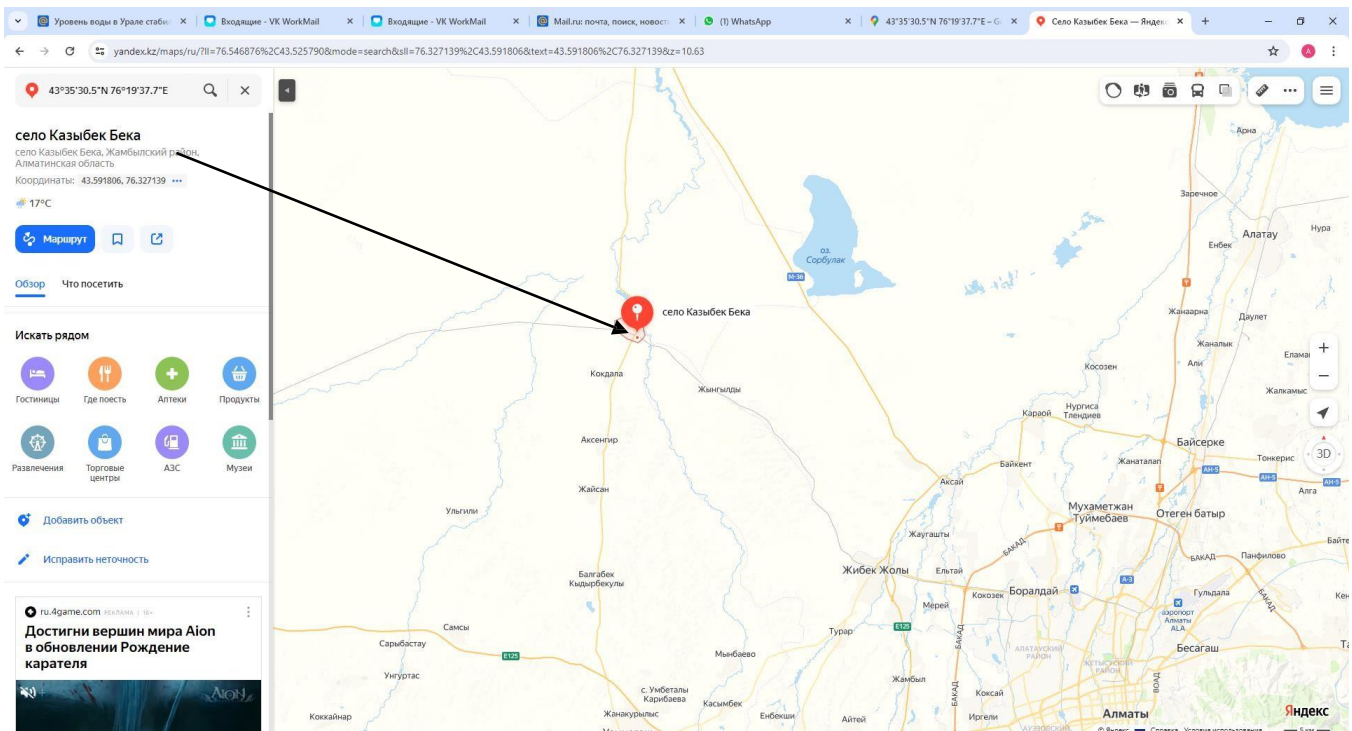
DESCRIPTION OF THE LOCATION OF THE OBJECT OF VALUATION

RK, Almaty region, Zhambyl district, reserve lands

Based on the specific characteristics of the location, positive and negative factors were identified that significantly affect the cost:

- Transport accessibility is good
- Ecological condition – satisfactory

Figure No1 "Maps of the location of valuation objects"



SECTION 3. CALCULATION PART OF THE REPORT

ASSESSMENT METHODOLOGY AND JUSTIFICATION OF THE CHOICE OF APPROACHES AND METHODS USED IN THE REPORT

In accordance with the Valuation Standard "Real Estate Valuation", the Valuation of land plots, depending on its purpose and available information, is determined, among other things, by the following methods:

- 1) comparative analysis;
- 2) statistical modeling;
- 3) Development;

- 4) separation (allocations);
- 5) extraction (extraction);
- 6) residual value;
- 7) capitalization of land rent.

The method of comparative analysis for land plots involves a direct comparison of the property in question with similar land plots for which actual data on recent market transactions or offer prices are available.

The method of statistical modeling is the consideration of the object being evaluated as a representative of a certain set of homogeneous objects for which prices are known, but there is no exact analogue for the object of valuation in this set. After bringing the prices of analogues to uniform conditions, by adjusting them, based on information about similar objects included in such a set, using statistical methods, a mathematical model of the price dependence on one or more parameters is developed.

The development method involves assuming that a particular property is divided into a number of plots or merged with other plots, determining the income and expenses associated with the process of such a division or merger, and discounting the resulting net revenues to derive a measure of value.

The method of allocation is a method of indirect comparison, in which the ratio between the value of land and improvements on it or some other ratio between the components of the property is developed. The result is a measure for allocating the total market price between the land and improvements thereon for comparison purposes.

The method is used when there is information about transactions or offers to buy or sell objects similar to the land plot being evaluated.

Extraction method is a method of indirect comparison used in the valuation of land plots by analyzing costs minus depreciation and extracting the result from the full price of real estate objects that are comparable in other respects.

The residual value method is based on the principles of expectation and added returns not related to land improvements. The condition for the application of the method is the possibility of building up the evaluated land plot with improvements that generate income or the possibility of commercial use of the land plot that generates income. If income is calculated from the commercial use of a land plot, it is necessary to deduct income not related to the land plot from this income or to deduct the market value of assets not related to the land plot from capitalized income.

The method of capitalization of land rent is used to value a land plot that can independently generate rent.

For land improvements:

The income approach is used to assess the market value of real estate objects that are bought and sold in connection with their ability to generate income.

Methods of the income approach:

- 1) discounted cash flow method – determination of value based on the conditions of change and uneven cash flow depending on the degree of risk associated with the use of the object of valuation.
- 2) the method of direct capitalization of income is the determination of value based on the conditions for maintaining a stable use of the object of valuation with a uniform amount of income in unlimited periods of time.

The cost approach is used to evaluate real estate, the market for the purchase and sale or lease of which is limited.

