

Resettlement Plan

July 2016

ARM: Sustainable Urban Development Investment
Program – Tranche 2
Davtashen - Ashtarak Highway

Prepared by the Yerevan Municipality for the Asian Development Bank.

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THE REPUBLIC OF ARMENIA



YEREVAN MUNICIPALITY

CONSTRUCTION OF ROAD LINKS OF YEREVAN WESTERN RING ROAD

MFF Sustainable Urban Development Investment Program, Tranche 2



LAND ACQUISITION AND RESETTLEMENT PLAN for Davitashen-Ashtarak Highway

Consultant



Funding Agency



Asian Development Bank

Implementing Agency



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ABBREVIATIONS

ADB	Asian Development Bank
AF	Affected Family
AP	Affected Person
AH	Affected Household
AMD	Armenian Dram
DESC	Detailed Engineering and Construction Supervision Consultant
DMS	Detailed Measurement Survey
EA	Executing Agency
EDD	Eminent Domain Decree
GoA	Government of Armenia
GRG	Grievance Review Group
GRM	Grievance Redress Mechanism
IA	Implementing Agency
IPSA	Initial Poverty and Social Assessment
EMA	External Monitoring Agency
LAR	Land Acquisition and Resettlement
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
LCAP	Legalization and Correction Action Plan
MFF	Multi Tranche Financial Facility
YM	Municipality of Yerevan
OM	Operations Manual
PGC	Project Governing Council
PIU	Project Implementation Unit
PPTA	Project Preparatory Technical Assistance
RA	Republic of Armenia
SES	Socioeconomic Survey
SPS	Safeguard Policy Statement
SRS	Social and Resettlement Specialist
SPRSS	Summary Poverty Reduction and Social Strategy
ToR	Terms of Reference
USD	American Dollar

GLOSSARY

Affected Person/People (AP or APs) - Means all the people affected by the Project through land acquisition, relocation, or loss of incomes and includes any person, household (sometimes referred to as Project affected family), firm, or public or private institution. APs therefore include; i) persons affected directly by the road corridor, right-of-way, tower or pole foundations or construction work area; (ii) persons whose agricultural land or other productive assets such as trees or crops are affected by construction works; (iii) persons whose businesses are affected and who might experience loss of income due to the Project impact; (iv) persons who lose work/employment as a result of Project impact; and (v) people who lose access to community resources/property as a result of the Project. Although this definition of affected person is at variance with the usage in the SPS-2009, this is how it is understood and officially used in Armenia, and it is not different from 'displaced person' defined in the SPS-2009

Affected Family, household (AHH) - All members of a household residing under one roof and operating as a single economic unit. It may consist of a single main family or an extended family group. This unit is the most important compensation/rehabilitation recipient.

Compensation –Monetary payment for an asset to be acquired or affected by a Project at replacement cost at current market value.

Cut-off Date –The date when Census, inventory of affected assets and socioeconomic survey for this section started. The improvements made after the cut of date will not be eligible for compensation.

Entitlement - Range of measures comprising cash compensation, income rehabilitation, relocation assistance, income replacement and integrity of the measures involving resettlement, which shall be provided to affected people, depending on nature of their losses and aimed at restoration of their social and economic base.

Improvements - Structures constructed (dwelling unit, fence, waiting sheds, animal pens, utilities, community facilities, stores, warehouses, paved surfaces, etc.) and crops/plants planted by the person, household, institution or organization.

Land Acquisition -Range of measures provided in RA legislation aimed at implementation of acquisition process of property, which is subject to eminent domain, and provision of adequate compensation for alienated property.

Leasing - Civil-legal institution specified by the Civil Code of the Republic of Armenia. According to the leasing contract signed within the scope of the mentioned institution the renter/lessor is obliged to give an asset to the leaseholder for his/her temporary management and/or usage in return for payment.

Leaseholder- is the AP, who has been given the asset for temporary management and/or usage in compliance with RA Legislation

Obtaining a legal status towards the property The AP is liable to receive a legal right towards the property (ownership or other type of right). In order to receive the legal status APs should undergo the procedure prescribed in the RA legislation in collaboration with Yerevan Municipality and RA State Committee of Real Estate Cadaster.

