

Social Monitoring Report

Semi-annual report
Period Covered: July to December 2015
January 2016

ARM: Sustainable Urban Development Investment Program - Tranche 1 and Tranche 2

Prepared by the Yerevan Municipality, Yerevan Project Implementation Unit for the Government of Armenia and the Asian Development Bank.

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ABBREVIATIONS

ADB	-	Asian Development Bank
AH	-	affected households
AP	-	affected persons
DESC	-	detailed engineering and construction supervision consultant
EA	-	executing agency
FFA	-	Framework Financing Agreement
IA	-	implementing agency
EMA	-	external monitoring agency
LAR	-	land acquisition and resettlement
LARF	-	land acquisition and resettlement framework
LARP	-	land acquisition and resettlement plan
MOE	-	Ministry of Economy
MFF	-	Multi-tranche financing facility
PIU	-	project implementation unit
PGC	-	Project Governing Council
PMIC	-	project management and institutional strengthening consultant
PPTA	-	project preparatory technical assistance
RS	-	resettlement specialist
SUDIP	-	Sustainable Urban Development Investment Program
YM	-	Yerevan Municipality

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1 Introduction

1.1 Objective of the report

1. This Semi-Annual Social Safeguards Monitoring Report for the Sustainable Urban Development Investment Program (SUDIP) of Yerevan Municipality (YM) of the Republic of Armenia (RA) covers the period from July to December 2015. The objective of the report is to provide an overview of the progress made in the implementation of the Land Acquisition and Resettlement (LAR) tasks in the second half of 2015. It provides information on social safeguards activities related to the preparation and implementation of the LARPs. It describes the project's performance in dealing with community consultation and stakeholders' participation, impacted asset registration/records and compensation processes, and grievances received and redressed. The report concerns LARP preparation and implementation of Tranche/Project 1 and Tranche/Project 2 as well as social impact mitigation measures. Lessons learned and the recommendations for the implementation of LAR related activities in the next stage of the program are summarized at the end of the report.

1.2 Background Information

2. By the Framework Financing Agreement (FFA) dated 24 March 2011 between the RA and Asian Development Bank (ADB), ADB has agreed to provide a multitranche financing facility (MFF) to the RA for the purposes of financing projects and subprojects under the SUDIP. The investment program targets a range of urban connectivity and mobility improvements in all parts of Armenia, aiming to improve transport efficiency, reliability, and safety, and reduce congestion. The program consists of several financial tranches/projects; each of them will include different subprojects. These are rehabilitation or construction of roads, transportation means, urban infrastructures, as well as institutional reforms of Yerevan urban transport and secondary cities of RA.

3. The impact of the Program will be the improved urban environment, local economy and enhanced private sector within the urban areas. The outcome will be efficient, reliable and affordable urban infrastructures and urban transport services provided in Armenian cities.

4. The loan agreement between the RA and ADB for SUDIP- Tranche/Project 1 was signed on 19 May 2011 for a loan amount of \$48.64 million from ADB's Special Funds resources. Date of Loan Effectiveness is 19 July 2011 and the date of loan closing is 30 June 2016.

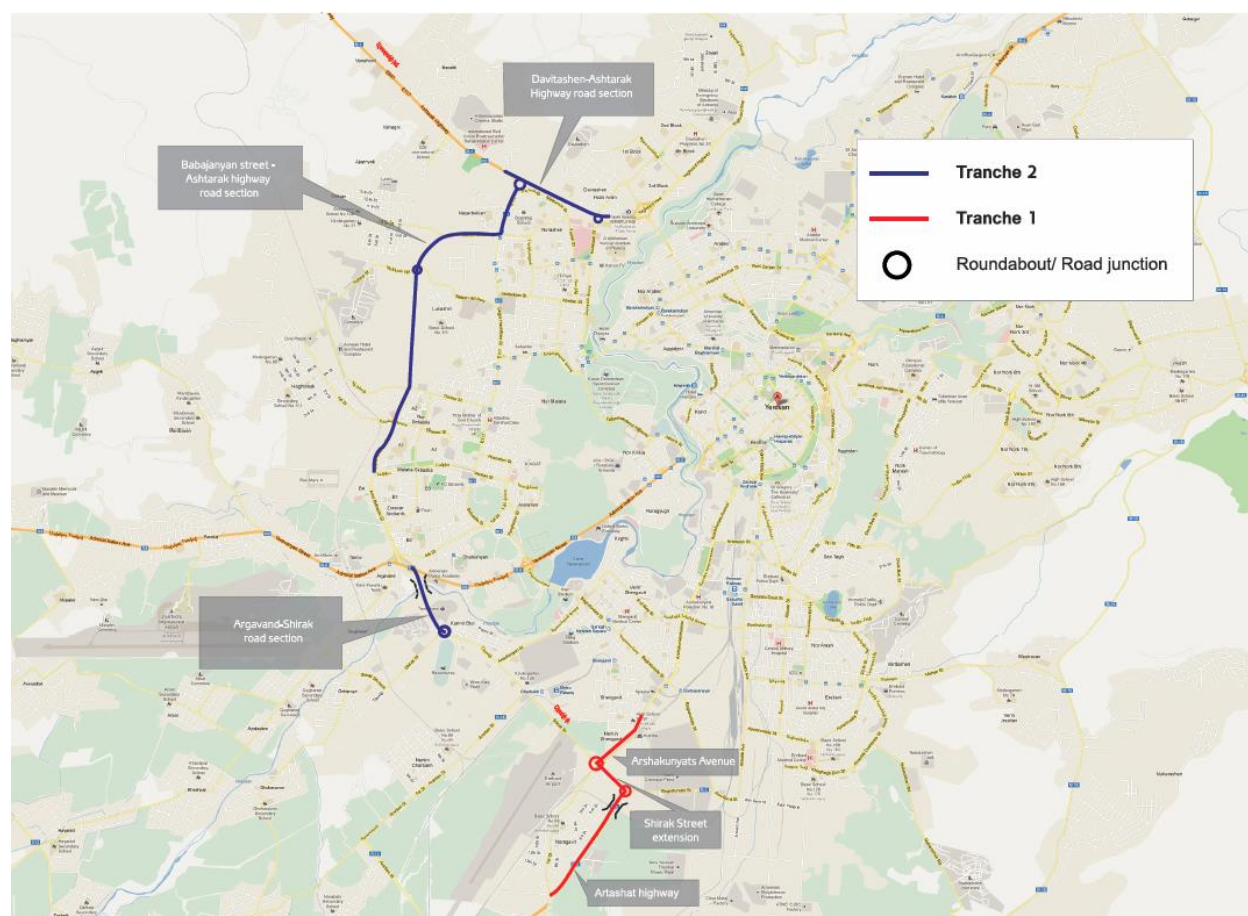
5. The Government submitted on 16 April 2015 the periodic financing request for Tranche/Project 2, \$112.97 million from ADB's ordinary capital resources. ADB Management Review Meeting was held on 25 June 2015. The loan agreement between the RA and ADB for SUDIP- Tranche/Project 2 was signed on 13 October 2015 for a loan amount of \$112.97 million. Date of Loan Effectiveness is 11 January 2016 and the date of loan closing is 30 March 2020. Figure 1 below represents the map of Tranche/Project 1 and Tranche/Project 2 locations.