Methods of the cost approach:

- 1) element-by-element calculation method – determination of the cost of full reproduction or replacement cost based on the use of collections of uniform regional unit prices, estimate norms and rules, rates and other standards;
- 2) the method of enlarged generalized cost indicators – determination of the full cost of

replacement based on the use of collections of aggregated indicators of the cost of construction, the standards of which are established in the national currency;

3) the method of specific indicators is a method for determining the full replacement cost or the cost of replacing real estate, based on unified indicators of consumer utility or a unit of capacity;

4) Index method is a method of bringing the basic cost of an object (initial book value, reproduction cost at the last revaluation, estimated cost) to the current price level using an index (or chain of indices) of price changes in construction for the corresponding period. At the same time, the index method is applicable only if it is not possible to calculate using other methods of the cost approach, as well as methods of comparative and income approaches.

The comparative approach is used for real estate valuation, when it is possible to select a sufficient number of similar properties with known transaction and (or) offer prices for valuation and allows you to assess the market value based on the analysis of recent sales prices or prices of offers for the sale of objects comparable to the evaluated object – analogues existing in the market of the object being appraised, adjusted for the identified differences.

Methods of the comparative approach:

1) the method of comparative analysis involves the sequential introduction of adjustments to the prices of selected similar real estate objects due to differences in economic and physical parameters affecting the price;

2) the method of correlation of price and income is based on the assumption that the amount of income brought by real estate is a price-forming factor, and the comparison of price and income for similar objects provides the basis for the use of average results in the valuation of real estate (alternative methods of the gross rent multiplier);

3) the method of statistical modeling is the consideration of the object being evaluated as a representative of a certain set of homogeneous objects for which prices are known, but there is no exact analogue for the object of valuation in this set.

Substantiation of the choice of approaches and methods:

Cost approach. In view of the availability of all the information necessary for the calculations, the Appraiser decided to apply the cost approach within the framework of this assessment. For the valuation of a land plot (the method of comparative analysis), for the assessment of land improvements (the method of enlarged generalized value indicators).

Income approach. The income approach is used for the valuation of commercial real estate. In the absence of reliable data on the amount of expenses and income associated with the object being appraised, the Appraiser decided to abandon the application of the income approach.

Comparative approach. Taking into account the insufficient level of activity in the market for the sale of comparable objects of analogues with the object of valuation, the Appraiser, within the framework of this valuation, decided to abandon the application of the comparative approach.

DESCRIPTION OF THE EVALUATION PROCESS USING THE SELECTED APPROACHES AND METHODS

The evaluation process consisted of the following stages:

- 1) determination of the task (identification of the property to be appraised, identification of property rights, clarification of the purpose of the assessment, determination of the type of value, coordination of the valuation date, determination of other restrictive conditions and assumptions);
- 2) conclusion of a contract, including an assessment assignment;
- 3) inspection of the object of valuation;
- 4) preliminary analysis, selection and collection of data (collection, processing and analysis of documents, other information about the object of valuation, analysis of supply and demand for similar property);
- 5) selection of approaches and methods of valuation, making calculations to establish the market value of the object of valuation;
- 6) coordination of the results obtained on the basis of the application of valuation methods and determination of the final value of the object of valuation;
- 7) preparation of an appraisal report.

A more detailed description of the calculation methodology is given in the relevant sections.

CALCULATIONS OF THE VALUE OF THE OBJECT OF VALUATION WITHIN THE FRAMEWORK OF THE COST APPROACH

The application of the cost approach for the valuation of land plots that contain land improvement consists in determining the residual value of reproduction/replacement of the object of valuation. The residual value of reproduction/replacement of the object of valuation consists of the residual value of reproduction/replacement of land improvements and the market value of the land plot (rights related to the land plot) during its existing use. The residual value of reproduction/replacement of land improvements is defined as the difference between the cost of full reproduction/replacement and accumulated depreciation.

DETERMINATION OF THE VALUE OF A LAND PLOT BY THE METHOD OF COMPARATIVE ANALYSIS

The method of comparative analysis included the following sequence of actions:

- 1) collection and analysis of information on the supply of similar land plots and identification of objects of comparison;
- 2) comparison of the object of valuation with the objects of comparison with the subsequent adjustment of the offer price of the objects of comparison;
- 3) determination of the value of the object of valuation by taking into account the amount of corrective adjustments to the value of the objects of comparison;
- 4) coordination of the obtained calculation results.

The source of information on this method is the data on the sale of real estate on the www.krisha.kz website <http://www.krisha.kz/>, where analogous objects were selected, as close as possible in their characteristics to the one being evaluated.

Table 4. "Brief characteristics of analogue objects"

Name, characteristics, source	Address	Area, acres	Offer price, tenge	Offer price per 1 acre, tenge
https://krisha.kz/a/show/676974465 Site area 0.06 ha Purpose: Commercial 77 073 707 514	RK, Almaty region, Uzynagash, Tole bi 5g	6,00	5 500 000	916 667
https://krisha.kz/a/show/689935792 Plot area 30 acres Divisibility divisible Location along the highway Intended purpose Commercial Communications: light, gas, ventilation, water, sewerage, heating Exchange is possible Not interested 77 778 421 100	RK, Almaty region, Uzynagash, Suyinbay	30,0	15 500 000	516 667
https://krisha.kz/a/show/691860932 The area of the plot is 20 acres Divisibility divisible Location along the route Intended purpose Commercial Communications: light, water 77 073 104 198	RK, Almaty region, Uzynagash	20,0	15 000 000	750 000
Coefficient of variation				22,5%

The offer price per unit of the total area of the land plot (1 acre/1 ha) was chosen as the unit of comparison. Before making the calculations, the Appraiser compared the object of valuation and analogues, on the basis of which it can be concluded that comparable objects are from the same market segment and can compete with the object of valuation. In particular, the objects are vacant land plots, located in approximately the same area, are comparable in terms of purpose, area and other price-forming parameters ¹.

RATIONALE FOR THE AMENDMENTS

Adjustment for transferred property rights

It takes into account the difference in the set of property rights (possession, use, disposal, availability of easements, etc.) Due to the fact that all comparable objects are privately owned, the adjustment was 0%.

BARGAINING ADJUSTMENT

Takes into account the discount to the original price, since offer prices are used for calculations, not actual transactions. The average values of adjustments for the difference in the transaction price and the offer value were taken at the level of minus 12.5% to all peers².

