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Land Acquisition and Resettlement Framework

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List of Abbreviations

ADB	- Asian Development Bank
BBS	- Beineu-Bozoy-Saksaulsk
DBK	- Development Bank of Kazakhstan
EHS	- Environmental, Health and Safety
EU	- European Union
EBRD	- European Bank for Reconstruction and Development
EC	- European Commission
ESIA	- Environmental and Social Impact Assessment
ESAP	- Environmental and Social Action Plan
ESP	- Environmental and Social Policy
ESR	- Environmental and Social Requirement
FS	- Feasibility Study
GRM	- Grievance Redress Mechanism
IBRD	- International Bank for Reconstruction and Development
ITS	- Intelligent Transport System
JSC	- Joint Stock Company
LARF	- Land Acquisition and Resettlement Framework
LARP	- Land Acquisition and Resettlement Plan
NC	- National Company
NTS	- Non-Technical Summary
OHS	- Occupational Health and Safety
OTL	- Overhead Transmission Line
PAP	- Project Affected Person
QAJ	- KazAvtoZhol
RoK	- Republic of Kazakhstan
RoW	- Right-of-Way
RMF	- Road Maintenance Facility
SEP	- Stakeholder Engagement Plan
TRACECA	- Transport Corridor Europe-Caucasus-Asia

1 Introduction

The construction of the 559-km Beineu-Bozoy-Saksaulsk (BBS) Road to Category II technical standards will form part of the Transport Corridor Europe-Caucasus-Asia (TRACECA), transport corridor, facilitating overland trade between China and Western Europe via Kazakhstan. The BBS Road will enhance the transport and logistics potential of the Mangystau and Aktobe regions by improving the road's technical standards, increasing its capacity, and reducing travel times. As part of the "Centre-West" Transport Corridor, the road will also contribute to the development of modern transport infrastructure, thereby supporting improved regional connectivity and more efficient movement of people and goods.

The European Bank for Reconstruction and Development (the "EBRD" or the "Bank") has considered providing a sovereign-guaranteed loan to JSC¹ National Company "KazAvtoZhol" (the "Company", the "Client", or "QAJ"), a 100% state-owned national road operator in Kazakhstan, to finance the design, construction and maintenance of Lots 1 to 4 (km 0+000 to km 160+000; approximately 161.5 km) of the BBS Road Project, including its components (such as access roads, road maintenance units, and other ancillary infrastructure).

The Bank engaged a consultant (the "Consultant") to undertake the **Environmental and Social Impact Assessment (ESIA) and prepare the full ESIA disclosure package for Lots 1 to 7 (km 0+000 to km 286+000)** of the Project in accordance with the EBRD Environmental and Social Policy (ESP, 2024) and the Environmental and Social Requirements (ESRs). **Under a Reliance Letter agreed between EBRD, the Consultant and the World Bank, the World Bank may rely on these ESIA deliverables, in the same way as EBRD, for its own financing, appraisal and supervision of Lots 5 to 7.**

The Project has been classified as a **Category A** project in accordance with the EBRD ESP, 2024. As such, the Project is subject to a comprehensive ESIA, together with the preparation of associated environmental and social documentation. The ESIA disclosure package will be made publicly available for a minimum period of 120 days prior to the Project being considered for approval by the EBRD Board of Directors.

The 559 km BBS Road is financed by the EBRD, the International Bank for Reconstruction and Development (IBRD) / World Bank, the Asian Development Bank (ADB), and the Republic of Kazakhstan, through the Development Bank of Kazakhstan (DBK), with the road divided into four financing sections (lot groups), each allocated to a different financier:

- EBRD: Lots 1 to 4 (km 0+000 - km 160+000),
- IBRD / World Bank: Lots 5 to 7 (km 160+000 - km 286+000),
- ADB: Lots 8 to 10 (km 286+000 - km 410+000),
- DBK: Lots 11 to 14 (km 410+000 - km 559+166).

In accordance with EBRD ESR 5, a **Land Acquisition and Resettlement Framework (LARF)** has therefore been prepared to establish the principles, eligibility and compensation

¹Joint Stock Company

framework, institutional responsibilities and procedures for future land acquisition. Once the detailed design and final road alignment are established, a census of Project Affected Persons (PAPs) and inventory of affected assets will be undertaken and a **Land Acquisition and Resettlement Plan (LARP) will be prepared and implemented prior to land acquisition and any associated economic displacement.**

This **LARF covers Lots 1 to 7 (km 0+000 to km 286+000)** of the BBS Project, comprising the sections to be financed by **EBRD and IBRD.**

The main objectives of this LARF are to:

- establish the principles and procedures for land acquisition, eligibility, compensation and other assistance in accordance with Kazakhstan legislation and EBRD ESR 5;
- define the approach to valuation and compensation for affected land use rights, assets and economic losses, including measures to address impacts on livelihoods and access to pastureland;
- establish the institutional arrangements and requirements for consultation, grievance management and monitoring of the land acquisition process; and
- provide the framework for the preparation and implementation of a subsequent LARP, once the final Project footprint and affected PAPs and assets have been identified.

2 Project Description

2.1 Project Overview

The alignment of the Beineu-Bozoy-Saksaulsk Road and its planned connections with Kazakhstan's existing road network are shown in **Figure 1**. The proposed BBS Road crosses the Mangystau, Aktope and Kyzylorda regions. **Figure 2** provides a more detailed overview of the road alignment, showing its distribution across the three regions and the respective sections to be financed by the EBRD, IBRD, ADB and DBK.