Marz- Armenia is divided into 10 provinces (marz). The province chief executive is the governor (marzpet) appointed by the Government. Each province is divided in communities (hamaynk) which are self-governing units and consists of one or more settlements (bnakavayr). Settlements are classified as towns (kaghak) or villages (gyugh). Previously having Marz status, Yerevan, now has the status of a community and it has an elected mayor.

Non-legalizable - Areas classified as "Red Zones" (areas that are officially reserved for specific public use such military areas, hospital areas, school areas or areas that are not fit for settlement (river beds, radioactive terrains or other dangerous or ecological unfit lands)¹. and corresponds to Armenian legislation other conditions.

Rehabilitation - Compensatory measures provided under the Policy Framework on involuntary resettlement other than payment of the replacement cost of acquired assets.

Relocation - the physical relocation of an AP/AF from her/his pre-Project place of residence/business location.

Replacement Cost -The value determined to be fair compensation for land based on its productive potential and/or current market value, the replacement cost of houses and structures (current market price of building materials and labor without depreciation or deductions for salvaged building material), and the market value of residential land, crops, trees, and other commodities.

Resettlement - All measures taken to mitigate any and all adverse impacts of the Project on AP's property and/or livelihood, including compensation, relocation (where relevant), and rehabilitation of the damaged/removed infrastructure and installations.

Significant impact - Means 200 people or more will experience major impacts, which are defined as; (i) being physically relocated or (ii) losing ten percent or more of their productive assets (income generating).

Socially vulnerable households - are: (i) Registered in the evaluation system of vulnerability of families (ESVF) and receive a family allowance, (ii) headed by a breadwinning women and not including other adult, working-age person with stable employment providing at least minimum monthly salary except for persons doing compulsory military service or full-time students under twenty-three years of age, (iii) households headed by persons entitled to old age pension and not including other adult, working-age person with stable employment providing at least minimum monthly salary except for persons doing compulsory military service or full-time students under twenty-three years of age.

¹ See Land Code of the Republic of Armenia (2nd of May,2001) article 60

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EXECUTIVE SUMMARY

I. Project Background

1. The Sustainable Urban Development Investment Program, Project 2 (the Project), financed by ADB under a Multi Tranche Financial Facility (MFF), is being implemented by the RA Ministry of Economy (MOE), as the Executing Agency (EA), and the Municipality of Yerevan (YM), as the Implementing Agency (IA) working directly with the PIU. This plan aims at promoting a sustainable, integrated, socially affordable and cost efficient urban transport system. In the short term, the main objective is to complete the road based missing links of the western urban ring. The Project includes the three road and highway rehabilitation and construction Subprojects. All Subprojects have resettlement impacts.

2. In order to be compatible with the design process, budgetary constraints and legal limitations for DMS², four separate LARPs will be provided for 3 Subprojects under Tranche 2. Under the subproject 3, Babajanyan-Ashtarak Road Link, 2 LARPs will be prepared:

- (i) **Subproject 1:** Argavand - Shirak Road Link, under implementation
- (ii) **Subproject 2:** Davtashen - Ashtarak Road Link; object of present document
- (iii) **Subproject 3:** Babajanyan-Ashtarak Road Link. Design currently under finalization; awaiting Government decree for preliminary study for Babajanyan-Old Silikyan Highway and GoV Decree of Eminent Domain for Old Silikyan-Ashtarak Highway

3. This land acquisition and resettlement plan (LARP) is prepared by the Detailed Engineering and Supervision Consultant (DESC) for Project Implementation Unit (PIU of the Municipality of Yerevan (YM). This LARP addresses the land acquisition and resettlement impact of Davtashen - Ashtarak Road Link covered under the Tranche 2/Section 9 (further Project).

II. Land Acquisition and Resettlement Plan Objective and Scope

4. The main objective of this LARP is to make a social impact assessment and identify persons affected by the Tranche 2/Section 9, compensate them for their losses and to assist them to restore their livelihoods. The LARP complies with the Armenian legislations and the requirements of ADB's Safeguard Policy Statement (SPS).