LOCATION ADJUSTMENT

Spatial-territorial adjustments to the location of a particular real estate object when determining its value are transformed into the rental component of the value. The location of a real estate object is described by a number of characteristics: transport accessibility, the state of the natural and anthropogenic environment, the development of social infrastructure, the prestige of living in a particular area, etc. The essence of this method is to construct various regression dependencies of the sale price of real estate objects on specific factors given in the table below.³

Table 6. "Dependence of the coefficient of adjustment of the unit value of real estate objects on the average number in a settlement*"

Characteristics of addition	Equation of Dependence
Dependence of the unit price for new housing on the average population	$KN = 41,4 \cdot x^{0,27}$
Dependence of the unit price for secondary housing on the average population	$KN = 60,87 \cdot x^{0,20}$
Dependence of Unit Rent for Comfortable Housing on the Average Population	$KN = 508,16 \cdot x^{0,18}$
Dependence of the unit price of land plots for individual residential development (including private plots) on the average number in the settlement	$KN = 27,87x^{0,15}$
Dependence of the unit price of land plots for commercial development on the average number in the settlement	$KN = 140,13 \cdot x^{0,19}$

¹ The coefficient of variation in the prices of analogues, which amounted to 22.5%, which indicates a small spread of unit prices.

² Appraiser's Handbook No1-2024 / Edited by Shulenbayeva G.R., Yakovleva O.N., Guzeva E.B. Almaty: PO "Capital Chamber of Professional Appraisers", 2024, tab. No6, p. 14.

³ Textbook "Valuation of Real Estate Objects". Edited by the Honored Scientist of the Russian Federation, Doctor of Economics, Professor A.N. Asaul, G.R. Shulenbayev, pp. 75-76

Dependence of the unit price of land plots for housing construction on the average number in the settlement	KN =57,11·x ^{0,28}
Dependence of the unit price of land plots for production and warehouse development on the average number in the settlement	KN =10,52·x ^{0,29}
Dependence of the Unit Price of Agricultural Land Plots on the Average Number in the Settlement	KN =2,50·x ^{0,25}

*The basis for building the relationship was the data of the Bureau of National Statistics and the prices of real estate offers on the Krysha website. The sample included such settlements as: Kokshetau, Aktobe, Taldykorgan, Atyrau, Uralsk, Taraz, Karaganda, Kostanay, Kyzylorda, Aktau, Pavlodar, Petropavlovsk, Semey, Ust-Kamenogorsk, Nur-Sultan, Almaty, Shymkent

The amount of adjustment for location in this case is determined by the formula:

$$K_M = \left[\left(\frac{K_N^0}{K_N^a} \right) \right] \times 100\%$$

Where; KM is the adjustment for the location of the object; K_N^0 – the estimated value of the adjustment factor of the individual value of the object being appraised; K_N^a – the estimated value of the adjustment factor of the unit cost of the analogue object.

Table 7. "Calculation of adjustment for the location of land plots"

Name	Valuation Object	Analogue 1	Analogue 2	Analogue 3
Settlement	RK, Almaty region, Zhambyl district, reserve lands	RK, Almaty region, Uzynagash,	RK, Almaty region, Uzynagash,	RK, Almaty region, Uzynagash
Population, people*	6 405	30 589	30 589	30 589
Adjustment factor Kn	740,92	997,21	997,21	997,21
Adjustment amount, %		-25,7%	-25,7%	-25,7%

* Источник: <https://ru.wikipedia.org>

ADJUSTMENT FOR THE AREA OF THE LAND PLOT

It takes into account the difference in the unit cost of a land plot with different acres. To calculate the adjustment, the method of Yaskovich E.E. was used. ⁴, based on the power dependence between the price and the area of the object. The calculation of the adjustment is carried out according to the formula:

$$K_m = ((S_{otsk} / S_{ank})^k - 1) * 100\%,$$

where Km is the adjustment for the scale (area) of the object; Sock is the area of the object being evaluated taking into account the adjustment by the power coefficient k; San^k is the area of a similar object taking into account the correction by the power coefficient k.

The degree indicator (braking coefficient) is calculated by establishing the relationship between the area and the value of the relevant objects:

$$k = \lg(C1/C2) / \lg (P1/P2), \text{ где}$$

k is the braking coefficient, C1/C2 is the value of a comparative unit of real estate, P1/P2 is the real estate parameters of the same name.

The value of the degree indicators is adopted in accordance with the data in Table 21, page 30 of the Appraiser's Handbook No1-2024 / Edited by Shulenbayeva G.R., Yakovleva O.N., Guzeva E.B. – Almaty: Capital Chamber of Professional Appraisers, 2024, The average indicator of the braking coefficient, reflecting the dependence of the value of a land plot on its area, in the Almaty region of the region for the designated purpose "other commercial" was - 0.07.

The calculation of the adjustment per area according to the above methodology is given in the following table.

Table 8. "Calculation of Adjustment for Area"

Characteristics	Valuation Object	Object No1	Object No2	Object No3
Total area, acres	30,00	6,00	30,00	20,00
Value of the power coefficient	-0,07			
Corrected area	0,79	0,88	0,79	0,81
Adjustment Amount		-10,0%	0,0%	-2,0%

ADJUSTMENT FOR THE INTENDED PURPOSE

Takes into account the impact of this factor on the cost of the land plot. Since comparable objects do not differ from the objects of valuation, the adjustment was 0% for all three objects of the analogue.

ADJUSTMENT TO COMMUNICATIONS

This adjustment takes into account the difference in the unit cost of real estate with a different set of engineering networks. The estimator uses the data in the following table to determine the adjustment.

⁴ Valuation of real estate. Edited by the Honored Scientist of the Russian Federation, Doctor of Economics, Professor A.N. Asaul, G.R. Shulenbayev 2022, pp. 77-78

Table 9. "Adjustment Factors Taking into Account the Availability of Engineering Networks"

	No power supply	With electricity supply	No water supply	With water supply	Without gas supply	With gas supply	No heating	With heating	Sewerage septic tank	Central sewerage
Valuation Object	Object analogue									
No power supply	1	0,83								
With electricity supply	1,20	1								
No water supply			1	0,89						
With water supply			1,12	1						
Without gas supply					1	0,8				
With gas supply					1,25	1				
No heating							1	0,78		
With heating							1,28	1		
Sewerage septic tank									1	0,85
Central sewerage									1,18	1

Source: Appraiser's Handbook No1-2024, p. 33, Table 1. 23

Since the compared objects do not differ in this parameter, the adjustment was 0% each.

ADJUSTMENT FOR THE PRESENCE OF BUILDINGS

This adjustment takes into account the impact of additional improvements located on the land plot on its value. Since the comparable objects of analogues do not differ from the object of valuation in this parameter, the adjustment was 0% for all three objects of the analogue.