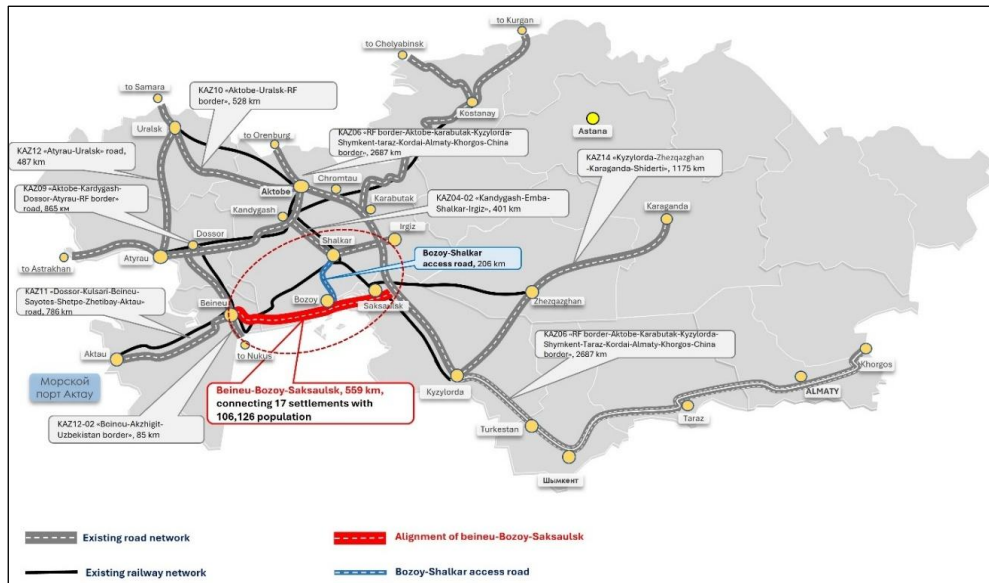


Figure 1 - Existing road network in the wider Project area and the location of the BBS road

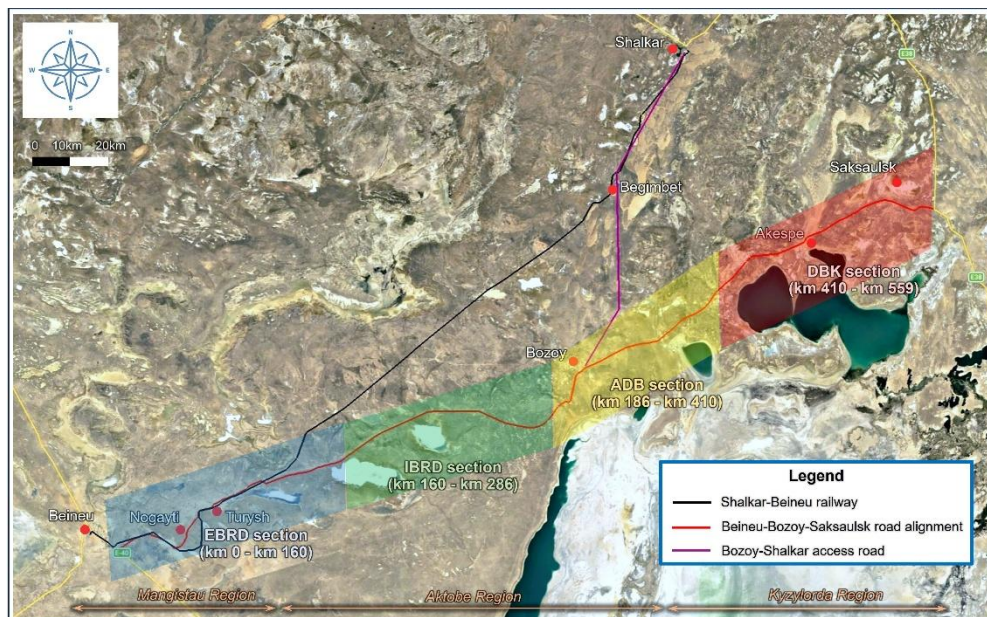


Figure 2 - BBS road alignment and division of the EBRD-, IBRD-, ADB-, and DBK-financed sections

Currently, travel between Saksaulsk and Beineu requires a journey of approximately 1,460 km via the existing Saksaulsk-Irgiz-Karabutak-Khromtau-Aktobe-Kandyagash-Dossor-Kulsary-Beineu route. The proposed 559-km BBS road will reduce the distance between the two settlements by approximately 900 km. Based on an assumed average travel speed of 81 km/h, including allowances for stops, the new road is expected to shorten the overall journey time by approximately threefold.

At the broader regional level, the BBS Road will shorten the Kazakhstan section of the TRACECA corridor by approximately 900 km. It will also improve connectivity between Beineu and Astana via the Centre-West Transport Corridor, reducing the travel distance by approximately 950 km and travel time by around 11 hours.

The Project concept presented in the local Feasibility Study envisages the development of the **Category II Beineu-Bozoy-Saksaulsk Road** in two phases.

Phase I comprises the construction and reconstruction of the 559.2 km BBS road, divided into 14 construction sections (lots), including the construction of grade-separated interchanges. Of the total road length, approximately 125 km is located in Beineu District of Mangystau Region, 245 km in Baiganin and Shalkar Districts of Aktobe Region, and 189.2 km in Aral District of Kyzylorda Region.

Phase II includes the installation of Intelligent Transport Systems (ITS), the construction and rehabilitation of Road Maintenance Facilities (RMFs), and the construction or rehabilitation of access roads to settlements.

The access road component has a total length of approximately 240.5 km and comprises:

- a 1.5-km Category V access road to Turysh rural settlement;
- a 206-km Category IV access road to Shalkar town; and
- a 33-km Category IV access road to Saksaulsk rural settlement.

The road maintenance component comprises the construction of new RMFs north of Turysh village in Beineu District, north of Shalkar (2.7 ha), and north of Akespe village in Aral District (2.7 ha), as well as the rehabilitation of the existing RMF in Shalkar.

The key technical parameters adopted for the Category II BBS Road in the local Feasibility Study include a **design speed of 120 km/h, two 3.75-m-wide traffic lanes, a 7.5-m-wide carriageway, 3.75-m-wide shoulders on each side**, and an overall **roadbed width of 15 m**. The design also provides for embankment side slopes of **1:4 for embankments up to 3 m high** and **1:1.5 for embankments exceeding 3 m in height**.

In accordance with the Law of the Republic of Kazakhstan (RoK) "On Automobile Roads", the standard right-of-way (RoW) for a newly designed Category II public road extends 20 m from the road centreline on each side, corresponding to a total width of 40 m. However, under SP RK 3.03-102-2013 Land Allocation for Automobile Roads, actual land requirements depend on the road design and site-specific conditions, including embankments, cuttings, side slopes and terrain.

Accordingly, the 40-m RoW is used as a preliminary reference for this LARF. The precise boundaries and areas of permanent and temporary land acquisition, including for associated Project infrastructure, will be determined at the detailed design stage.