6. For the implementation of the MFF the Ministry of Economy (MOE) is designated as the executing agency (EA), and the Yerevan Municipality (YM) as the implementing agency (IA), which will act through "Investing Projects Implementation Unit Building Up of Yerevan" (PIU).

1.3 LARF

7. The LARF for the MFF approved in 2010 was revised and approved on 7 March 2012 (Government decree N 273). The revision accounted for an addendum on methodology for the compensation of business losses, employment losses and allowances for the vulnerable people. The final LARF and addendum were approved by the Government of Armenia (GoA) in November 2012 (Government decree N 1432).

Figure 1: Map of Tranche 1 and Tranche 2 locations



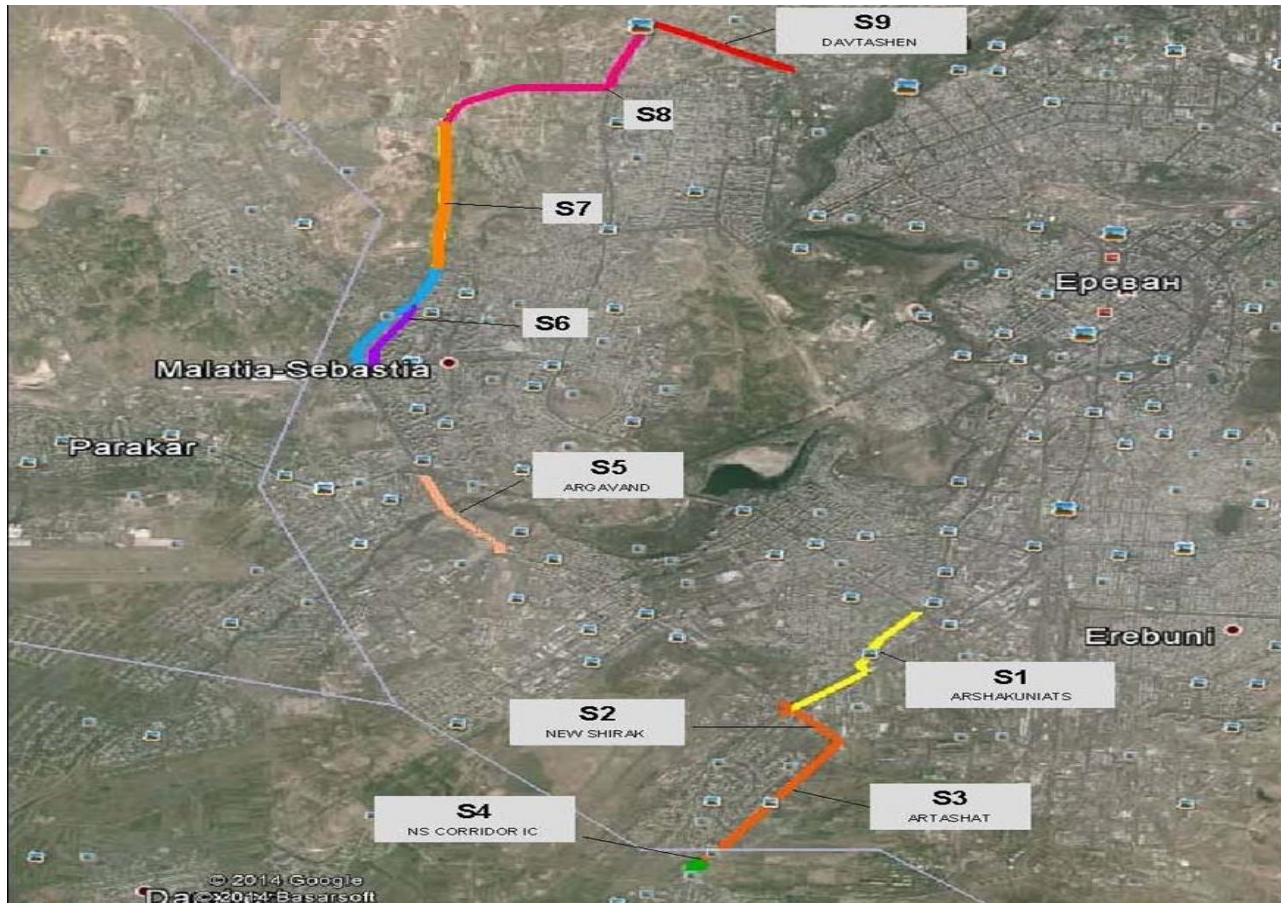
8. In order to facilitate LARF preparation and implementation, the area of Tranche/Project1 and Tranche/Project 2 was divided into several sections numbered from S1 to S9 shown in the Table1 and the Figure 2 below.

Table1: Tranche1 and Tranche2 sections

Tranche/Project	Section	Name	Length
Tranche/Project1	S1	Arshakunyats	1 280 m
	S2	New Shirak	3 200 m
	S3	Artashat	

	S4	Artashat highway -North South Corridor Interchange	
Tranche/Project2	S5	Argavand	1 350 m
	S6	Babajanyan-Tichina	2 220 m
	S7	Tichina-Old Silikyan	2 060 m
	S8	Old Silikyan - Ashtarak Highway	2 570 m
	S9	Davitashen - Ashtarak Highway	2 20 m

Figure 2: Google map of Tranche1 and Tranche2 sections



2 Tranche 1

2.1 Background

9. The project aims at improvement of urban transport in Yerevan aligned with the urban master plan of Yerevan city and promoting a sustainable, integrated, socially affordable and cost efficient urban transport system.

10. Tranche/Project 1 comprises the following components:

- i. Urban Transport Infrastructure Improvement, including
 - Subproject1 Argawand highway-Shirak street road (West)
 - Subproject2 Artashat highway-Shirak street and Arshakunyats avenue section road (South-West).
- ii. Institutional Strengthening to strengthen institutional framework and urban transport organization, increase coordination, monitoring and financing of urban transport subsector;
- iii. Program Management and Capacity Building: consulting services for subproject preparation, construction supervision, audit, social and environmental assessments, and institutional capacity development in the urban transport sector.

11. The Project area is in South-West Yerevan (Shengavit district) about 6 km of the City center. (Figure 3)

12. Tranche/Project 1 includes the widening of two main roads, namely Arshakunyats Avenue (1.3km) and Artashat highway (1.5km), and will result in the existing two-lane alignment being widened and converted into a 4-6 lane divided road with a central reservation. A new roundabout connecting Artashat highway to Arshakunyats avenue and Shirak street will be constructed on 8-9m height. The design total length is about 500m. The roundabout will be constructed on the embankment. As the roundabout will be over railway and Noragavit 1st street, two tunnels will be constructed within the embankment in order to allow passing railway and Noragavit 1st street.

13. The section that will link Argavand highway and Shirak street West, running a length of approximately 1.3km, has been moved to Tranche/Project 2.

14. On 29 September 2015 ADB gave it's no objection on including a new junction between Artashat highway and North-South Road Corridor in the Tranche 1.