5. The scope of the LARP includes: (i) a profile of the APs (through a 100% census), (ii) detailed measurement survey (DMS) of all affected assets, (iii) information disclosure and public consultations with APs, (iv) the policy and framework for compensation payments and rehabilitation, (v) complaints and grievance redress mechanism, (vi) resettlement budget, (vii) the institutional framework (viii) LARP implementation schedule, and (ix) monitoring of LARP implementation.

III. Impact Summary

6. AH/AP Census Survey and DMS of all affected assets was carried out from July-August 2015 and verified in February 2016.

7. The Census identified 76 project affected households, including owners, renters and users of the lands/buildings, business owners and employees with a total of 302 household members. Information on different categories of affected households (AHs) and affected persons (APs) by

² The duration for the study cannot be longer than two months starting from the moment when the approval of GoA Decree for Preliminary Study enters into force (RA Law on Expropriation of Property for Public and State Purposes, Article 8, 4b point).

impact type, as well as net figures without double counting, are provided in the summary of AHs/APs, presented at the end of this section. In total, the section will impact 77 land plots, 103 residential and non-residential buildings and structures, 11 businesses and 15 employees. The details are presented in the following paragraphs.

8. LARP identifies 77 affected land plots (25,617.34 m²). From which

- (i) 34 are privately owned by 39 AHs (16,273.75 m²),
- (ii) 42 land plots (9,337.51 m²) owned by YM, from which 38 are illegally used by 22 AHs (6,473.24 m²), and 3 are formally leased (2,798.02 m²),
- (iii) One land plot (6.08 m²) of special use is state-owned

9. In total, 69 residential buildings (2,862.03 m²) and 34 non-residential buildings and structures (2,761.13m²) will be demolished. Additionally, 53 movable structures will be relocated. There are 1,156.651 linear m. of affected fences and 1,679.83 m² of affected stone wall/fences. Impacts on improvements such as pipes, electric pillars, concrete and asphalt pavements etc. amount to 3,639.82m², 240 m³, 476.30 linear m and 24 numbers of those improvements.

10. 352.00 m² areas of crops, 2,545 fruit trees and bushes, 73 wood and 697 decorative trees and bushes will be affected. 11 businesses will be affected permanently and 15 employees will permanently lose their employment.

11. Out of 76 AH 32 AHs will lose 10%, or more agricultural income from lost fruit trees and crops from the affected land plots and 19 AHs to be relocated from their place of residence. 13 AHs are vulnerable.

12. Information on different categories of affected households (AHs) and affected persons (APs) by impact type, as well as net figures without double counting are provided in the summary of AHs/APs, presented below.

Table E.1 Summary of Affected Households/ Persons by Category of Impact

Impact category	AHs	AHs	APs	Remarks
	No Per Type of Impact	Without Double Counting	Absolute No	
A. Land Impact by Legal Occupancy				
A1. Private	39	39	157	-
A2. Community	33	22	84	11 AHs are included in A1
A3. Government land	1	0	0	-
B. Buildings Impact				
B1. Residential structures	24	0	0	All AHs are included in A1 and A2
B2. Non-residential structures	11	0	0	All AHs are included in A1 and A2
B3. Movable structures	9	1	6	8 AHs are included in A1 and A2.
B4. Fences	39	0	0	All AHs are included in A1 and A2
C. Tree/ Crop Impact				
C1. Fruit trees and bushes	34	0	0	All AHs are included in A1 and A2
C2. Wood trees	14	0	0	
C3. Decorative trees, bushes, flowers	24	0	0	
C4. Crop	17	0	0	
D. Business Impact				
D1. Permanent with tax declaration	6	4	20	2 AHs are included in A2.