2.2 Project Location, Land Allocation and Use

The EBRD-financed section of the BBS Project extends for 125 km through Beineu District in Mangystau Region and 35 km through Baiganin District in Aktobe Region. The IBRD-financed section extends for 86 km through Baiganin District and 40 km through Shalkar District, both in Aktobe Region.

In Beineu District (Mangystau Region), the Project corridor passes in the vicinity of the rural settlements of Syngyrlau, Nogayty, Sam and Turysh. In Baiganin and Shalkar Districts (Aktobe Region), the alignment traverses sparsely populated areas and does not pass in the vicinity of any settlements. **Overall, the EBRD- and IBRD-financed Project sections extend predominantly through sparsely vegetated semi-desert areas with limited productive land use, as well as areas used for livestock grazing.**

Based on the information provided in the local Feasibility Study and observations made during the ESIA surveys, no residential buildings, commercial facilities or other permanent structures have been identified within the proposed land acquisition corridor.

Preliminary land requirement estimates provided in the local Feasibility Study indicate that approximately **535 ha** may be required in **Beineu District**, comprising approximately **491 ha of state reserve land and 45 ha of land leased to farming enterprises**. These estimates relate entirely to the EBRD-financed section and therefore fall within the scope of this LARF.

In **Baiganin District**, approximately **498 ha** may be required, all of which is identified as **state reserve land**. These estimates cover both the EBRD- and IBRD-financed sections within the district, both of which fall within the scope of this LARF.

In **Shalkar District**, the Feasibility Study estimates a total land requirement of approximately **520 ha**, comprising approximately **420 ha** of state reserve land and **100 ha** of land leased to farming enterprises. However, these estimates cover the Project alignment within Shalkar District as a whole, including both the IBRD-financed section covered by this LARF and the ADB-financed section outside its scope. The available Feasibility Study data do not provide a breakdown of the estimated land requirements between these two sections.

These land acquisition figures are **preliminary and based on the Project alignment and land requirements identified at the feasibility study stage**. The final land acquisition footprint, affected land plots and exact areas of permanent land acquisition will be determined during the **detailed design stage** and subsequently verified as part of the land acquisition and LARP preparation process.

Within the EBRD- and IBRD-financed sections covered by this LARF in **Baiganin and Shalkar Districts (Aktobe Region)**, the Project alignment traverses predominantly saline and sparsely vegetated land with very limited suitability for livestock grazing. This is supported by information and land-use maps provided by the Baiganin and Shalkar District land

administration authorities, as well as by observations made by the Consultant during the field survey along the Project alignment. The land along these sections is therefore largely unused for agricultural purposes, including livestock grazing. Accordingly, based on the information currently available, permanent land acquisition within these sections is not expected to result in material impacts on existing agricultural land use or associated livelihoods. **Figure 3** illustrates typical land conditions along the Project alignment in Baiganin District.

Within Beineu District (Mangystau Region), the new road sections passing through the Sam and Turysh Rural Districts will affect land leased to farming enterprises under both long-term and short-term lease arrangements. Land identified in the local Feasibility Study as state reserve land largely corresponds to the existing KR-BG-2 unpaved road corridor. This road was put into operation without the underlying land being formally allocated to JSC NC "KazAvtoZhol".

In Sam Rural District, the total area of pastureland is approximately 21,682 ha, of which about 20,760 ha is leased to farming enterprises and approximately 922 ha is formally classified as state reserve land. The 922 ha of state reserve land includes the existing unpaved road corridor, which forms part of the Project alignment towards Turysh rural settlement.

In Turysh Rural District, pastureland covers approximately 15,000 ha, all of which has been allocated to farming enterprises under lease arrangements.



Figure 3 - Examples of Typical Land Conditions along the Project Corridor in Baiganin District

Land leased to farming enterprises along the Project alignment is used primarily for grazing horses and camels, and to a lesser extent, cattle. Leaseholders have undertaken various land improvements to support livestock farming activities, including accommodation facilities for farm workers, artesian wells, livestock wintering facilities and other associated infrastructure. The photographs below illustrate typical land improvements observed on leased pastureland along the Project corridor. The **Figure 4** illustrate typical land improvements observed on leased pastureland along the Project corridor.

In summary, irrespective of potential adjustments to the Project alignment during detailed design, permanent land acquisition is expected to affect two main categories of land: state reserve land with little or no current economic use, and pastureland leased to farming

enterprises. Leaseholders have, in many cases, undertaken improvements on the leased land to support livestock farming activities. Such improvements, together with affected land use rights and other associated economic losses, will need to be identified, valued and appropriately addressed when developing the Project's compensation measures.



Figure 4 - Typical Land Improvements on Leased Pastureland along the Project Corridor (Beineu District)

2.3 Potential Impact and Scale of Land Acquisition

The precise scale of permanent land acquisition will be determined during the detailed design stage and confirmed through the census, asset inventory and land acquisition surveys undertaken as part of LARP preparation. Preliminary estimates provided in the local Feasibility Study indicate that approximately **1,554 ha** may be required for permanent acquisition, comprising approximately **145 ha of pastureland leased to farming enterprises**. The final Project footprint and land acquisition boundaries will only be established during the detailed design stage, nevertheless, no substantial change in the overall scale of land acquisition is anticipated.

Impacts associated with the acquisition of **state reserve land** are expected to be limited, as the affected areas have little or no current economic use and, as described above, are largely unsuitable for livestock grazing. Land acquisition from **leased pastureland**, however, may result in both a reduction in the available grazing area and fragmentation of individual land plots. Based on preliminary land plot data for the alignment presented in the local Feasibility Study, permanent acquisition is expected to affect approximately **0.15% to 1.5% of the total**

area of leased plots. Given the relatively small proportion of land to be acquired, the direct loss of grazing area is generally expected to result in **minor economic impacts**, subject to appropriate compensation for affected land use rights and associated losses in accordance with Kazakhstan legislation and EBRD ESR 5.

The potential effects of land fragmentation may, however, be more significant than the direct loss of land and will depend on the position of the road within each affected land plot. For the purposes of this LARF, three indicative situations have been identified:

Road alignment along or close to the boundary of the land plot. In this situation, the road would affect the edge of the pasture without materially dividing the remaining land. Subject to compensation for the affected land use rights and associated losses, no significant additional impact associated with fragmentation is anticipated.