For a more accurate determination of the possible sale price depending on the factors affecting its value, the prices of offers of similar objects were adjusted, the results of which are presented in the table below:

Table 10. "Determination of the value of a land plot"

Characteristic	Object to be evaluated	Comparable objects		
		Accessed on 23.05.2024	Accessed on 23.05.2024	Accessed on 23.05.2024
		https://krisha.kz/a/show/676974465	https://krisha.kz/a/show/689935792	https://krisha.kz/a/show/691860932
Source		77 073 707 514	77 778 421 100	77 073 104 198
Offer price, tenge		5 500 000	15 500 000	15 000 000
Location	RK, Almaty region, Zhambyl district, reserve lands	RK, Almaty region, Uzynagash, Tole bi 5g	RK, Almaty region, Uzynagash, Suyinbay	RK, Almaty region, Uzynagash
Land area, acres	30,0	6,00	30,0	20,0
Ownership	private property	private property	private property	private property
Purpose	for the placement of a water tower	for the placement of the production base and maintenance of the building	for gardening and cottage construction	for gardening and cottage construction
Availability of buildings	conditionally empty	empty	empty	empty
Availability of communications / amenities	Communications pass side by side	Communications pass side by side	Communications pass side by side	Communications pass side by side
Offer price per 1 acre, tenge		916 667	516 667	750 000
Adjustment for transferred property rights		0,0%	0,0%	0,0%
Adjusted price per 1 acre, tenge		916 667	516 667	750 000
Bargaining adjustment		-12,5%	-12,5%	-12,5%
Adjusted price per 1 acre, tenge		802 083	452 083	656 250
Location adjustment		-25,7%	-25,7%	-25,7%
Adjusted price per 1 acre, tenge		595 938	335 892	487 585
Adjustment for the area of land. Parcel		-10,0%	0,0%	-2,0%
Adjusted price per 1 acre, tenge		536 344	335 892	477 834
Adjustment for the presence of buildings		0%	0%	0%
Adjusted price per 1 acre, tenge		536 344	335 892	477 834

Adjustment for the availability of communications		0%	0%	0%
Adjusted price per 1 acre, tenge		536 344	335 892	477 834
Adjustment for the intended purpose		0%	0%	0%
Adjusted price per 1 acre, tenge		536 344	335 892	477 834
Cost of 1 acre, tenge	450 023			
Land area, acres	30,00			
Cost of a land plot by comparative analysis, tenge	13 500 693			

Thus, the value of the land plot determined by this method is:

13,500,693 tenge.

DETERMINATION OF THE RESIDUAL AND REPLACEMENT COST OF IMPROVEMENTS BY THE METHOD OF AGGREGATED GENERALIZED COST INDICATORS

The method of aggregated generalized cost indicators is the determination of the full cost of replacement based on the use of collections of aggregated indicators of the cost of construction, the standards of which are established in the national currency;

As part of the method of enlarged cost indicators, to determine the cost of reproduction / replacement of the object being appraised, the Appraiser used a calculation algorithm based on the data of the collection of enlarged indicators of the cost of construction published by Ko-Invest LLC: "Landscaping", "Urban Infrastructure Building" (2023).

The calculation of the full cost of reproduction/replacement using collections of aggregated indicators of the cost of construction was carried out according to the formula:

$$S_v = C_{\text{basis}} \times \text{And}_{\text{at the date of measurement}} \times S_r$$

where C is the total cost of reproduction/replacement; With is the cost of a unit (cubic meter, sq. m., etc.) of a similar object, taking into account the in Basic corrections and cost conversion factors; And – the index of conversion of the basic estimated cost of construction into the current level of prices for as of the valuation date the date of valuation; S is the construction characteristic of the object of valuation (sq. m., m., cubic m).

CORRECTION FOR THE ABSENCE OF ANY EXTERIOR WALL OF THE BUILDING (ART)

This amendment shall be applied in cases where the building being evaluated is attached and can be determined by the formula:

$$S_{st} = - a \times S_{\text{of the analogue}}$$

Where: a is the share of the area of the missing wall in the total area of the external walls of the non-attached building; Analogue is the reference value of the walls given in the column "Exterior walls with finishing" of the cost tables

SUBSTANTIATION OF CORRECTIONS FOR DIFFERENCES IN STRUCTURAL SOLUTIONS (ELEMENTS)

If the technical solution of the structural element of the building being evaluated differs significantly from the technical solution of the same element of the reference building, the cost of the element being evaluated (Co) is calculated according to the formula:

$$C_o = S_s \times F_o / F_s$$

where: Co is the cost of the structural element of the building being appraised;

Cc is the cost of a structural element for a reference building (analogue object);

Fo is the cost coefficient for the structural element of the building being evaluated under consideration; F is the cost coefficient for the structural element of the reference building under consideration.

RATIONALE FOR THE AMENDMENTS AMENDMENTS TO THE FOUNDATION

Corrections for the foundation are determined for differences in the strength of the soil, in the depth of the foundations and in the degree of their watering. The amount of the adjustment for the foundations is calculated by applying adjustment factors to the value of the costs of installing the foundations as the difference between the cost of the structural element of the building being

evaluated (C_o) and the cost of the structural element of the reference building (S_s). There are no significant differences in the technical solution of the foundations, the object of assessment and the reference indicator of the building and structures, and therefore the amendment was not calculated.

WALL TYPE REPAIRS

Corrections for the type of walls take into account the main material of the enclosing structures and exterior decoration, as well as its general condition. The size of the correction for the type of walls is calculated using correction factors to the value of the cost of installing walls with exterior decoration as the difference between the cost of the structural element of the building being evaluated (C_o) and the cost of the structural element of the reference building (S). No significant differences were found in the technical solution of the exterior walls with finishing, the object of assessment and the reference indicator of buildings and structures, and therefore the correction was not calculated.

ADJUSTMENT FACTORS COEFFICIENT OF DIFFERENCE IN VOLUMES AND AREAS

The correction for the difference in volume (V m³) or area (S m²) between the evaluated building V_0 S_0 respectively and the nearest parameter from the reference book V_{spr} S_{spr} is determined using the coefficients provided for in the general part of the Co-Invest collections.

на разницу в объеме		на разницу в площади	
$V_o/V_{снп}$	K_o	$S_o/S_{снп}$	K_o
0,10–0,29	1,22	0,25–0,49	1,2
0,30–0,49	1,2	0,50–0,85	1,1
0,50–0,70	1,16	0,86–1,15	1
0,71–1,30	1	1,16–1,50	0,95
1,31–2,00	0,87	1,51–2,00	0,93

COEFFICIENT FOR DIFFERENCES IN SEISMICITY

The coefficient for the difference in seismicity is introduced when the building being evaluated is located in an area with seismicity that differs from the seismicity for which the cost indicators are calculated in this reference book. According to the reference book, the seismicity coefficient in the Almaty region is 1.00.