Impact category	AHs	AHs	APs	Remarks
	No Per Type of Impact	Without Double Counting	Absolute No	
D2. Permanent without tax declaration	5	0	0	All AHs are included in A1 and A2
E. Employment Impact				
E. Permanent employment loss	12	8	28	2 AHs are included in A2 2 AHs are included in D1
F. Vulnerability of Ahs				
F. Vulnerable AHs	13	1	1	1 AH is included in E 5 AHs are included in A1 6 AHs are include in A2
G. Relocation Impact				
G1. Business relocation	11	0	0	All AHs are included in A1 and A2
G2. Residential relocation	19	2	6	1 AH is included in F 10 AHs are included in A1 6 AHs are include in A2
Total	-	76	302	

13. A socio-economic survey (SES) of affected households was conducted in July 2015. 65³ affected households were surveyed. The PIU conducted two round of consultations with all APs: First one was held on June 25, 2015 and the second one was held on December 18, 2015 and informed them about the project, entitlements, grievance redress mechanism and gave other project-related information.

IV. Compensation Policies and Rehabilitation Measures

14. According to the adopted Land Acquisition and Resettlement Framework (LARF), which is based on the Armenian laws and the requirements of ADB's SPS (2009), APs eligible for compensation and/or at least rehabilitation are: (i) all APs losing land either covered by legal title/land rights or without legal status; (ii) tenants and sharecroppers whether registered or not; (iii) owners of buildings, crops, plants, or other objects attached to the land; (iv) APs losing business, income, and salaries. An Entitlement Matrix, relevant to the impacts of section 9 is provided below.

15. Compensation eligibility is limited by a cut-off date set for this Project on February 22, 2016, which is the same for all APs regardless of their legal status. This is the date of drawing up of the affected property/assets description protocols (signing of protocols by APs and the Acquirer)⁴.

Table E.2 Project Specific Entitlement Matrix

Type of Loss	Application	Definition of APs	Compensation Entitlements
1. Agricultural land Loss	AH losing agricultural land regardless of impact severity	Owners	Compensation at replacement value +15% either in cash at market rates or cadastral values (whichever is higher). When there are no active land markets cash compensation will be based on the value of the yearly product of the land for a sufficient number of years to ensure the affected parties rehabilitation for the loss of their land.
		Legalizable Owner	Legalizable APs will be legalized and paid the same compensation as above.
		Leaseholder (community/state)	Leaseholder will be legalized and compensated as full owners at market rates or cadastral values (whichever is higher) or will be given a new lease. If this is not possible they will receive compensation equal to "the market or cadastral value of affected land (whichever the highest) +

³Out of the remaining 11 AHs, 5 AHs have refused to answer to the questions (3 of them are great entrepreneurs who didn't want to "publicize" any information about their AH members and income as well, the authorized representative of 1 AH didn't get the permission to answer to the questions, the head of 1 AH didn't give the significance to the survey and just informed that the AH is not vulnerable), 4 AHs were out of RA and 2 AHs were unreachable for Census and socio-economic survey.

⁴As the date of drawing up of the affected property/ assets description protocols are differs for each property, the mentioned date is the day when the first description protocol was signed by APs and the Acquirer.