2.2 Land Acquisition and Resettlement Plans

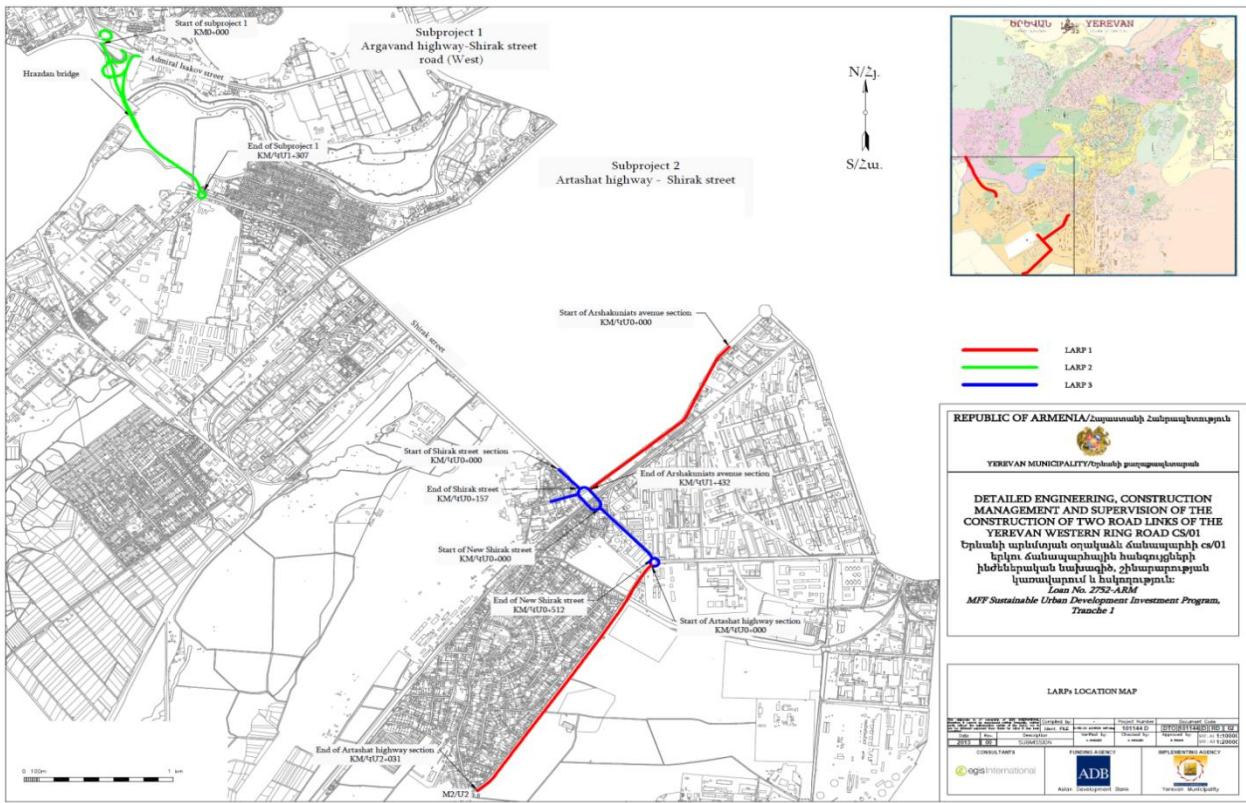
15. Tranche 1 has been classified as Category A for the involuntary resettlement safeguard of ADB, as the implementation of the Project requires substantial land acquisition and resettlement (LAR) with more than 200 significantly affected persons (AP), losing more than 10% of their income generated assets or being physically displaced from their houses.

16. To facilitate the implementation of the LARP for the entire Tranche 1, the Tranche area was divided into the following two parts for which separate LARPs were prepared.

- i. LARP1 - Arshakunyats avenue section and Artashat highway section
- ii. LARP3 - New Shirak street section

One more separate LARP will be prepared for Artashat highway -North South Corridor Interchange based on ADB no objection on including the new junction in Tranche 1.

Figure 3: Tranche1



2.3 LARP Preparation and Implementation

2.3.1 LARP1

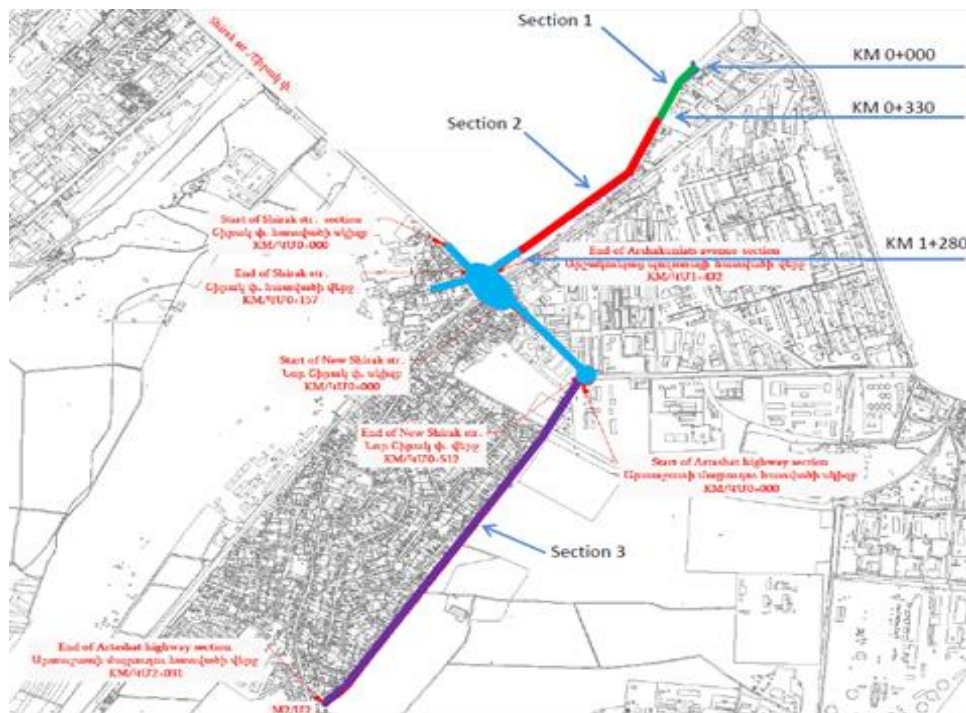
2.3.1.1 Preparation

17. LARP1 was approved by ADB on 30 August 2013 and by the Government on 14 November 2013 (Government Decree N 1253). Afterwards, on November 30 the ADB approved the changes to the LARP1 which were done based on the GoA comments on Armenian version of the LARP1.

2.3.1.2 Implementation

18. To facilitate the construction team to commence their work according to the agreed schedule, the implementation of LARP 1 was divided into three main sections (Figure 4). Section 1 and section 2 are covered in Tender 1 and section 3 is covered in Tender 2 for the construction package.

Figure 4: LARP1 split into sections



19. Construction works in Sections 1 and 2 of LARP 1 completed on 15 December 2014 . On 25 December 2014 Yerevan Mayor officially opened the newly reconstructed Arshakunyats avenue.

20. The commencement of construction works for Section 3 was granted in January 2015.

2.3.2 LARP3

2.3.2.1 Preparation

21. The AH/AP Census and impacts surveys for LARP3 were carried out in March-August 2013 by DESC. LARP3 was approved by ADB on 12 May 2014 and by the Government on 11 September 2014.