Separation of a small portion of the land plot. The road may cross the plot in a manner that separates a relatively small area from the main pasture holding. For preliminary screening purposes, this LARF considers a separated area of up to approximately 10% of the total land plot as a small residual portion. Where the separated area does not contain essential land improvements or livestock infrastructure and the main part of the pasture remains accessible and usable, the resulting economic impact is expected to be minor, subject to appropriate compensation for affected land use rights and associated losses.

Substantial fragmentation of the land plot. Where the road divides an affected plot into two substantial portions, rather than leaving only a small residual area, the impact may be more significant. Based on the Consultant's assessment and preliminary LARF consultations with potentially affected land users, such fragmentation may reduce the effective area of pasture available for livestock grazing and restrict access to or use of land improvements and livestock infrastructure. Particular consideration will be required where the road affects access to artesian wells, established livestock wintering facilities, worker accommodation or other facilities essential to the operation of the farming enterprise.

The significance of fragmentation impacts will be assessed during **LARP preparation on a plot-by-plot basis**, taking into account the size, configuration, accessibility and continued usability of the remaining land, as well as the location and function of existing land improvements. Where fragmentation would render part of the remaining land inaccessible or economically unviable, appropriate compensation and/or other mitigation and livelihood restoration measures will be identified in accordance with **Kazakhstan legislation and EBRD ESR 5**. Such measures may include the **provision of cattle passes at locations agreed with affected land users (PAPs)** to maintain livestock movements and access to grazing areas, water sources and other essential livestock infrastructure.

3 Applicable Legal Framework and Entitlements

This Land Acquisition and Resettlement Framework establishes the eligibility criteria and compensation entitlements for the anticipated types of land acquisition impacts and sets out the principles and procedures for valuation and compensation, consultation and disclosure, grievance management, and monitoring and evaluation. It integrates the applicable legal framework and land acquisition procedures of the Republic of Kazakhstan with the requirements of the EBRD Environmental and Social Policy (2024), in particular Environmental and Social Requirement (ESR) 5 on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement.

3.1 National Kazakhstan Legal Framework and Practices

Hierarchy of Legal Acts in Kazakhstan

The legal framework of the Republic of Kazakhstan is based on a hierarchy of normative legal acts established by the Constitution of the Republic of Kazakhstan and the Law On Legal Acts². The Constitution has the highest legal force.

Under the Law On Legal Acts, normative legal acts are generally ranked in descending order of legal force as follows:

- laws amending and supplementing the Constitution;
- constitutional laws;
- codes of the Republic of Kazakhstan;
- laws of the Republic of Kazakhstan;
- normative legal acts of the President, Parliament and Government, in accordance with their respective position in the statutory hierarchy;
- normative legal acts of central government bodies; and
- normative legal acts adopted by local representative and executive authorities.

Normative legal acts of a lower level must not contradict those of a higher level. In addition, international treaties ratified by the Republic of Kazakhstan take precedence over national laws and are directly applicable unless the treaty itself requires implementing legislation.

Constitution of the Republic of Kazakhstan

The Constitution of the Republic of Kazakhstan establishes the fundamental principles governing property and land rights. Under Article 6, land and other natural resources are owned by the State, while land may also be privately owned on the grounds, conditions and within the limits established by law.

²No. 480-V ZRK dated 6 April 2016, last amended 26.07.2026, available through https://prg.kz/document/?doc_id=37312788&pos=3;134

Article 26 provides that no person may be deprived of property except by a court decision. Involuntary acquisition of property for State needs is permitted only in exceptional cases provided for by law and subject to **equivalent compensation**.

Land Code

The **Land Code of the Republic of Kazakhstan**³ regulates land ownership and land use rights, including the allocation, transfer and termination of such rights, and establishes the rights and obligations of landowners and land users.

The Land Code recognises temporary paid land use (lease) rights, which may be short-term or long-term. As a general rule, short-term land use rights may be granted for up to five years and long-term rights for a period of five to 49 years. Agricultural land provided for farming activities is granted under temporary paid land use (lease) rights for a period of 10 to 49 years.

Of particular relevance to the Project, Article 84 provides that involuntary acquisition for State needs applies not only to privately owned land but also to land held under land use rights, irrespective of whether the land use right has been purchased from the State. Involuntary acquisition is permitted only in exceptional cases where there is no alternative means of meeting the State need and is subject to equivalent compensation. The acquisition must be limited to the extent necessary to meet the relevant State need.

Where the affected land use right has been purchased from the State, the land user is entitled to compensation for the amount paid to acquire that right and may, at their request, be provided with a replacement land plot. Where the land use right **has not been purchased from the State**, a replacement land plot may be provided. In either case, **losses incurred by the land user as a result of involuntary acquisition must be compensated in full**.

Articles 165 and 166 of the Land Code provide for full compensation of losses incurred by landowners and land users as a result of involuntary land acquisition for State needs. Importantly for the Project, Article 166 specifically recognises losses and costs arising from inconvenience in the use of land, including disruption of transport connections and severance of land by infrastructure. Such losses may include the costs of works and facilities required to restore connectivity and access.

State Property Law

The detailed procedure for compulsory acquisition for State needs is established by the Law of the Republic of Kazakhstan On State Property⁴. The Law provides that compulsory acquisition is an exceptional measure and may only be undertaken where State needs cannot be met through alternative means and only to the extent necessary to meet such needs.

Articles 62-1 and 62-2 establish the principle of equivalent compensation. Compensation may take the form of either an equivalent replacement land plot or immovable property, or compensation at the market value of the affected land plot or other immovable property.

³Code No. 442-II dated 20 June 2003, available through <https://adilet.zan.kz/rus/docs/K030000442>

⁴No. 413-IV dated 1 March 2011, last amended 13.08.2026, available through <https://adilet.zan.kz/rus/docs/Z1100000413>

Where replacement land is provided, its location, designated use and area must be taken into account, together with compensation for associated losses, where applicable.

Under Article 63, the compulsory acquisition process is initiated by a resolution of the Government or the competent local executive authority. The resolution identifies, among other matters, the purpose and grounds for acquisition, the affected land plot, its location, area and cadastral number, the owner or land user, and the proposed date of acquisition.

Article 165 establishes the grounds for compensation of losses incurred by landowners and land users. Such losses are subject to **full compensation**, including where land ownership or land use rights are terminated as a result of involuntary acquisition for State needs.