REGIONAL-ECONOMIC COEFFICIENT OF CONSTRUCTION COST

The adjustment coefficients of the cost of construction are determined by the structural systems of the building. The regional index was applied as of 01.04.2024 in the Almaty region.

COEFFICIENT THAT TAKES INTO ACCOUNT ENTREPRENEURIAL INCOME

Entrepreneur's profit is the level of income set by the market, which the entrepreneur expects to receive in the form of a premium for the use of his capital invested in the construction of the facility. Thus, it can be argued that the entrepreneur's profit can be formed only in a developed market (meaning the corresponding market segment – construction). Moreover, the entrepreneur's profit can be calculated only for objects participating in market turnover, that is, only when there are market data on the amount of entrepreneurial profit for objects of similar purpose.

In the absence of information on real market data on the amount of entrepreneurial profit, the Appraiser assumes that the rate of profit of the entrepreneur will be equal to (but not less than) the deposit rate at which the investor could receive the minimum profit on the invested funds, taking into account the duration of construction of such facilities.

An analysis of the banking services provided to the population in the market of Kazakhstan indicates a large selection of options for placing funds, taking into account the amount of funds and the duration of the deposit.

In this case, the size of interest rates according to the official statistics of the National Bank of the Republic of Kazakhstan on term deposits for legal entities (term, total) in the national currency, the amount of which as of the valuation date is 13.7%, were considered. The construction period of such facilities is determined according to the duration standards - 6 months (SP RK 1.03.-102-2014, Part II), therefore, it is fair to consider this period as a period of investment. Thus, the entrepreneur's profit ratio for the purposes of this report was 6.9%.

DETERMINING THE DEPRECIATION OF REAL ESTATE

Accounting for the depreciation of an object is a kind of adjustment of the value of a newly reproduced building to determine the value of the object being valued. Depending on the factors of reducing the value of real estate, depreciation is divided into physical, functional and external (economic).

- **Physical depreciation** is the loss of value of the object due to damage (defects) caused by wear and tear and destruction associated with the conditions of operation, maintenance, under the influence of natural, climatic and other factors.
- **functional obsolescence** – loss of value of the object of valuation as a result of the inability to perform the functions inherent in modern buildings and structures with improved architectural, space-planning, structural or other characteristics;
- **external (economic) obsolescence** is the loss of value of an object as a result of changes in the real estate market due to the impact of the environment (the ratio of demand and the volume of supply in the existing market, due to the state of the economy, demographic situation, solvency of consumers and other regional factors)⁵.

Thus, the residual replacement value of the property (Soc) is defined as the difference between the full replacement value (Sv) and the total accumulated depreciation (Inac = Ifiz

+Ifunk +I_{BN}) according to the formula:

⁵ The analysis did not reveal any signs of functional and economic impairment, their value was assumed at 0%.

$$\text{Soc.} = S_v - \text{Inac}$$

In connection with the technical condition and the year of construction, physical depreciation was determined by the lifetime method, according to which depreciation is calculated as the ratio of the chronological life of the property and the normative.

Table 11. "Calculation of physical depreciation"

Name of the object	Letter A		
Year of construction	Hole		
	2007		
Name of the structural element	Specific Weight of Structural Element	Wear of a structural element	Sredvzv. Wear of structural elements
Underground part	22,00%	17,00%	3,74%
frame	0,00%	0,00%	0,00%
exterior walls	31,00%	17,00%	5,27%
internal walls, partitions, sanitary cabins	1,00%	17,00%	0,17%
Floors and coating	8,00%	28,33%	2,27%
Roof	14,00%	34,00%	4,76%
stairs, balconies and loggias	0,00%	0,00%	0,00%
Openings	6,00%	28,33%	1,70%
Floors	12,00%	28,33%	3,40%
interior finish	3,00%	28,33%	0,85%
Other structures	1,00%	28,33%	0,28%
Special construction works, elevators	0,00%	0,00%	0,00%
heating, ventilation and air conditioning	0,00%	0,00%	0,00%
Water supply and sewerage	0,00%	0,00%	0,00%
Power supply and lighting	2,00%	28,33%	0,57%
Low-current systems	0,00%	0,00%	0,00%
Other systems and equipment	0,00%	0,00%	0,00%
Total	100%		23,01%

In the event that the table of the Co-Invest collection does not contain a list of structural elements of the structure, the Appraiser determined the wear and tear by visual inspection based on the data of the following table:

Table 12. "Physical Depreciation Scale"

Physical depreciation, %	Technical Condition Assessment	Condition of non-replaceable element structures	Condition of internal structural elements
0 - 20	Good	no damage, deformation, traces elimination of defects	floors and ceilings are flat, horizontal, no cracks in coatings and finishes

21 - 40	Satisfactory	There are no damages and deformations, including curvatures, there are traces of various repairs in places, including small cracks in the piers and lintels	Floors and ceilings are flat, hairline cracks are possible on the ceilings, there is slight damage on the stairs, windows and doors open with some effort
41 – 60	Unsatisfactory	there are many traces of repairs of cracks and areas exterior decoration, there are places of curvature of horizontal lines and traces of their elimination. Wear masonry walls are characterized by cracks between the blocks	The floors in some places are shaky with a deviation from the horizontal, there are many cracks in the ceilings, previously repaired and reappeared, a separate lag in the floor covering, a large number of damaged steps
61 – 80	Dilapidated	there are Open Crack of various origins, including wear and overload of masonry across the bricks, large curvatures of horizontal lines and in places deviations of walls from the vertical	a greater number of deviations from the horizontal in the floors, fragility, massive damage and lack of floor covering, there are many places in the ceilings with collapsed plaster, a lot of skewed windows and doors, a large number of damaged steps, distortions flights, gaps between the steps
81 - 100	Unsuitable	the building is in a dangerous condition, sections of the walls are destroyed, deformed in the openings, cracks along the lintels, piers and along the entire surface of the walls, large curvatures of horizontal lines and bulging of the walls are possible	floors with large distortions and slopes, noticeable deflections of ceilings, windows and doors with rot in the knots and beams, there are not enough steps and railings in the flights of stairs, the interior decoration is completely destroyed.

Source: Textbook "Valuation of Real Estate Objects". Edited by the Honored Scientist of the Russian Federation, Doctor of Economics, Professor A.N. Asaul, G.R. Shulenbayev, 2022, pp. 47-48.