2.3.2.2 Implementation

22. The LARP implementation started in Q4 2014 and was finalized in July 2015 in the current reporting period. In addition to 46 contracts and 109 agreements signed by the end of June 4 contracts and 6 agreements were signed in July 2015. The total amount of the contracts and agreements signed from the beginning of LARP implementation was 1.925.2 million drams compared to 2.243,8 million drams envisaged by Yerevan Mayor's decree N4809 made on 19 December 2014, which defines the compensation amount of each AH based on valuation reports provided by DESC. The difference is conditioned with removal of 5 AP's (6 ID's) properties from LARP3 due to design changes as well as transferring of compensation amounts

of the 4 court cases to courts deposit accounts. Tables 2 and 3 present a record of the LARP3 implementation progress made during the period covered by the report.

23. Description and progress on 4 pending cases in the court are presented below

1 According to LARP 3 only a part of the AP's property must be acquired. The AP applied to the court demanding to acquire the entire property. In the meantime, the AP doesn't agree with the compensation amount. Conditioned with the failure to sign a contract within three months after sending the draft contract to the AP according to the RA legislation, on 18 April 2015 PIU transferred the compensation amount to the court's deposit account, and applied to the court. The court made a decision to satisfy the AP's claim. PIU submitted a claim to the Court of Appeal. The Court of appeal made a decision to send the case back to the Court of premier instance for the new hearing. By the end of December 2015 the hearing was not appointed yet.

2 Due to a dispute between the co-owners regarding the proportions of their shares, it was not possible to sign the contract within three months after PIU submitted the draft contract to the AP's. On 28 April 2015 PIU transferred the compensation amount to the court's deposit account, and applied to the court. The Court of premier instance satisfied PIU's claim, The AP appealed to the Court of Appeal. On 20 November 2015 the court of Appeal made a decision to leave the verdict of the court of Premier instance unchanged. The decision came into force on 20 January 2016.

3 The AP doesn't agree with the compensation amount. Conditioned with a failure to conclude a contract within three months after sending the draft contract to the AP according to the RA legislation, on 01 April 2015 PIU transferred the compensation amount to the court's deposit account and applied to the court. An expert has been appointed by the Court. By the end of December 2015 the conclusion of the expert was not submitted to the court.

4 Conditioned with a failure to conclude a contract in three months period after sending the draft contract to the AP according to the RA legislation, on 30 June 2015 PIU transferred the compensation amount to the court's deposit account. The Company was notified accordingly. The hearing is appointed on 21 February, 2016.

24. The Compliance Report for LARP 3 was submitted to ADB on 11 August 2015. After receiving ADB comments on 17 August PIU resubmitted the revised Compliance Report on 21 August. The compliance Report for LARP 3 was approved by ADB on 25 August 2015.

25. The commencement of construction works for LARP3 was granted on 02 September 2015.

2.3.2.3 Corrective action plan (CAP) due to construction issues and Emergency reinforcement plan (ERP)

26. As a result of construction works needed for the excavation of the bridge foundation 2 properties were affected in Artashat highway under LARP3.

1. 1 land plot was temporarily affected. A CAP due to construction issues was prepared by PIU and submitted to ADB on 14 October 2015. ADB approved the CAP on 19 November 2015. According to the CAP all the improvements (trees, crops, fences etc.) and 3 support structures on the affected part of the land plot will be alienated. In total 12.8 million drams compensation

will be paid to the AP. As there was a legacy issue regarding the property used by the AP it was suggested the AP (the potential heir) to initiate the legacy admission process and to separate the property in accordance with RA law. By the end of December 2015 the AP resolved the legacy issue. The process of registration of the AP's ownership according to the certificate of inheritance is out of PIU control. An agreement will be signed with the AP and the compensation amount will be transferred to his bank account in five days after he submits to PIU the certificate of ownership

2. Unanticipated structural damages in Artashat highway were a result of the construction works needed for the excavation of the bridge foundation and infrastructural works. The affected property was located on Artashat Highway, 5/4. It was a non-operating shop (59.2sqm) with several cracks and deformations. An ERP was prepared by PIU and submitted to ADB on 14 December 2015. ADB approved the ERP on 25 December 2015. On 28 December 2015 an agreement was signed with the AP and a compensation amount of 11.1 mln AMD was transferred to the bank account opened by PIU for this AP.

Table 2: LARP3 Implementation Milestone Achievements

Task/Activity	Planned		Achieved	
	Start	Finish	Start	Finish
Submission of draft LARP3 to ADB for comments	10.11.2013		30.11.2013	
Submission of finalised LARP3 to ADB for approval	07.02.2014		05.02.2014	
ADB approves LARP 3	04.04.2014		12.05.2014	
RA Government approves LARP3	15.05.2014		11.09.2014	
RA Government approves LAR budget	15.05.2014		11.09.2014	
Posting approved LARP document on ADB website	25.05.2014		Posted	
Posting approved LARP document on YM website	25.05.2014		11.09.2014	
Distribution of the final information pamphlet to APs	15.05.2014	18.05.2014	09.07.2014	
Agreement with commercial bank with best conditions for AP's			04.12. 2013	
Bank accounts for AP's opened			11.12.2014	
GoA Decree on eminent domain approved by the government			11.09.2014	
Draft contracts sent to APs	25.05.2014	03.06.2014	08.12.2014	18.07.2015
Signing contracts/agreement	03.06.2014	03.09.2014	19.12.2014	18.07.2015
Distribution of compensation	13.06.2014	13.09.2014	20.12.2014	04,08,2015
Finalization of expropriation, provision of expropriation injunctions	15.07.2014	15.10.2014		Ongoing
Preparation of LARP Compliance Report	December 2014	07.08.2015	December 2014	11.08.2015
Revision of the LARP Compliance Report by ADB	11.08.2015	22.08.2015	11.08.2015	17.08.2015

Submission of the revised Compliance report to ADB	25.08.2015	25.08.2015	17.08.2015	21.08.2015
Approval of Compliance report by ADB	26.08.2015	27.08.2015	21.08.2015	25.08.2015
Hanging over the site to the Contractor	28.08.2015	28.08.2015	02.09.2015	02.09.2015
Commencement of civil works	29.08.2015	29.08.2015	03.09.2015	03.09.2015

Table 3. LARP 3 implementation output indicators¹

NO of row	Definition	Unit	Targeted	Achieved	Comment
1	No of AH signed contracts/agreements	N	90	86	
2	No of AH received compensation	N	90	86	Including 5 new APs(row11)
3	Compensation amount disbursed	AMD	2,243,766,423	1,925,167,122	The amount of compensation decreased as 4 cases are in the court and 5 AH's were removed from the LARP.(rows from 9 to 15)
4		% of total planed ²		85.8%	
5	No of contracts signed	N of contracts	56	50	
6	Compensation based on contracts	AMD		1.296.543.838	
7	No of agreements signed	N of agreements	115	115	Including 5 new APs
8	Compensation based on agreements	AMD		628.623.284	
9	No of cases in court	N		4	
10	Amount of compensation transferred to the courts deposit amounts	AMD		158.148.771	
11	No of identified new AHs	N		6	
12	No of identified new AHs received compensation	N		6	
13	Amount of compensation paid to identified new AHs	AMD		23,743,779	
14	No of AHs removed from LARP 3	N		5	

¹ Numbers presented in the table are cumulative.