Article 166 establishes the principles for determining and compensating such losses. Compensation may include:

- *the value of the affected land plot or land use right;*
- the market value of real property and other assets located on the affected land;
- *costs associated with land improvements;*
- losses incurred as a result of termination of land ownership or land use rights;
- lost income; and
- costs arising from inconvenience in the continued use of land, including disruption of transport connections and land severance caused by infrastructure.

The Valuation Standards approved by Order of the Minister of Finance⁵, establish the applicable principles, approaches and methods for valuation. The Standard applies, inter alia, to the valuation of leasehold rights, land use rights and temporary land use rights.

For the purposes of this LARF, these provisions, together with Articles 165 and 166 of the Land Code, provide the basis for valuation of affected land use rights and compensation for associated land improvements and economic losses.

3.2 EBRD Requirements

EBRD requirements relating to land acquisition are set out in **ESR 5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement** of the EBRD Environmental and Social Policy (2024). ESR 5 applies to project-related permanent or temporary land acquisition, restrictions on land use and access to assets and natural resources that may result in physical and/or economic displacement.

The key requirements of ESR 5 relevant to the Project can be summarised as follows:

- **avoid involuntary resettlement or, where unavoidable, minimise it** by considering feasible alternative project designs and sites, while paying particular attention to gender impacts and impacts on vulnerable persons;

⁵No. 519 dated 5 May 2018, available through <https://adilet.zan.kz/rus/docs/V1800016971?utm>

- **mitigate unavoidable adverse social and economic impacts** arising from land acquisition and restrictions on land use, including through timely compensation for affected assets at full replacement cost;
- provide affected persons with **appropriate livelihood improvement or restoration measures** where land acquisition, loss of assets, restrictions on land use or access to resources result in economic displacement;
- **recognise affected persons with formal legal rights to land, including legally recognised land use rights**, as eligible for compensation for their legally held property and other assets at full replacement cost;
- where only part of a land plot is acquired and the remaining land is **no longer economically viable, safe or accessible**, consider the options available under national law and offer the affected person the option for acquisition of the entire land plot;
- undertake land acquisition and livelihood restoration through **meaningful consultation**, participation and disclosure of information, with particular attention to vulnerable persons and gender-related impacts;
- establish an **accessible and effective grievance mechanism** as early as possible to address concerns relating to land acquisition, compensation and livelihood restoration;
- ensure that **compensation is provided before displacement** or restrictions on access to land or assets occur; and
- monitor the implementation and outcomes of land acquisition and livelihood restoration measures and take corrective action where necessary.

3.3 Gap Analysis: Kazakhstan Legislation and EBRD ESR 5

Kazakhstan legislation and EBRD ESR 5 are broadly aligned on a number of fundamental principles related to land acquisition and compensation. National legislation recognises the rights of both landowners and land users, including holders of land use rights, and provides for compensation for affected land use rights, land improvements, lost income and other economic losses resulting from involuntary land acquisition.

However, certain differences remain between the national legal framework and EBRD ESR 5. These relate primarily to the application of the full replacement cost principle, eligibility and assistance for persons without formal or legally recognisable land rights, livelihood restoration beyond monetary compensation for losses, specific measures for vulnerable persons, and certain requirements relating to consultation, grievance management and monitoring of land acquisition and livelihood restoration outcomes. A comparison of Kazakhstan legislation and EBRD ESR 5 requirements, including the identified gaps and corresponding Project measures, is presented in **Table 1** below.

Table 1 - Gap Analysis: Kazakhstan Legislation and EBRD ESR 5

Key Requirement	Kazakhstan legislation	EBRD ESR 5 (2024)	Gap / Project measure
Eligibility of landowners and land users	National legislation recognises both landowners and land users. Involuntary acquisition for State needs may affect privately owned land and land held under land use rights. Affected land use rights and associated losses are subject to compensation in accordance with the Land Code and State Property Law.	Persons with formal legal rights to land, including recognised leasehold and land use rights, are eligible for compensation for affected rights and assets.	Broad alignment. Farming enterprises holding affected pastureland under legally recognised lease arrangements will be treated as eligible PAPs. No Project-specific eligibility gap is identified for these leaseholders.
Valuation and replacement cost	Kazakhstan legislation provides for equivalent compensation and compensation of affected land use rights, assets and losses. Valuation is undertaken under the applicable national valuation framework, including the Valuation Standards approved by Order No. 519, which cover leasehold and land use rights.	Compensation for affected assets is required at full replacement cost, including applicable transaction costs. Where national valuation does not achieve full replacement cost, additional measures are required.	Potential gap in valuation basis and transaction costs. The LARP will apply full replacement cost. Any shortfall between compensation determined under national legislation and ESR 5 replacement cost will be covered by supplementary compensation or other measures.
Leased Pastureland, Land Improvements and Economic/Livelihood Impacts	Articles 165-166 of the Land Code provide for compensation of losses incurred by landowners and land users, including the value of affected land use rights, land improvements, lost income and other economic losses. The Land Code also recognises losses and costs arising from inconvenience in land use, including disruption of transport connections and land severance caused by infrastructure.	Economic displacement resulting from land acquisition or restrictions on land use must be mitigated through compensation at full replacement cost and, where necessary, additional measures to improve or at least restore affected livelihoods. Particular consideration is required where livelihoods depend on land or access to natural resources, including livestock grazing.	Partial gap. Kazakhstan legislation provides for compensation of affected land use rights, improvements, lost income and other economic losses, but does not establish the same explicit livelihood restoration objective as ESR 5. The LARP will assess impacts on livestock-based livelihoods, including loss of grazing area, land severance and access to artesian wells, livestock wintering facilities and other essential farm infrastructure.