Table 13. "Determination of the residual replacement cost of improvements"

1	Liter Name of indicators and amendments		Letter A Borehole Building		Letter G1 WNB	Letter I Gate	Letter II enclosure	Letter IV reservoir
2	Quality class, in accordance with the design of the object		Economy	-	-	-	-	-
3	CODE of the analogue building according to the collections of KO-Invest (UPSS)	CODE	63.02.011.7001	И3.07.045.0009	И3.07.045.0010	Б3.05.001.007	Б3.05.002.0011	И3.07.034.0010
4	Structural System Class		KS-2	COP-12	COP-11	COP-12	COP-10	COP-9
5	Reference indicator of cost, tenge	Cc1=	129 996,00	151 737,00	7 016 568,00	54 353,00	46 108,36	229 642,00
6	The first group of adjustments, expressed in tenge per 1 cubic meter. buildings (+ increase in price, - decrease in price)							
7	- the absence of a part of the outer wall	DCcn1=	0,00	0,00	0,00	0,00	0,00	0,00
8	- on the difference in the height of the floor	DCh1=	0,00	0,00	0,00	0,00	0,00	0,00
9	- the difference in the number of partitions	Dpereg.1=	0,00	0,00	0,00	0,00	0,00	0,00
10	- for the presence of a basement	Dcsub.1=	0,00	0,00	0,00	0,00	0,00	0,00
11	- for registration of special works and equipment	DCoc1=	0,00	0,00	0,00	0,00	0,00	0,00
12	- the difference in the strength of soils, the depth of foundations and the degree of watering of soils	Dcfun.1=	0,00	0,00	0,00	0,00	0,00	0,00
13	- on how many sides the building has external walls (i.e. the task is free-standing or attached)	Sst1=	0,00	0,00	0,00	0,00	0,00	0,00
14	- the difference in design solutions							
15	-Roof	DCcr.1=	0,00	0,00	0,00	0,00	0,00	0,00
16	- exterior walls	DCnar.1=	0,00	0,00	0,00	0,00	0,00	0,00
17	- Foundations (underground part)	DCnar.1=	0,00	0,00	0,00	0,00	0,00	0,00
18	-frame	DCcar.1=	0,00	0,00	0,00	0,00	0,00	0,00
19	-Partitions	DCper.1=	0,00	0,00	0,00	0,00	0,00	0,00
20	-Floors	DCpol.1=	-15 599,32	0,00	0,00	0,00	0,00	0,00
21	- filling openings	Dczap.1=	0,00	0,00	0,00	0,00	0,00	0,00
22	-Finish	Dcotд.1=	0,00	0,00	0,00	0,00	0,00	0,00
23	- Other structures	Dpr.cons.1=	0,00	0,00	0,00	0,00	0,00	0,00
24	- heating, ventilation and air conditioning	Dsotop.ven.. 1=	0,00	0,00	0,00	0,00	0,00	0,00
25	- Water supply and sewerage	Dsvod.can.1=	0,00	0,00	0,00	0,00	0,00	0,00
26	- power supply and lighting	DcElect.osv.1=	0,00	0,00	0,00	0,00	0,00	0,00
27	- low-current systems	Dclab.sys.1=	0,00	0,00	0,00	0,00	0,00	0,00
28	- Other systems and special equipment	Dc.Other System 1=	0,00	0,00	0,00	0,00	0,00	0,00
29	Total for the first group of amendments	SDS1=	-15 599,32	0,00	0,00	0,00	0,00	0,00
30	- on the difference in volumes, areas	K o1 =	1,00	1,00	1,00	1,00	1,00	1,00
31	- seismicity	To seism.=	1,00	1,00	1,00	1,00	1,00	1,00
32	- for the amount of other and unforeseen costs	K pz1=	1,00	1,00	1,00	1,00	1,00	1,00
33	- Correction coefficient of the cost of construction according to the characteristic structural systems of buildings, without the use of regional coefficients in Almaty region (01.05.2024)	Ctec.=	0,6767	0,6651	0,6865	0,6651	0,6671	0,7707
34	Total correction factor for the second group of corrections (product of the above)	K1=	0,6767	0,6651	0,6865	0,6651	0,6671	0,7707
35	Adjusted value indicator - (Sk1=(Cc1+Sds1)xK1)		77 412,23	100 920,28	4 816 873,93	36 150,18	30 758,89	176 985,09
36	Unit of measurement of the object being evaluated		per 1 m2	per 1 m of well depth	for 1 building	per 1 m2	per 1m	per 1m3
37	Volume / area / quantity		4,4	280,0	1,0	8,60	191,8	50,0
38	Cost of replacing the object, tenge		340 614	28 257 678	4 816 874	310 892	5 898 017	8 849 254
39	VAT, 12%	12%	40 874	3 390 921	578 025	37 307	707 762	1 061 911
40	Entrepreneur's profit, %	6,9%	26 132	2 167 929	369 551	0	0	678 915
41	Total cost of replacement of the object, tenge		407 619	33 816 528	5 764 449	348 199	6 605 779	10 590 080
42	Accumulated depreciation, %		23,01%	68,00%	40,00%	40,00%	40,00%	40,00%
43	Accumulated depreciation, tenge		93 780	22 995 239	2 305 780	139 279	2 642 311	4 236 032
44	Residual value of replacement, tenge		313 840	10 821 289	3 458 670	208 919	3 963 467	6 354 048

Continuation of Table 13. "Determination of the residual replacement cost of improvements"