² Calculations are based on Yerevan Mayors decree N4809 made on 19 December 2014.

15	Amount of compensation not paid due to removal of AHs from the LARP	AMD		172,608,538	
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2.3.2.4 Public consultations and documents disclosure

27. No public consultations were held in the reporting period, July-December 2015.

28. On 12 October 2015 PIU conducted working discussion with the AP (and his lawyer) whose land plot was temporarily affected. The AP was informed about unforeseen impacts, the compensation entitlements, the procedure and steps of registration of AP's rights to the affected property were presented to the AP. In addition PIU organized a meeting with the notary, the AP and the AP's lawyer in order to speed up the process of heritage acceptance.

29. The CAP due to construction issues was posted on SUDIP's website in Armenian and on ADB's website in English.

30. A consultation with the owner of the damaged structure was organized on 18 December 2015. The purpose of the meeting was to inform the AP about the reinforcement entitlement. The AP was informed that he will be compensated for reinforcement of the structure if the seismic conclusion proves it will be safe to use the structure after reinforcement.

31. The ERP will be posted on SUDIP's website in January 2016.

2.3.3 LARP for Artashat highway -North South Corridor Interchange

2.3.3.1 Preparation

32. The junction of Artashat highway with N/S Corridor (Table1 Section 4) is the continuation of works under Tender2 (LARP3, Artashat highway, Section 3). The total length of the junction is 300m, with average width of 24m. The detailed design for this section was finalised in November 2015. In November-December 2015 PIU requested and obtained from Cadaster Committee the Cadastral map of S4 as well as information about affected properties based on detailed design. DMS and census were conducted in November-December 2015 by DESC. According to the census 16 affected households were identified. Total number of affected land plots is 19 (including those with temporary impacts). Only 2 land plots are legally owned and PIU will negotiate with the owners in January-February 2016. A GoA decree on Eminent Domain will be initiated by PIU in case if negotiations fail.

Based on the LARP methodology references with the maps prepared for the illegally used plots were submitted to the head of Shengavit administrative district for approval on 8 December 2015. The Description protocols will be prepared and submitted to AP's in January 2016 after obtaining abovementioned approved references from the head of the administrative district.

The LARP will be prepared and submitted to ADB for review February-March 2016³.

2.3.3.2 Implementation

33. Implementation of the LARP for Artashat highway-North South Corridor Interchange will

³ The schedule of LARP preparation and implementation for the first half of 2016 is presented in Table8 at the end of the report.

begin after approval of the LARP by ADB and the Government. The duration of LARP implementation will depend on the results of negotiations with the legal owners.

2.3.3.3 Public consultations and documents disclosure

34. A public consultation with the AP's from N/S junction was held on 01 December 2015. 9 APs participated in the public consultation. The entitlements for compensation, GRM were presented to the AP's. The AP's were informed about permanent and temporary impacts. An announcement on public consultation was published in newsletter "Republic of Armenia" on 29 November 2015. In addition the APs were informed about the public consultation via telephone.

2.4 Grievance Redress

35. As elaborated in the LARP, several parties are involved in the grievance redress mechanism: (i) PIU, (ii) YM, and (iii) PGC. To make the process accessible to APs, it is confirmed that the GRM was presented during public consultations and was disseminated through the PIU field office and the SUDIP/PIU website.

38. In the second half of 2015 PIU didn't receive any complaints from the AP's of LARP3 conditioned with the fact that LARP3 implementation was almost completed in the previous reporting period. In July-December 2015 PIU received only 2 complaints regarding LARP preparation and implementation from the AP's of the LARP for Argavand-Shirak road link which are presented in detail in Table 5 below.

2.5 Compliance of Loan Covenants Related to Resettlement

39. Compliance status related to loan covenants concerning resettlement/social issues for the reporting period is provided in Table 4 below:

Table 4: Project Compliance status to Loan Resettlement/Social Covenants

Land Acquisition and Involuntary Resettlement	Being complied with:
The Borrower shall ensure that all land and all rights-of-way required for each Subproject are made available to the Works contractor in accordance with the schedule agreed under the related Works contract and all land acquisition and resettlement activities are implemented in compliance with (a) all applicable laws and	<p>The LARF and the addendum were revised and approved by ADB in March 2012 and by the government in November 2012.</p> <p>LARP 1 was approved by ADB on 30 August 2013 and by RA government on 14 November 2013. Implementation of LARP1 Arshakunyats section</p>

regulations of the Borrower relating to land acquisition and involuntary resettlement; (b) the involuntary resettlement safeguards; (c) the LARF; and (d) all measures and requirements set forth in the respective LARP, and any corrective or preventative actions set forth in a safeguards monitoring report.

started in December 2013, and was completed in May 2014. The implementation of LARP1 Artashat section started in July 2014 and was finalized in October 2014.

LARP 2(Argavand-Shirak road link) was approved by ADB on 9 January 2014. Due to design changes the LARP for Argavand-Shirak road link was updated. The updated LARP was approved by ADB on 09 June 2015 and by RA government on 31 August 2015.Implementation of LARP 2 started in October 2015 and was completed in December 2015

LARP 3 was approved by ADB on 12 May 2014 and by RA government on 11 September 2014. Implementation of LARP 3 started in Q4 2014 in was finalized in July 2015.

A detailed grievance redress mechanism was established through the LARPs to receive and facilitate the resolution of affected persons' concerns and grievances.

Without limiting the application of the involuntary resettlement safeguards, the LARF or the LARPs, the Borrower shall ensure that no physical or economic displacement takes place in connection with the Subprojects until:

Compensation and other entitlements have been provided to affected people in accordance with the LARPs; and

A comprehensive income and livelihood restoration program has been established in accordance with LARPs.

Being complied with:

All AHs from LARP1, LARP2 and LARP3 signed the agreements/contracts and were compensated before physical or economic displacement was made.

Human and Financial Resources to Implement Safeguards Requirements

The Borrower shall make available necessary budgetary and human resources to fully implement the EMP, the LARPs and IPP.

Being complied with:

For the proper implementation of the resettlement and environmental arrangements a resettlement specialist and an environmental specialist have been involved in the new project unit. DESC also has environment and resettlement specialists in their staff composition. Constructor's staff also included environmental and social specialists.

LARP implementation team consisting of team leader, two social specialists and two lawyers was hired on 19 November 2014 to assist the PIU during LARP3 implementation. Contracts with the team leader, one lawyer and one social specialist were extended to assist PIU with LARP2 implementation.

Adequate budgetary resources are being available in accordance with the financing plan described in periodic financing request.

Safeguards Monitoring and Reporting

Being complied with:

The borrower shall do the following

- (a) submit semi-annual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission;
- (b) If any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the project that were not considered in the EIA, the EMP, and the LARP, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan;
- (c) No later than [6 months], engage qualified and experienced external experts or qualified NGO under a selection process and terms of reference acceptable to ADB, to verify information produced through the Project monitoring process, and facilitate the carrying out of any verification activities by such external experts; and

(a) Semi-annual Social Safeguards Monitoring Reports are being submitted to ADB on semi-annual basis.