Type of Loss	Application	Definition of APs	Compensation Entitlements
			15%” in the following proportions according to the remaining length of the lease:1) < 1 year 5%; 2) < 15 years 14% ; 3) < 25 years 20%;4)>25 years -25%.
		Non-legalizable AHs	These APs will receive a rehabilitation allowance equal to 25% of the affected land market or cadastral value (whichever the highest)
2. Non-Agricultural Land loss	AH losing their commercial/residential land	Owner	Compensation at replacement value +15% either in cash at market rates or cadastral values (whichever the highest).
		Legalizable Owner	Same compensation as above.
		Leaseholder (community/state)	These AH will be legalized and compensated as full owners at market rates or cadastral values (whichever the highest) or will be given a new lease. If this is not possible they will receive compensation equal to “the market or cadastral value of affected land (whichever the highest) + 15%” in the following proportions according to the remaining length of the lease: 1) < 1 year 5%; 2) < 15 years 14% ; 3) < 25 years 20%;4)>25 years -25%.
		Non-legalizable AHs	These APs will receive a rehabilitation allowance equal to 25% of affected land market or cadastral value whichever the highest.
3. Residential buildings		All AH regardless of legal status.	Cash compensation + 15% for loss of building at full replacement cost (not less than market value) free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs (with agreement of APs).
4. Non-residential buildings/assets		AHs with valid registration	Cash compensation + 15% for loss of building at full replacement cost (not less than the market value) free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs (with agreement of APs).
		AHs with non-legal buildings/structures built on the legal land	Cash compensation for loss of building at full replacement cost (to be not less than the market value) free of depreciation/transaction costs and salvaged materials.
		AHs with non-legal buildings/structures built on the non- legal land	Rehabilitation allowance equal to replacement cost (free of depreciation/transaction costs and salvaged materials) minus the legalization cost, up to a maximum up to 20% of market value.
5. Common property Loss	Community/Public Assets	Community/State	Reconstruction of lost structure in consultation with community/state authorized agency and restoration of their functions
6. Crop Losses	Standing crops affected	All AH regardless of legal status (including owners subject to obtaining legal status and residents having no residency status)	One year crop compensation in cash at market rate by default at gross crop value of expected harvest.
7. Tree Losses	Trees affected	All AH regardless of legal status. (including owners subject to obtaining legal status and residents having no residency status)	Cash compensation at market rate based on type, age and productive value of the trees.
8. Business or Employment Losses	Business employment loss	All AH regardless of legal status (including owners subject to obtaining legal status and residents having no residency status).	Owners: (i). (permanent impact) cash indemnity of 1 year net income; (Assessment to based on tax declaration. In absence of tax declaration the AH will receive a rehabilitation allowance based on the maximum non-taxable salary for the business stoppage for the 1 year. The maximum non-taxable salary is equal to minimum salary. Permanent Worker/Employees: Indemnity equal to: (i) Permanent job loss 6 months of average monthly salary;
9. Allowances for Severe Impacts	AH with >10% agricultural income loss or to be relocated	All severely affected AHs including informal settlers and relocated renters	i) 1 additional crop compensation covering 1 year yield for APs affected by severe agricultural income losses ii) a rehabilitation allowance of 6 months at minimum salary for relocated AHs
10. Relocation allowances	Transport/transition costs	All relocated AH including relocated renters	Provision of funds to cover transport costs and livelihood expenses for 1 month.
11 Vulnerable People		AHs below poverty line or headed by	Allowance equivalent to 6 months of minimum salary and employment priority in Project-related jobs

Type of Loss	Application	Definition of APs	Compensation Entitlements
Allowances		Women or elderly people	
12. Temporary impacts		All AHs	Due rent and rehabilitation for temporarily affected assets will be provided.
13. Unforeseen LAR impacts, if any			YM will consider the unforeseen resettlement impacts during Project implementation and will compensate/ rehabilitate based on the above provisions.

V. Institutional Setup for the Project

16. The RA Ministry of Economy (MOE) is the Executing Agency. The Municipality of Yerevan (YM) is the Implementing Agency and has the overall responsibility for implementation of the Project, including LARP preparation and implementation. IA operates through the Project Implementing Unit (PIU) which has a social safeguard and resettlement specialist.

17. A Project Governing Council (PGC) made up of representatives from the YM, concerned ministries and chaired by the RA Prime Minister. The main objective of the PGC council's activity is to manage the allocated funds received by the Republic of Armenia through respective agreements with Asian Development Bank and other financial institutions, and to make decisions in compliance with regulations specified in Decree N892-A dated October 26, 2009 and approved by the Prime Minister of the RA.

18. The Detailed Engineering and Supervision Consultant (DESC) have prepared the LARP for the project. During the implementation of the LARP, the DESC will assist the PIU by participating in public consultations, giving feedback/clarifications to claims lodged during the implementation of the LARP, verifying the compensation budget, revising/changing the description protocols and/or valuation reports, if applicable.

VI. Land Acquisition and Resettlement Plan Implementation

19. The Implementing Agency will begin implementation of LARP immediately after its approval by the ADB and GoA. Based on established regulations it will provide draft contracts/agreements to the APs on the commencement of Land Acquisition and Resettlement Plan. The PIU will sign property alienation contracts in line with the RA legislation for the real estate owned, possessed and used with ownership right, with notary verification or without. In addition, they will sign compensation agreements without keeping in line⁵ with RA legislation for the real estate owned, possessed and used without ownership right and for the allowances. The APs will have 30 days to relocate from the date of delivery of full compensation/allowances which will be defined under the contract⁶ or within the timeframe as will be defined under the alienation contracts.