Key Requirement	Kazakhstan legislation	EBRD ESR 5 (2024)	Gap / Project measure
Land severance and residual land	National legislation provides for compensation of losses/costs arising from inconvenience in land use and severance by infrastructure, including measures required to restore access or usability.	Where partial acquisition leaves residual land economically non-viable, unsafe or inaccessible, the impacts on the remaining land must be addressed and acquisition of the whole plot considered where applicable.	No fundamental gap , but ESR 5 requires systematic assessment. During LARP preparation, fragmentation will be assessed plot-by-plot. Measures may include cattle passes at locations agreed with PAPs, restoration of access, compensation for economic losses and, where warranted, treatment of non-viable residual land.
Census, asset inventory and cut-off date	National land acquisition procedures identify affected registered land plots, rights and assets, but do not establish the same comprehensive census and socio-economic baseline process required by ESR 5.	A census, asset inventory and appropriate socio-economic baseline are required to identify affected persons and impacts. A cut-off date for eligibility must be established and communicated.	Gap. Once the detailed design and final footprint are available, the LARP will include a census of PAPs, inventory of affected assets and rights, socio-economic information proportionate to the impacts, and a clearly communicated cut-off date.
Vulnerable persons	Kazakhstan legislation contains social protection provisions for vulnerable population groups, but land acquisition legislation does not establish Project-specific requirements equivalent to ESR 5 for identifying vulnerability and providing differentiated resettlement/livelihood assistance.	Vulnerable persons must be identified and provided with differentiated measures so that Project impacts do not fall disproportionately on them and they are able to benefit from mitigation and livelihood restoration measures.	Gap. Vulnerable PAPs will be identified during LARP preparation and provided with targeted assistance where required.
Consultation, grievance mechanism and monitoring	National procedures provide for notification, objections, conciliation and access to courts in relation to involuntary acquisition. They do not provide the same Project-level requirements for ongoing meaningful consultation, a dedicated grievance mechanism, and monitoring of livelihood restoration outcomes.	Meaningful consultation and disclosure are required throughout the process. An accessible grievance mechanism must be established early, and implementation and livelihood restoration outcomes must be monitored, with corrective actions where necessary.	Gap. The Project will maintain a dedicated GRM, undertake meaningful consultation and disclosure with affected land users, and establish LARP implementation and outcome monitoring in accordance with ESR 5.

4 Land Acquisition and Compensation Framework

4.1 Key Compensation Measures and Entitlements

The key compensation and assistance measures to be applied by the Project in relation to permanent land acquisition and associated economic displacement are set out below. The specific impacts, affected land users and applicable compensation and assistance measures will be confirmed during preparation of the **Land Acquisition and Resettlement Plan (LARP)**, once the detailed design and final land acquisition footprint are available.

- During the **detailed design**, the road alignment and associated facilities will, to the extent technically and economically feasible, be optimised to minimise permanent acquisition of leased pastureland and avoid or minimise **land severance**, particularly where the alignment may affect access to artesian wells, livestock wintering facilities and other infrastructure essential to livestock farming.
- Following completion of the detailed design, ***a census of PAPs and inventory of affected land plots, land use rights, land improvements and other affected assets will be undertaken*** as part of LARP preparation. Impacts on leased pastureland will be assessed on a plot-by-plot basis, taking into account the proportion of each land plot subject to permanent acquisition, the configuration, accessibility and continued usability of the remaining pastureland, and the location of land improvements and livestock infrastructure. The assessment will also determine the extent of land severance and any resulting restrictions on access or continued use. For this purpose, the following three indicative land severance scenarios will be considered:

Scenario 1 - Road alignment along or close to the boundary of the land plot.

Where the road affects the edge of the leased pastureland without materially severing the remaining land, compensation will primarily address the affected land use rights and any directly affected land improvements.

Scenario 2 - Severance of a small portion of the land plot. Where the road severs a relatively small portion of the pastureland from the main holding (indicatively, **up to 10% of the total plot area**), the impact is expected to be minor, provided that the severed area contains no essential land improvements or livestock infrastructure. Compensation will cover the affected land use rights and associated economic losses.

Scenario 3 - Substantial land severance. Where the road divides the pastureland into two substantial portions, the LARP will assess whether the severance materially reduces the effective grazing area or restricts access of livestock to parts of the pasture, water sources, livestock wintering facilities or other essential infrastructure. Mitigation may include **cattle passes at locations agreed with affected land users, restoration or provision of alternative access, compensation for affected land improvements and economic losses, and additional livelihood restoration measures where required.**

- Where **land improvements** such as artesian wells, livestock wintering facilities, worker accommodation or other livestock infrastructure are directly affected, they will be compensated at full replacement cost or, where appropriate and agreed with the PAP,

replaced or restored to a condition that allows continued livestock farming activities. Where feasible, avoidance of such facilities through adjustment of the detailed alignment will be prioritised.

- **Meaningful consultations** will be undertaken with affected land users during LARP preparation and implementation, including consultation on land severance, livestock movement, the location of cattle passes and other access arrangements, compensation options and livelihood restoration measures.
- **An accessible grievance mechanism** will be maintained throughout LARP preparation and implementation to enable PAPs to raise concerns regarding land acquisition, valuation, compensation, access arrangements and other land-related impacts.
- Implementation of land acquisition, compensation and assistance measures **will be monitored and documented through the LARP**, including verification that compensation has been paid and agreed mitigation/access measures have been implemented before the relevant land is occupied or access is restricted.

Table 2 below provides an overview of the principal compensation and assistance entitlements applicable to the anticipated land acquisition impacts of the Project. The specific entitlements will be confirmed in the LARP based on the detailed design, census and inventory of affected land plots, rights, improvements and other assets.

Table 2 - Entitlement Matrix

Asset / Impact	Affected Persons	Compensation / Assistance Entitlements
Permanent loss of leased pastureland	Leaseholders holding legally recognised land use rights	Compensation for affected land use rights in accordance with Kazakhstan legislation and at full replacement cost as required by EBRD ESR 5. Compensation for associated economic losses, where demonstrated. Replacement land may be considered where applicable, available and agreed with the PAP.
Land severance and restricted access	Affected leaseholders/pasture land users	Restoration or provision of alternative access, including cattle passes at locations agreed with affected land users, as appropriate. Compensation for demonstrable economic losses associated with severance or restricted use. Where land severance renders the remaining land inaccessible or economically non-viable, acquisition and compensation of the affected residual land will be considered in accordance with Kazakhstan legislation and EBRD ESR 5.
Loss of land improvements and	Owners/users of affected improvements	Avoidance through detailed design where feasible. Where impacts cannot be avoided, affected improvements will be replaced or compensated at full replacement cost. Where