(b)

i. CAP for unanticipated impacts under LARP1 and LARP3 was submitted to ADB on 25 June 2015 and was approved by ADB on 29 June 2015.

ii. CAP due to construction issues under LARP3 was submitted to ADB on 14 October 2015 and was approved by ADB on 19 November 2015.

iii. ERP was prepared by PIU and submitted to ADB on 14 December 2015 and was approved by ADB on 25 December 2015.

(c) An external monitoring agency (EMA) was recruited in the second quarter (Q2) of 2012. ADB approved IMA's compliance reports for LARP1 sections 2 and 3 on 17 June 2014 and 21 November 2014 accordingly. Compliance Report for LARP3 was approved by ADB on 25 August 2015.

(d) Report any actual or potential breach of compliance with the measures and requirements set forth in the EMP or the LARP promptly after becoming aware of the breach.

(d) None.

3 Tranche 2

3.1 Background

40. Tranche 2 will improve the access to efficient, reliable, and sustainable urban infrastructures and services as a continuation of Tranche 1.

Tranche 2 comprises the following components:

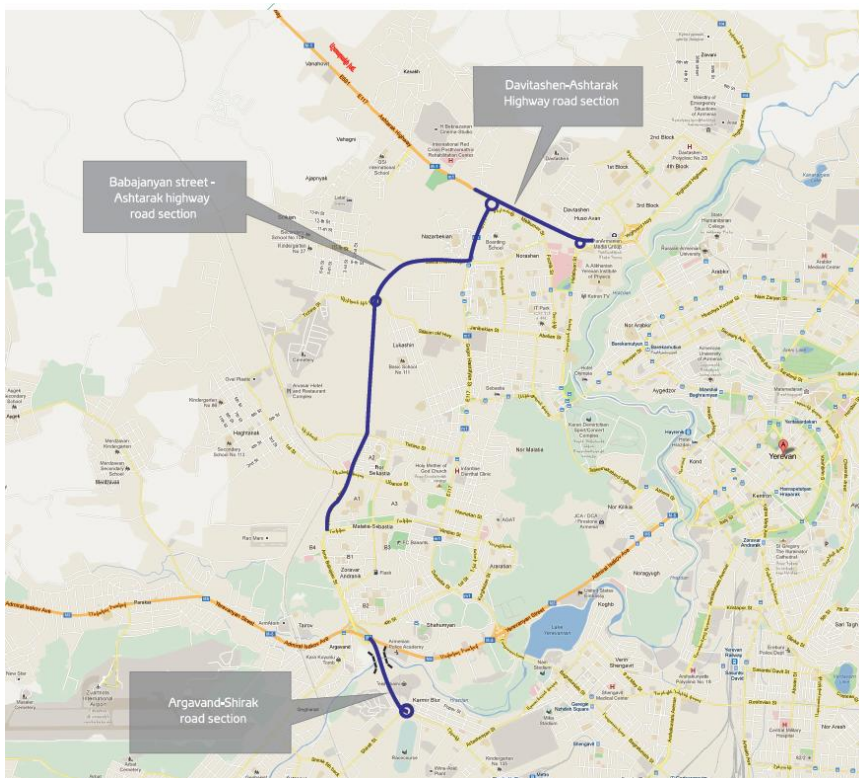
- (i) Urban Transport Infrastructure
- (ii) Institutional Capacity;
- (iii) Program Implementation.

41. Tranche/Project 2 subprojects of the first component are focused on three road missing links (Figure 6) to complete the Yerevan Western Ring Road. These three links are divided into five sections(Figure2, Table1)

1. Argavand-Shirak road link; (section 5) the construction of a link between Argavand highway and Shirak street West of length approximately 1.3km. The section is covered by LARP 2, originally prepared under Tranche 1 projects.
2. Davitashen - Ashtarak highway; (Section 9) of 2.24 km.
3. Babajanyan-Ashtarak highway -6.9 km long divided into three sections:
 - 3.1 Section 6 of 2.2 km, Babajanyan street to Tichina street
 - 3.2 Section 7 of 2.1km, Tichina street to Silikyan old highway
 - 3.3 Section 8 of around 2.6 km, Silikyan old highway to Ashtarak highway;

42. Each section will provide dual two or dual three lane carriageways.

Figure 6: Tranche 2



3.2 Land Acquisition and Resettlement Plans

43. Tranche/Project 2 is categorized by ADB as A for the involuntary resettlement safeguard.

To facilitate the implementation of the LARP for Tranche/Project 2, Tranche/Project 2 area is divided into the following 4 parts for which separate LARPs will be prepared.

- (i) LARP for Argavand-Shirak Road Link (Section5)
- (ii) LARP for Davitashen-Ashtarak Road Link (Section 9)
- (iii) LARP for Babajanyan-Old Silikyan (Sections 6, 7)
- (iv) LARP for Old Silikyan - Ashtarak Road Link (Section 8)

3.3 LARP Preparation and Implementation

3.3.1 LARP for Argavand-Shirak Road Link

3.3.1.1 LARP preparation

44. LARP for Argavand-Shirak road link addresses the LAR impact of Section 5 (Figure2, Table1), which foresees construction of a link between Argavand highway and Shirak street West of length approximately 1.3km. The alignment passes through the archaeological site known locally as Karmir Blur. This LARP was prepared under Tranche/Project 1 and was approved by ADB on 09 January 2014. The LARP was not sent to the GoA for approval, as Argavand-Shirak section was removed from Tranche/Project1 to Tranche/Project 2 because of shortage of funds. ADB and the PGC gave their no objection on removing this section to Tranche/Project 2 on 14 March 2014 and on 20 June 2014 accordingly.

45. Due to minor changes in design, the LARP was updated in April and May 2015. The updated LARP for Argavand-Shirak road link was approved by ADB on 09 June 2015 and by the Government on 31 August 2015 (GD N 997-Ն).

46. In total the LARP for Argavand-Shirak road link identifies 26 families, including owners, renters and users of the lands/buildings, business owners and employees with a total of 105 members. Land plots of 22 families, buildings and structures of 12 AHs, trees/crops of 6, businesses of 5, and employment of 3 persons from 3 AHs will be affected. Out of 26 AH 3 AHs are severely affected losing 10% or more of agricultural income and 2 are vulnerable AHs. Information on different categories of AHs and APs by impact type, as well as net figures without double counting are provided in Table 6.

3.3.1.2 LARP implementation

47. The Implementation of the LARP for Argavand-Shirak road started in October 2015 after GD on Eminent Domain (GD N 997-Ն) came into force on 25 September 2015 and was completed in December 2015. 15 contracts and 25 agreements were signed with 25 AH's and 4 contracts were signed with Argavand and Getapnya rural communities (3 with Argavand and 1 with Getapnya). The total amount of the contracts and agreements signed was 265,2 mln AMD compared to 276,7 million envisaged by Yerevan Mayors decree N3055 made on 29 September 2015, which defines the compensation amount of each AH based on valuation reports provided by DESC. The difference was due to discrepancies regarding some land plots in Argavand community. During LARP implementation it turned out that DMS and valuation of the affected

properties in Argavand community were done by DESC based on cadastral map of 2012, while the cadastral map was updated in 2014. The PIU requested DESC to update the data. As a result 1 land plot came out of the list of affected land plots and data of 6 affected land plots were changed. Tables 6 and 7 present a record of the LARP3 implementation progress made during the period covered by the report. The Compliance Report for LARP for Argavand-Shirak will be submitted to ADB in January 2016.