1	Liter Name of indicators and amendments		Letter V Maple	Letter V Oak	Letter V Elm	Letter V Elm	Letter V Elm	Letter V Elm
2	Quality class, in accordance with the design of the object		-	-	-	-	-	-
3	CODE of the analogue building according to the collections of KO-Invest (UPSS)	CODE	53.06.005.0008	53.06.005.0008	53.06.005.0009	53.06.005.0009	53.06.005.0008	53.06.005.0010
4	Structural System Class		COP-15	COP-15	COP-15	COP-15	COP-15	COP-15
5	Reference indicator of cost, tenge	Cc1=	123 355,00	123 355,00	172 696,00	172 696,00	123 355,00	259 045,00
6	The first group of adjustments, expressed in tenge per 1 cubic meter. buildings (+ increase in price, - decrease in price)							
7	- the absence of a part of the outer wall	DCcn1=	0,00	0,00	0,00	0,00	0,00	0,00
8	- on the difference in the height of the floor	DCh1=	0,00	0,00	0,00	0,00	0,00	0,00
9	- the difference in the number of partitions	Dpereg.1=	0,00	0,00	0,00	0,00	0,00	0,00
10	- for the presence of a basement	Dcsub.1=	0,00	0,00	0,00	0,00	0,00	0,00
11	- for registration of special works and equipment	DCoc1=	0,00	0,00	0,00	0,00	0,00	0,00
12	- the difference in the strength of soils, the depth of foundations and the degree of watering of soils	Dcfun.1=	0,00	0,00	0,00	0,00	0,00	0,00
13	- on how many sides the building has external walls (i.e. the task is free-standing or attached)	Sst1=	0,00	0,00	0,00	0,00	0,00	0,00
14	- the difference in design solutions							
15	-Roof	DCcr.1=	0,00	0,00	0,00	0,00	0,00	0,00
16	- exterior walls	DCnar.1=	0,00	0,00	0,00	0,00	0,00	0,00
17	- Foundations (underground part)	DCnar.1=	0,00	0,00	0,00	0,00	0,00	0,00
18	-frame	DCcar.1=	0,00	0,00	0,00	0,00	0,00	0,00
19	-Partitions	DCper.1=	0,00	0,00	0,00	0,00	0,00	0,00
20	-Floors	DCpol.1=	0,00	0,00	0,00	0,00	0,00	0,00
21	- filling openings	Dczap.1=	0,00	0,00	0,00	0,00	0,00	0,00
22	-Finish	Dcotд.1=	0,00	0,00	0,00	0,00	0,00	0,00
23	- Other structures	Dpr.cons.1=	0,00	0,00	0,00	0,00	0,00	0,00
24	- heating, ventilation and air conditioning	Dsotop.ven.. 1=	0,00	0,00	0,00	0,00	0,00	0,00
25	- Water supply and sewerage	Dsvod.can.1=	0,00	0,00	0,00	0,00	0,00	0,00
26	- power supply and lighting	DcElect.osv.1=	0,00	0,00	0,00	0,00	0,00	0,00
27	- low-current systems	Dclab.sys.1=	0,00	0,00	0,00	0,00	0,00	0,00
28	- Other systems and special equipment	Dc.Other System 1=	0,00	0,00	0,00	0,00	0,00	0,00
29	Total for the first group of amendments	SDS1=	0,00	0,00	0,00	0,00	0,00	0,00
30	- on the difference in volumes, areas	K o1 =	1,00	1,00	1,00	1,00	1,00	1,00
31	- seismicity	To seism.=	1,00	1,00	1,00	1,00	1,00	1,00
32	- for the amount of other and unforeseen costs	K pz1=	1,00	1,00	1,00	1,00	1,00	1,00
33	- Correction coefficient of the cost of construction according to the characteristic structural systems of buildings, without the use of regional coefficients in Almaty region (01.05.2024)	Ctec.=	0,6373	0,6373	0,6373	0,6373	0,6373	0,6373
34	Total correction factor for the second group of corrections (product of the above)	K1=	0,6373	0,6373	0,6373	0,6373	0,6373	0,6373
35	Adjusted value indicator - (Sk1=(Cc1+Sds1)xK1)		78 614,14	78 614,14	110 059,16	110 059,16	78 614,14	165 089,38
36	Unit of measurement of the object being evaluated		for 1 pc	for 1 pc	for 1 pc	for 1 pc	for 1 pc	for 1 pc
37	Volume / area / quantity		4,0	1,0	1,0	2,0	1,0	2,0
38	Cost of replacing the object, tenge		314 457	78 614	110 059	220 118	78 614	330 179
39	VAT, 12%	12%	37 735	9 434	13 207	26 414	9 434	39 621
40	Entrepreneur's profit, %		0	0	0	0	0	0
41	Total cost of replacement of the object, tenge		352 191	88 048	123 266	246 533	88 048	369 800
42	Accumulated depreciation, %		50,00%	50,00%	50,00%	50,00%	50,00%	50,00%
43	Accumulated depreciation, tenge		176 096	44 024	61 633	123 266	44 024	184 900
44	Residual value of replacement, tenge		176 096	44 024	61 633	123 266	44 024	184 900

Table 14. "Summary Table on the Cost Approach"

Name of the object	Cost, tenge
Residual replacement cost of improvements using the method of aggregated generalized cost indicators	25 754 176
Cost of a land plot	13 500 693
Total	39 254 869

The cost of the object of valuation is: **39,254,869 tenge**

ALIGNMENT OF ASSESSMENT RESULTS

In accordance with the valuation standards, when applying several approaches and the corresponding methods, the appraiser selects one of the results obtained, giving in the report a reasoned refusal to use the others, or uses the procedure for coordinating the results (when using two or more approaches that do not differ from each other by more than two times).

The total cost of the object was adopted as a result of the cost approach, since the assessment was not carried out using other approaches.

SECTION 4. HOMESTRETCH

Based on the calculations made, the appraiser concluded that the possible market value of a land plot with an area of 0.3000 hectares, cadastral number 03-045-242-081 with additional improvements and perennial plantations, located at: Kazakhstan, Almaty region, Zhambyl district, reserve lands, is:

39,254,869 (Thirty-nine million two hundred fifty-four thousand eight hundred sixty-nine) tenge

The total value of the object of valuation specified in the valuation report shall be recognized as recommended for the purposes of making a transaction with the objects of valuation if no more than six months have passed from the date of drawing up the valuation report to the date of the transaction with the object of valuation or the date of submission of a public offer, unless otherwise provided by the legislation of the Republic of Kazakhstan.

At the same time, within the framework of enforcement proceedings, a report on the valuation of property that is collateral for the conclusion of a mortgage agreement, as well as for the sale of pledged property, from the date of preparation of which no more than one year has passed, is recognized.

Performer:

Appraiser

Vitaly Vladimirovich Timonov

APPENDIX NO2. PHOTOS OF THE OBJECT OF VALUATION



APPENDIX NO3. SOURCES OF INFORMATION

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Участок 0.06 га, Толе би 5г

Оставить заметку В избранное

Продлить Отправить в ТОП В горячие Срочно, торг

5 500 000 ₸

Город: Узынагаш, Алматинская обл. показать на карте

Площадь участка: 0.06 га

Целевое назначение: Коммерческое

Автор объявления: Хозяин недвижимости

Ответил риелтор? Сообщите нам

+7 707 370 7514

На звонок ответил риелтор? Сообщите нам.

Никогда не отправляйте предоплату, вы можете потерять свои деньги!

Написать сообщение

Жамбыл ауданындағы Узынагаш ауылы

Жер телімінің орналасу жобасы

Жер телімінің мөлшерлері М 1: 500

Бас жоспардан көшірме М 1: 1000

Толе би көпесті

18.82

5.19

29.87

18.86

крisha.kz

ID67697465

Объявление на карте

Узынагаш

Ул. Астана

Ул. Жамбыл

Ул. Толе би

Ул. Аманжол

Ул. Развернуть

Как добраться

Создать свою карту

Яндекс.Услуги.использование

Описание

Участок вдоль дороги, коммерческий!