Asset / Impact	Affected Persons	Compensation / Assistance Entitlements
livestock infrastructure		appropriate and agreed with the PAP, facilities will be restored or relocated so that continued livestock farming activities are not materially impaired.
Permanent or temporary loss of business/ employment	Business owners (including those with no formal rights on the land) and their affected workers	If permanent business loss, cash compensation equal to one-year net income (lost profit). If temporary business loss, cash compensation for the period of income loss (not exceeding one year). If permanent employment loss, 3 months average registered wages (if not registered, based on the official minimum wage in RoK). If temporary employment loss, average registered wage during disruption (if not registered, based on the official minimum wage in RoK). Note: Affected workers will be paid through their employers (as per the Labor Code)
Imposition of servitudes	Owners of land plots	Servitude payment as specified in the permanent servitude agreement. Any damage to land or other assets resulting from the exercise of the servitude will be compensated at full replacement cost. Where the permanent servitude prevents the affected land from being effectively used for its existing purpose, the affected land plot will be acquired in full, with compensation provided at full replacement cost in accordance with this LARF
Vulnerable population groups	Households below the poverty line; female headed household; large families having 4 or more children below 18 years; HH with disabled members; and elderly with no family support	Assistance equivalent to minimum living wage for 3 months. Enrolment in government social assistance program if not yet enrolled. Priority in local employment for able members of vulnerable household.
Severely affected households	Households losing 10% or more of their productive or income-generating assets, including agricultural landholdings, as a result of Project-	Assistance equivalent to net income for one year generated on impacted land plot/property (if no data on income is available, then calculation will be based on minimum wage for 12 months) or land swap (if available).

Asset / Impact	Affected Persons	Compensation / Assistance Entitlements
	related land acquisition or restrictions on land use, as well as business owners whose businesses are permanently lost or required to cease operations as a result of such impacts	Enrolment in government social assistance program if not yet enrolled and applicable. Priority in local employment for severely impacted PAPs.
Temporary Loss⁶		
Temporary loss of land due to construction activities, including borrow pits, temporary access roads, work sites and storage areas	Land owners	Cash compensation at existing local rental rates for duration of temporary use plus income/crop/structure loss due to temporary land use, if any as provided for in the entitlements for crops, business and structure losses. Land restored to original status at the end of rental Payment for making land management and legal documents.
	Land leaseholders	Cash compensation at local state rental rates for duration of temporary use plus income/crop/structure loss due to temporary land use, if any as provided for in the entitlements for crops, business and structure losses. Land restored to original status at the end of rental. Payment for making land management and legal documents.
	Permanent/temporary users of state lands	Land restored to original status at the end of rental. Environmental safeguard measures.
Temporary restrictions on land use, including temporary servitudes, where required for construction or relocation of pipelines, communication lines, power lines or other utilities	Owners/users of land plots	Servitude payment as specified in the temporary servitude agreement. Restoration of the affected land upon expiry of the servitude. Any damage to land or other assets resulting from the exercise of the servitude will be compensated at full replacement cost.

⁶Compensation for temporary loss of use of land or other assets will be determined through negotiation and mutual agreement between QAJ and/or its Contractors, as applicable, and the affected owners or users, in accordance with the principles of this LARF.

4.2 Institutional Responsibility

JSC NC "KazAvtoZhol" (QAJ), as the Project Client, will have overall responsibility for implementation of this LARF and for ensuring that land acquisition and associated economic displacement are managed in accordance with Kazakhstan legislation and EBRD ESR 5. Following completion of the detailed design and confirmation of the final land acquisition footprint, QAJ will ensure the preparation, approval and implementation of the Land Acquisition and Resettlement Plan (LARP) in accordance with the principles and requirements established in this LARF.

Implementation of the land acquisition process will require close coordination between **QAJ and the competent regional, district and local authorities**, including the relevant Akimats and land relations authorities in Mangystau and Aktobe Regions. Within their respective statutory responsibilities, the competent authorities will support identification and verification of affected land plots and land use rights, implementation of statutory land acquisition procedures, notification and engagement of affected land users, and provision of land administration and cadastral information required for LARP preparation and implementation.

QAJ will be responsible for ensuring that the LARP includes a **census of PAPs, inventory of affected land plots, land use rights, land improvements and other affected assets, assessment of land severance and associated economic impacts, and identification of applicable compensation and assistance measures**. Valuation of affected land use rights, improvements and other compensable losses will be undertaken by appropriately qualified and independent valuers in accordance with Kazakhstan legislation and applicable valuation standards, supplemented as necessary to meet the full replacement cost and livelihood restoration requirements of EBRD ESR 5.

QAJ, in coordination with the competent authorities and the detailed design team, will ensure that opportunities **to avoid or minimise impacts on leased pastureland and land improvements are considered during detailed design**. Particular attention will be given to land severance, continued access to grazing areas, artesian wells, livestock wintering facilities and other livestock infrastructure. Where cattle passes or other access measures are required, their locations and design will be determined in consultation with affected land users.

QAJ will also be responsible for ensuring **meaningful consultation and disclosure** throughout LARP preparation and implementation, operation of the Project grievance mechanism for land-related grievances, and monitoring and reporting on the implementation and outcomes of compensation, access restoration and other livelihood restoration measures.

A designated LARF/LARP focal point will be appointed by QAJ to coordinate implementation of this LARF and subsequent LARP preparation and implementation, maintain communication with affected persons and relevant authorities, coordinate the grievance mechanism, and serve as the principal contact point for land acquisition matters. The contact details of the appointed focal point will be disclosed to PAPs and other relevant stakeholders prior to commencement of the LARP process.

5 Consultation, Disclosure and Grievance Mechanism

5.1 Consultation, Participation and Disclosure

Meaningful consultation with Project-Affected Persons (PAPs) will be undertaken throughout the land acquisition process in accordance with EBRD ESR 5 and ESR 10 and the Project Stakeholder Engagement Plan (SEP). Consultation activities will be coordinated by QAJ in cooperation with the relevant regional, district and rural Akimats and other competent authorities.

This LARF forms part of the Project disclosure package. The LARF will be publicly disclosed in accordance with the arrangements established in the SEP. Comments and concerns raised by potentially affected persons and other stakeholders during disclosure and consultation will be recorded and, where relevant, taken into account during finalisation of the Project design and subsequent preparation and implementation of the LARP.

Once the detailed design and final land acquisition footprint are available, targeted consultations will be undertaken with affected land users as part of LARP preparation. PAPs will be informed about the anticipated land acquisition impacts, eligibility and compensation entitlements, valuation and compensation procedures, proposed measures to address land severance and access restrictions, implementation arrangements and the Project Grievance Redress Mechanism (GRM).