20. The timeline presented in the following table shows the distinct stages of LARP implementation.

Table E.3 Timeline for Land Acquisition and Resettlement Plan Implementation

	Task Name	Responsibility	Start	Finish
	LARP IMPLEMENTATION		20/8/2016	7/4/2017
1	Allocation of LAR budget to YM	MoF	20/8/2016	
2	Identification of potential expropriation cases	PIU	21/1/2016	17/1/2017

⁵ According to RA legislation non-titleholders are not eligible for compensation. PIU will sign compensation agreements with those APs, who will receive allowances which are not envisaged by the RA legislation.

⁶ The owners of the properties expropriated within juridical procedure will not be required to relocate until 2 months have passed from the signing of alienation contract (see the Article 14, clause 2 of RA Law on Eminent Domain

	Task Name	Responsibility	Start	Finish
	LARP IMPLEMENTATION		20/8/2016	7/4/2017
3	Draft contracts sent to APs	PIU	9/10/2016	19/10/2016
4	Signing contracts	PIU	10/10/2016	17/1/2017
5	Disbursement of compensation	PIU	11/10/2016	27/1/2017
6	Finalization of expropriation, provision of expropriation injunctions	PIU	17/1/2017	17/4/2017
7	Preparation of LARP Compliance Report	EMA	9/10/2016	16/2/2017
8	Submission the LARP draft Compliance Report to ADB	PIU	20/2/2017	25/2/2017
9	ADB reviews the LARP Compliance Report	ADB	5/3/2017	20/3/2017
10	Submitting the LARP final Compliance Report to ADB	PIU	25/3/2017	30/3/2017
11	ADB approves the LARP Compliance Report	ADB	30/3/2017	5/4/2017
12	Handing over of the site to the Contractor	PIU	6/4/2017	6/4/2017
13	Commencement of civil works	Contractor	7/4/2017	7/4/2017
14	Monitoring	PIU/EMA	Ongoing	
15	Grievances redress	PIU	Ongoing	

VII. Public Consultation and Information Disclosure

21. The PIU conducted two rounds of consultations with affected persons (APs): First one was held on June 25, 2015 and the second one was held on December 18, 2015. The consultations included presentations of the entitlements matrix, grievance redress mechanisms, compensation valuation methodology, methodology and procedure of the measurement survey, project map with actual impact measurements and AP's names, as well as various specific cases. In total, 41 APs, (8 women and 33 men) participated in the public consultations. The list of participants with respective signatures is attached to the Public Consultations Minutes in Appendix 6.

22. The printed Entitlement Matrix in the Armenian language was distributed to all APs during conducting of the Census and SES. The hard copies of information leaflet⁷ and both Government decrees (Preliminary and EDD) have been provided to APs during public consultations. The individual maps of private properties with clear indication of affected/non-affected surface area and main impact (buildings, fence and improvements) have been submitted to the owners on 22.12.2015 to be sure that the owners will be able to use the opportunity to present request on the acquisition of non-affected part of the property within two months after the GoA decree on acknowledging the exceptional prioritized public interest⁸ entered into force.

23. After the ADB and RA GoA approvals, implementation-ready LARP will be uploaded on the ADB and the YM web sites. In addition, the Project Information Pamphlet with relevant information will be disclosed to the APs after the LARP approval.

VIII. Budget Summary

24. The total implementation cost of the LARP, including compensation, rehabilitation allowances as well as administrative costs for LARP implementation and contingency, amounts to **2,140,921 903.64 AMD**, which is equivalent to **US\$ 4,497,735.09** (per exchange rate on June 24, 2016). The budget will be allocated from 3 sources: (i) compensation for land located in Yerevan will be paid from the YM budget; (ii) other land acquisition expenses, including taxes, duties, fees will be covered by the co-financing part of the RA state budget; (iii) compensation for the remaining assets including allowances will be covered by the ADB loan as agreed in the in the loan agreement with ADB for

⁷ The information leaflet presented the main phases of land acquisition and resettlement procedures.