3.3.1.3 Public consultations and documents disclosure

48. The first round of public consultations was held in 2010 and 2012 PPTA stage. Further consultations were held in May 2013 with the affected persons. The PIU organised a consultation with 2 new AP's from Argavand on 30 March 2015. Another consultation was organised with the APs from Shirak street on 6 May 2015.

49. On 18 September 2015, prior to LARP implementation PIU conducted a meeting with APs from Argavand-Shirak LARP. 14 APs participated in the meeting. The AP's were informed about the meeting via telephone. Deputy mayor participated in the meeting and answered the questions raised by the AP's. The process of LARP implementation and the AP's rights were presented by the representatives of PIU. Members of LARP implementation team were introduced to the APs.

50. PIU sent the notification of signed description protocols to the AP's from Shirak Street on 30 April 2015. The description protocols of the AP's from Argavand were send on 08 June 2016.,

51. PIU submitted description protocols of 5 AP's from Argavand in November-December 2015 after resolving discrepancies between the size of the land according to the owners' certificates and the actual sizes. Draft contracts and information pamphlets were send to the AP's in period from 1 October to 17 December 2015.

52. The final updated implementation-ready LARP in Armenian was disclosed on YM and SUDIP official websites.

53. In the reporting period PIU received and redressed 2 complaints from the APs of Argavand-Shirak road link (see Table 5: below).

Table 5: AP complains LARP2 (01.07.2015-31.12.2015)

No	ID	Name, Surname	Address	Received by PIU on	Complain	Answered by PIU on	Actions taken by PIU
1	146	<<Veracnund Hayrapetyan>> LLC	Shirak 39	10.08.2015	a. Disagreement with calculation of affected trees b. Request to compensates for the sidewalk adjacent to the property.	28.08.2015	A site visit was organised. The effected trees were recalculated. It was proven that initial calculation was correct. In the answer to the AP it was explained that a new sidewalk is envisaged adjacent to the AP's fence therefore it is not subject for compensation.
2	173	Lyova Khudoyan	Argavand community	08.10.2015	Disagreement with calculation of affected trees	20.10.2015	A site visit was organised. The effected trees were recalculated. It was proven that initial calculation was not correct. A revised description protocol was submitted to the AP.

Table 6: LARP for Argavand-Shirak road link. Implementation Milestone Achievements

Task/Activity	Planned		Achieved	
	Start	Finish	Start	Finish
ADB approves LARP for Argavand-Shirak road link	09.01.2014		09.01.2014	
Submission of the Updated LARP to ADB for comments	13.05.2015		13.05.2015	
ADB review and comments	01.06.2015		21.05.2015	
Submission of revised Updated LARP to ADB for approval	18.06.2015		01.06.2015	
ADB approves Updated LARP	23.06.2015		09.06.2015	
GoA approves Updated LARP	23.07.2015		31.08.2015	
Posting approved LARP document on SUDIP website	23.07.2015		September 2015	
Distribution of the final information pamphlet	25.07.2014		01.10.2015	17.12.2015
Agreement with commercial bank with best conditions for AP's	N/A		04.12.2013	
Bank accounts for AP's opened	25.07.2015	02.08.2015	06.10.2015	
Draft contracts sent to APs	02.08.2015	12.08.2015	01.10.2015	17.12.2015
Signing contracts/agreement	03.08.2015	10.11.2015	09.10.2015	23.12.2015
Distribution of compensation	13.08.2015	20.11.2015	09.10.2015	28.12.2015
Finalization of expropriation, provision of expropriation injunctions	17.11.2015	16.01.2015	N/A	
Preparation of LARP Compliance Report	02.08.2015	30.11.2015	01.10.2015	On-going
Submission of LARP draft Compliance Report to ADB	01.12.2015			

ADB approves the LARP final Compliance Report	01.01.2016		
Relevant information from Compliance report is disclosed	05.01.2016		
Hanging over the site to the Contractor	02.01.2016		
Commencement of civil works	03.01.2016		

Table 7: LARP for Argavand-Shirak road link. Implementation output indicators

NO of row	Definition	Unit	Targeted	Achieved	Comment
1	No of AH signed contracts/agreements	N	26	25	One AH came out of the list of AH due to update of cadastral map Including 5 new APs (row 11)
2	No of AH received compensation	N	26	25	
3	Compensation amount disbursed	AMD	276.704.910	265.150.404.	
4		% of total planned ⁴		95.8%	
5	No of contracts signed	N of contracts	20	19	Including 4 contracts with rural communities
6	Compensation based on contracts	AMD		184.246.789	
7	No of agreements signed	N of agreements	25	25	
8	Compensation based on agreements	AMD		80.783.910	
9	No of cases in court	N		0	
10	No of identified new AHs	N		0	
11	No of identified new AHs received compensation	N			
12	No of AHs removed from LARP for Argavand-Shirak	N		1	

3.3.2 LARP for Davtashen-Ashtarak Road Link

3.3.2.1 LARP preparation

54. The LARP for Davtashen-Ashtarak road link addresses the LAR impact of Section 9

⁴ Calculations are based on Yerevan Mayor's decree N 3055 made on 29 September 2015.

(Figure2, Table1), which foresees construction of a road between Davtashen and Artashat highway of length approximately 2.24km. with average width of 28m. The road will provide dual 3 traffic lanes each with width of 3.5-4m, and a service road with width approximately 6m. Detailed design for Section 9 was finalized in October 2015.

55. In the reporting period DESC finalised field work envisaged by the GoA Decree (589-Ն 26.05.2015) on preliminary study of properties located in Davtashen-Ashtarak road link section. Based on the results of preliminary study PIU initiated a GoA Decree on Eminent Domain which was approved by the Government on 3 December 2015 (GD N 1429-Ն). 40 legally owned properties were included in the Eminent Domain list. Based on LARP methodology references with the maps prepared for the illegally used plots were submitted to the head of Davtashen administrative district for approval on 17 November 2015. The Description protocols will be prepared and submitted to AP's in January 2016 after obtaining abovementioned approved references from the head of administrative district. It is planned to submit the LARP to ADB for comments in April 2016

3.3.2.2 LARP implementation⁵.

56. Implementation of the LARP for Davtashen-Ashtarak road link will begin after approval of the LARP by ADB and the Government. Based on previous experience it is expected that the implementation of the LARP will take 3-4 months after the GD on approval of the LARP comes into force.

3.3.2.3 Public consultations and documents disclosure

57. The first public consultation with the AP's from Davtashen-Ashtarak road link was held on 25.06.2015, prior to commencement of field works based on GoA Decree (589-Ն) on preliminary study of properties. AP's were introduced the Project, the phases of the project implementation, design of the road, the GoA Decree on preliminary study and the works to be initiated in their communities and properties.