Particular attention will be given to consultation with affected farming enterprises regarding the continued **use of pastureland and access to grazing areas, artesian wells, livestock wintering facilities and other livestock infrastructure**. Where cattle passes or other access arrangements are required, their proposed locations and arrangements will be discussed with the affected land users as part of the detailed design and LARP process.

The relevant Akimats and land authorities will be involved in the identification and verification of affected land plots and land use rights and will support the census, inventory of affected assets and consultation with PAPs. Affected persons will be provided with sufficient information and opportunity to participate in decisions concerning compensation and mitigation measures that directly affect them.

The subsequent LARP will be disclosed prior to implementation of land acquisition and made accessible to affected persons in appropriate languages and formats. A non-technical summary of the key LARP provisions will be provided to PAPs, covering, as a minimum, eligibility and entitlements, compensation and assistance measures, implementation arrangements, timing and available grievance channels. Disclosure arrangements will be consistent with the Project SEP and applicable EBRD requirements.

5.2 Grievance Mechanism

The GRM established under the SEP will also apply to grievances related to land acquisition and economic displacement. It will be accessible to PAPs throughout LARP preparation and implementation and will allow affected persons to raise concerns regarding, among other matters, identification of affected land and assets, valuation and compensation, land severance, access to pastureland and livestock infrastructure, and implementation of compensation and assistance measures.

Land-related grievances will be registered, tracked and addressed within the procedures and timeframes established in the SEP. Use of the Project GRM will not restrict PAPs' **access to administrative or judicial remedies available under Kazakhstan legislation**. Information on the GRM and relevant contact details will be communicated to PAPs during LARP consultations and included in the disclosed LARP documentation.

6 LARP Preparation, Monitoring and Budgeting

6.1 LARP Structure

A **Land Acquisition and Resettlement Plan** will be prepared once the detailed design and final land requirements are available and the affected persons, land plots and other affected assets can be identified. The LARP will be prepared in accordance with the principles and requirements established in this **LARF** and **EBRD ESR 5**.

The **LARP** will define the specific land acquisition and land-use restriction impacts associated with the Project, identify the affected persons and assets through a census and asset inventory, and confirm and further detail, as necessary, the eligibility criteria and applicable entitlements established in this **LARF** based on the identified Project impacts and affected persons. It will set out the detailed valuation and compensation arrangements and, where relevant, identify livelihood impacts and define appropriate livelihood restoration measures and specific assistance for vulnerable affected persons. The LARP will further describe the stakeholder engagement and grievance arrangements, institutional responsibilities, implementation schedule, budget and financing arrangements, and procedures for monitoring and reporting on LARP implementation.

The indicative structure the LARP are provided in **Annex 1**. The structure may be adapted, as appropriate, to reflect the nature and scale of the land acquisition and resettlement impacts identified following completion of the detailed design and associated surveys.

6.2 Monitoring and Reporting

Implementation of the **LARP** will be monitored by QAJ through the designated **LARF/ LARP Focal Point**, in coordination with the relevant Akimats and other competent authorities. Monitoring will cover the progress of land acquisition and compensation, implementation of mitigation and assistance measures, consultation with PAPs, grievance management, and achievement of livelihood restoration objectives, where applicable.

Monitoring results will be documented through the Project's E&S reporting arrangements and reported to EBRD in accordance with the applicable financing requirements. Where monitoring identifies deficiencies or outstanding commitments, corrective measures will be developed and implemented.

The LARP will define the detailed monitoring indicators, responsibilities, frequency and reporting arrangements based on the final scale and significance of land acquisition impacts. **Where warranted** by the scale or significance of economic displacement, **independent monitoring and/or a completion audit** will be undertaken.

6.3 LARP Budgeting

QAJ will ensure that adequate financial resources are available for the preparation and implementation of the LARP. The Project land acquisition budget will cover all compensation, assistance, mitigation, administrative and monitoring costs required to implement the LARP in accordance with Kazakhstan legislation and EBRD ESR 5.

The detailed LARP budget will be prepared once the final land acquisition footprint, affected land plots, PAPs and assets have been identified and valuations completed. The budget will include, as applicable:

- compensation for affected land use rights;
- compensation or replacement of affected land improvements and livestock infrastructure;
- compensation for economic losses, including losses associated with land severance or restricted access;
- costs of construction of cattle crossings and other infrastructure required to maintain or restore access to affected land;
- valuation, cadastral, registration, transaction and other administrative costs associated with land acquisition;
- costs of consultation, disclosure, grievance management, monitoring and, where required, independent monitoring or completion audit; and
- appropriate contingency provisions for unforeseen land acquisition and compensation costs.

The LARP will document the valuation methodology and applicable compensation rates, provide a detailed breakdown of estimated costs, identify the entities responsible for financing and implementing each measure, and establish the arrangements and timing for the allocation and payment of funds.

Annex 1. Indicative Structure of the Land Acquisition and Resettlement Plan (LARP)

The following indicative structure sets out the minimum content to be addressed in the LARP. The structure may be adapted, as appropriate, to reflect the nature, scale and complexity of the land acquisition, restrictions on land use and associated livelihood impacts identified following completion of the detailed design, census and asset inventory. The LARP should provide sufficient detail to demonstrate how the principles and requirements established in this LARF and EBRD ESR 5 will be applied to the specific Project impacts and affected persons.

1. Introduction
2. Project Description
3. Land Acquisition and Resettlement Impacts
4. Socio-Economic Baseline and Census of Affected Persons
5. Legal and Institutional Framework
6. Eligibility and Entitlements
 - Eligibility Criteria
 - Cut-off Date
 - Entitlement Matrix
7. Valuation and Compensation
 - Valuation Methodology
 - Replacement Cost
 - Compensation Procedures
8. Livelihood Restoration Measures
9. Vulnerable Affected Persons and Assistance Measures
10. Stakeholder Engagement and Disclosure
11. Grievance Mechanism
12. Implementation Arrangements and Responsibilities
13. Implementation Schedule
14. LARP Budget and Financing
15. Monitoring and Reporting
16. Annexes
 - Census and asset inventory forms
 - Detailed list/register of affected persons and assets, subject to confidentiality requirements
 - Consultation records
 - Valuation documentation
 - Maps and plans
 - Other supporting documentation