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krisha.kz / Продажа участков

Участок 30 соток, Суйынбай

Оставить заметку В избранное

Продлить Отправить в ТОП В горячие Срочно, торг

15 500 000 ₸

Город: Узынагаш, Алматинская обл. показать на карте

Площадь участка: 30 соток

Делимость: делимый

Местоположение: вдоль трассы

Целевое назначение: Коммерческое

Коммуникации: свет, газ, вентиляция, вода, канализация, отопление

Возможен обмен: не интересует

Автор объявления: Хозяин недвижимости

Ответил риелтор? Сообщите нам

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ID689935792

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Объявление на карте

Узынагаш

Ул. Астана

Ул. Жамбыл

Ул. Толе би

Ул. Аманжол

Ул. Развернуть

Как добраться

Создать свою карту

Яндекс.Услуги.использование

Описание

Удобно под коммерцию. Участок для бизнеса! Удобное расположение. Ровная земля, выкупленная, документы в полном порядке, обмен рассматриваем.

Объявление просмотрели 745 раз с 22 апреля

Пожалуйста, на объявление

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krisha.kz / Продажа участков

Участок 20 соток, Узынагаш

Оставить заметку В избранное

Продлить Отправить в ТОП В горячие Срочно, торг

15 000 000 ₸

Город: Казахстан, Алматинская обл. показать на карте

Площадь участка: 20 соток

Делимость: делимый

Местоположение: вдоль трассы

Целевое назначение: Коммерческое

Коммуникации: свет, вода

Автор объявления: Хозяин недвижимости

Ответил риелтор? Сообщите нам

+7 707 310 4198

На звонок ответил риелтор? Сообщите нам.

Никогда не отправляйте предоплату, вы можете потерять свои деньги!

Написать сообщение

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Объявление на карте

Узынагаш

Ул. Суконбай

Дальний

Как добраться

Создать свою карту

Яндекс.Услуги.использование

Описание

Ровный, гостак. Продается коммерческий участок вдоль трассы

Таблица 6. Диапазоны корректировок на уторговывание вакантных земельных участков

%%

№	Область, регион	Офисно-административные земельные участки	ИЖС (ЛПХ)	Производственно-складские	Крестьянское хозяйство / сельхоз. производство	Прочее коммерческое
1	Абайская область	6 – 20	5 – 19	10 – 24	8 – 20	6 – 23
2	Акмолинская область	8 – 14	7 – 13	7 – 16	6 – 13	9 – 16
3	Актюбинская область	4 – 18	4 – 17	9 – 21	8 – 18	5 – 21
4	Алматинская область	3 – 18	3 – 17	9 – 21	8 – 18	4 – 21
5	Атырауская область	6 – 23	5 – 22	12 – 28	10 – 24	6 – 27
6	Западно-Казахстанская область	8 – 20	7 – 19	10 – 24	8 – 20	9 – 23
7	Жамбылская область	8 – 22	7 – 21	11 – 26	9 – 22	9 – 26
8	Жетысуская область	7 – 23	6 – 22	12 – 28	10 – 24	7 – 27
9	Карагандинская область	3 – 22	3 – 21	11 – 26	9 – 22	4 – 26
10	Костанайская область	6 – 18	5 – 17	9 – 21	8 – 18	6 – 21
11	Кызылординская область	9 – 23	8 – 22	12 – 28	10 – 24	10 – 27
12	Мангистауская область	4 – 26	4 – 25	13 – 31	11 – 26	5 – 31
13	Павлодарская область	4 – 16	4 – 15	8 – 19	7 – 16	5 – 18
14	Северо-Казахстанская область	7 – 22	6 – 21	11 – 26	9 – 22	7 – 26
15	Туркестанская область	3 – 23	3 – 22	12 – 28	10 – 24	4 – 27
16	Улытауская область	3 – 23	3 – 22	12 – 28	10 – 24	4 – 27
17	Восточно-Казахстанская обл.	9 – 23	8 – 22	12 – 28	10 – 24	10 – 27
18	г. Астана	4 – 18	4 – 17	9 – 21	8 – 18	5 – 21
19	г. Алматы	8 – 22	7 – 21	11 – 26	9 – 22	9 – 26
20	г. Шымкент	10 – 23	9 – 22	12 – 28	10 – 24	11 – 27
	В среднем по Казахстану	6 – 21	5 – 20	11 – 25	9 – 21	7 – 24

Таблица 21. Средние показатели коэффициента торможения, отражающего зависимость стоимости земельного участка от его площади по видам целевого назначения

№	Область, регион	Офисно-административные зу	ИЖС (ЛПХ)	Производственно-складские	Крестьянское хозяйство / сельхоз. производство	Прочее коммерческое
1	Абайская область	-0,06	-0,08	-0,11	-0,06	-0,07
2	Акмолинская область	-0,08	-0,10	-0,14	-0,08	-0,09
3	Актюбинская область	-0,1	-0,17	-0,22	-0,14	-0,13
4	Алматинская область	-0,04	-0,05	-0,07	-0,04	-0,07
5	Атырауская область	-0,07	-0,13	-0,16	-0,1	-0,16
6	Западно-Казахстанская область	-0,05	-0,07	-0,10	-0,06	-0,07
7	Жамбылская область	-0,07	-0,08	-0,12	-0,06	-0,08
8	Жетысуская область	-0,09	-0,15	-0,19	-0,12	-0,12
9	Карагандинская область	-0,04	-0,05	-0,07	-0,04	-0,07
10	Костанайская область	-0,06	-0,11	-0,14	-0,09	-0,14
11	Кызылординская область	-0,06	-0,08	-0,11	-0,06	-0,07
12	Мангистауская область	-0,08	-0,10	-0,14	-0,08	-0,09
13	Павлодарская область	-0,1	-0,17	-0,22	-0,14	-0,13
14	Северо-Казахстанская область	-0,04	-0,05	-0,07	-0,04	-0,07
15	Туркестанская область	-0,07	-0,13	-0,16	-0,1	-0,16
16	Улытауская область	-0,07	-0,10	-0,14	-0,08	-0,09
17	Восточно-Казахстанская обл.	-0,09	-0,11	-0,16	-0,09	-0,1
18	г. Астана	-0,09	-0,15	-0,19	-0,12	-0,12
19	г. Алматы	-0,04	-0,05	-0,07	-0,04	-0,07
20	г. Шымкент	-0,08	-0,15	-0,18	-0,12	-0,19
	В среднем по Казахстану	-0,07	-0,10	-0,14	-0,08	-0,10



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