58. In the reporting period PIU conducted the second public consultation with the APs from Davtashen-Ashtarak road link on 18 December 2015. 39 APs participated in the public consultation. An announcement on public consultation was published in the newsletter "Republic of Armenia" on 16 December 2015. In addition PIU informed the APs about the public consultation via telephone. The GoA Decree on Eminent Domain(GD N 1429-Ն), works to be initiated based on the GD, entitlements matrix, the GRM and the valuation methodology were presented during the public consultation. Another public consultation will be held after the approval of the LARP by ADB and GoA prior to LARP implementation. .

59. The GD on Eminent Domain (GD 1429-Ն) was published in the newsletter "Republic of Armenia" on 24 December 2015. On 25 December 2015 the owners of the properties included in the GoA Decree on Eminent Domain (GD N 1429-Ն) were officially notified. Maps indicating affected and non-affected parts of the properties were presented to the AP's.

LARPs for Babajanyan-Old Silikyan and Old Silikyan - Ashtarak Road Links⁶

⁵ The schedule of LARP preparation and implementation for the first half of 2016 is presented in Table8 at the end of the report

⁶ A tentative schedule of LARP preparation for Old Silikyan – Ashtarak and Babajanyan-Old Silikyan Road Links is presented in Table 8 below.

3.3.2.4 LARP preparation

60. There will be 2 LARPs under subproject Babajanyan-Ashtarak Road Link which is divided into 3 sections:

- i. Section 6 of 1.9 km, Babajanyan street to Tichina street
- ii. Section 7 of 2.0km, Tichina street to Silikyan old highway
- iii. Section 8 of around 2.6 km, Silikyan old highway to Ashtarak highway;

61. LARP for Babajanyan-Old Silikyan includes sections 6 and 7 and the LARP for Old Silikyan-Ashtarak includes section 8.

62. The GoA Decree (N 1531-Ն) on preliminary study of properties in Old Silikyan-Ashtarak Road Link was approved by the Government on 24 December 2015. Prior to commencement of field works based on GoA Decree (1531-Ն) on preliminary study of properties a public consultation will be held with the AP's from this section in January 2016. The Project, the phases of the project implementation, design of the road, the GoA Decree on preliminary study and the works to be initiated in their communities and properties will be presented to the AP's.

4 Conclusion, Lessons Learned and Recommendations for next period

63. Based on previous experience of LARP preparation and implementation we can state that though many problems do exist at the stage of LARP preparation, they are being identified only during LARP implementation and addressed accordingly.

64. The main problem that occurred in the reporting period was the necessity to update the data in the LARP (Argavand-Shirak road link) based on updated cadastral map (see para.47 above) in parallel with LARP implementation. The impact of those changes on LARP implementation process was not serious though, because of small number of land plots for which the data were updated.

65. However such kind of omissions may cause several problems- including delays in LARP implementation schedule

- need to redo the detailed measurement, valuation and calculation of compensations
- need for re-registration of legal properties
- need to update the GD on Eminent Domain
- problems related to the LARP planned budget, especially in cases when the amount of compensations increases.

66. In this regard PIU recommended DESC to update all the information included in the LARP if the LARP is being updated and to scrutinize the data included in the LARP.

67. In addition to such kind of omissions there are many APs who are aware of the existing

cadastral problem but they are not interested to solve the problem (even with the help of PIU) at the LARP preparation stage, as they are not sure that they will be compensated in the future. Only at the stage of LARP implementation when they are already aware of the compensation amount they try to solve the problem.

68. Those issues are not under PIU's control as according to RA legislation only the legal owner of the property is authorized to apply to the state cadaster in order to do changes in the certificate of ownership. However it is recommended to work individually with each AP and to try to solve the problems before LARP implementation stage.

Table8: Implementation Schedule for the next Reporting Period

TASK	Planned	Achieved
Tranche1		
LARP3		
Sending of draft contracts/agreements to APs	July 2015	Completed
Signing contracts/agreements	July 2015	Completed
Distribution of compensations	July 2015	Completed
Finalization of expropriation, provision of expropriation injunctions	August 2015	Ongoing
Preparation of LARP Compliance Report	August 2015	Completed
ADB approves the LARP Compliance Report	August 2015	Completed
Handing over the site to the Contractor	August-September 2015	Completed
LARP for Artashat highway -North South Corridor Interchange		
Obtaining the Cadastral information about the lot-codes of affected properties	Nov-Dec 2015	Completed
Public Consultation	December 2015	Completed
Conducting DMS, Census and SES	Nov-Dec 2015	Completed
Obtaining the approved references for illegally used land plods from the head of Shengavit	December 2015	Ongoing

administrative district.		
Obtaining information from the Ministry of Labor and Social Affairs and from the Ministry of Finance.	Nov-Dec 2015	Completed
Signing of Protocols	January 2016	
Submission of the signed Protocols to the AP	January 2016	
Submission of LARP to ADB for comments	Feb-March 2016	
Finalizing LARP according to ADB comments	March-April 2016	
Submission of finalized LARP to ADB for approval	April 2016	
Approval of the LARP by ADB	May 2016	
Approval of the LARP by Government	July 2016	
Tranche2	Planned	Achieved
LARP(2) Argavand-Shirak road link		
LARP Approval by ADB	April 2015	Completed
LARP Approval by Government	August 2015	Completed
Sending of draft agreements/contracts to APs	October 2015	Completed
Signing of agreements/contracts and disbursement of compensations	October – December 2015	Completed
Submission of LARP Compliance Report to ADB	February 2016	
Approval of Compliance Report by ADB	March 2016	
LARP for Davitashen-Ashtarak road link		
Preliminary study Government decree	June 2015	Completed
Conducting DMS, Census and SES	June-July 2015	Completed
Collection of required information from different ministries	September-October 2015	Completed

Government Decree on eminent domain	December 2015	Completed
Public consultation (valuation methodology, GRM, signing of description protocols, design)	December 2015	Completed
Notification of GD on Eminent Domain and submission of maps indicating affected/not affected parts to the APs	December 2015	Completed
Obtaining the approved references for illegally used land plods from the head of Davtashent administrative district.	December 2015	Ongoing
Signing of Protocols	January-February 2016	
Submission of the signed Protocols to the APs	February 2016	
Submission of LARP to ADB for comments	April 2016	
Finalizing LARP according to ADB comments	May 2016	
Submission of finalized LARP to ADB for approval	May-June 2016	
Approval of the LARP by ADB	July 2016	
LARP for Old Silikyan - Ashtarak Road Link		
Receiving information about affected properties from Cadaster Committee based on draft detailed design	May 2015	Completed
Preliminary study Government decree	December 2015	Completed
Public Consultation (prior to preliminary study field works)	January 2016	
Detail Measurement and Socio Economic Survey	January-February 2016	
Initiating Government Decree on Eminent Domain	March 2016	
Approval of GoA Decree on Eminent Domain	May 2016	
Preparation of the LARP	May-June 2016	

Submission of LARP to ADB for comments	August 2016	
LARP for Babajanyan-Old Silikyan Road Link		
Final detailed design	February 2016	
GD on preliminary study	March-April 2016	
GD on eminent domain	July-August 2016	
Preparation of the LARP	September- October 2016	
Submission of LARP to ADB for comments	December 2016	