⁸ RA Law on Expropriation of Property for Public and State Purposes, Article 5, 2.2 point

Tranche 2. After approval of the LARP by the Government of the Republic of Armenia (GoA), the YM and the RA Ministry of Finance will ensure timely allocation of funds stipulated in LARP budget.

Grievance Redress Mechanism

25. Several parties will be involved in the project level grievance redress mechanism: (i) PIU, Grievance Review Group (GRG) and (ii) YM. Regardless of the established grievance mechanism and procedures, the APs will have the right to submit their cases to a court of law at any point during the project level grievance redress process.

IX. Monitoring and Evaluation

26. The implementation of the LARP will be subjected to both, internal and external monitoring. Internal monitoring will be conducted by the PIU. External monitoring is assigned to an External Monitoring Agency (EMA) to be hired by the PIU for this Section and approved by ADB. The EMA will monitor the LARP implementation and prepare compliance reports, which should be approved by ADB as a condition to commence the contract's construction works.

1 INTRODUCTION

1.1 Background

27. The Sustainable Urban Development Investment Program, Project 2 (the Project), financed by ADB under a Multi Tranche Financial Facility (MFF), is being implemented by the RA Ministry of Economy (MOE), as the Executing Agency (EA), and the Municipality of Yerevan (YM), as the Implementing Agency (IA) working directly with the PIU. This plan aims at promoting a sustainable, integrated, socially affordable and cost efficient urban transport system. In the short term, the main objective is to complete the road based missing links of the western urban ring. The Project includes the three road and highway rehabilitation and construction Subprojects. All Subprojects have resettlement impacts.

28. In order to be compatible with the design process, budgetary constraints and legal limitations for DMS⁹, four separate LARPs will be provided for 3 Subprojects under Tranche 2. Under the subproject 3, Babajanyan-Ashtarak Road Link, 2 LARPs will be prepared:

- (i) **Subproject 1:** Argavand - Shirak Road Link, under implementation
- (ii) **Subproject 2:** Davtashen - Ashtarak Road Link; object of present document
- (iii) **Subproject 3:** Babajanyan-Ashtarak Road Link. Design currently under finalization; awaiting Government decree for preliminary study for Babajanyan-Old Silikyan Highway and GoV Decree of Eminent Domain for Old Silikyan-Ashtarak Highway

29. This land acquisition and resettlement plan (LARP) is prepared by the Detailed Engineering and Supervision Consultant (DESC) for Project Implementation Unit (PIU) of the Municipality of Yerevan (YM). This LARP addresses the land acquisition and resettlement impact of Davtashen-Ashtarak Road Link covered under the Tranche 2/Section 9 (further Project).

1.2 Project Location

30. The Republic of Armenia (RA) is a landlocked country, located between the Black Sea and the Caspian Sea. On the north, it is bordered by Georgia, to the east by Azerbaijan, in the south by Iran, and to the west by Turkey. Yerevan is the capital city of RA. Yerevan covers an area of 260 km², extending 18 km in the north-south direction and 16 km in the east- west.

31. This Road link is part of a program of road section upgrades to complete the Yerevan western bypass, aiming to divert through-traffic around Yerevan's City center, which will improve traffic flow and reduce congestion on local roads. Presently vehicles from Ashtarak and cities to the West of Yerevan bound for the Northern suburbs need to travel through residential neighborhoods of Yerevan. The proposed road link will change the flow of traffic from radial to tangential relative to the City center.

⁹ The duration for the study cannot be longer than two months starting from the moment when the approval of GoA Decree for Preliminary Study enters into force (RA Law on Expropriation of Property for Public and State Purposes, Article 8, 4b point).

Figure 1-1 Location of Republic of Armenia and Yerevan



Source: Yerevan Municipality Master Plan, 2004

1.3 Project Description

32. The Project Tranche 2 is divided into three subprojects:

- (i) Argavand-Shirak road link the 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.
- (ii) Davtashen - Ashtarak highway of 2.3 km.
- (iii) Babajanyan-Ashtarak highway, 6.5 km long

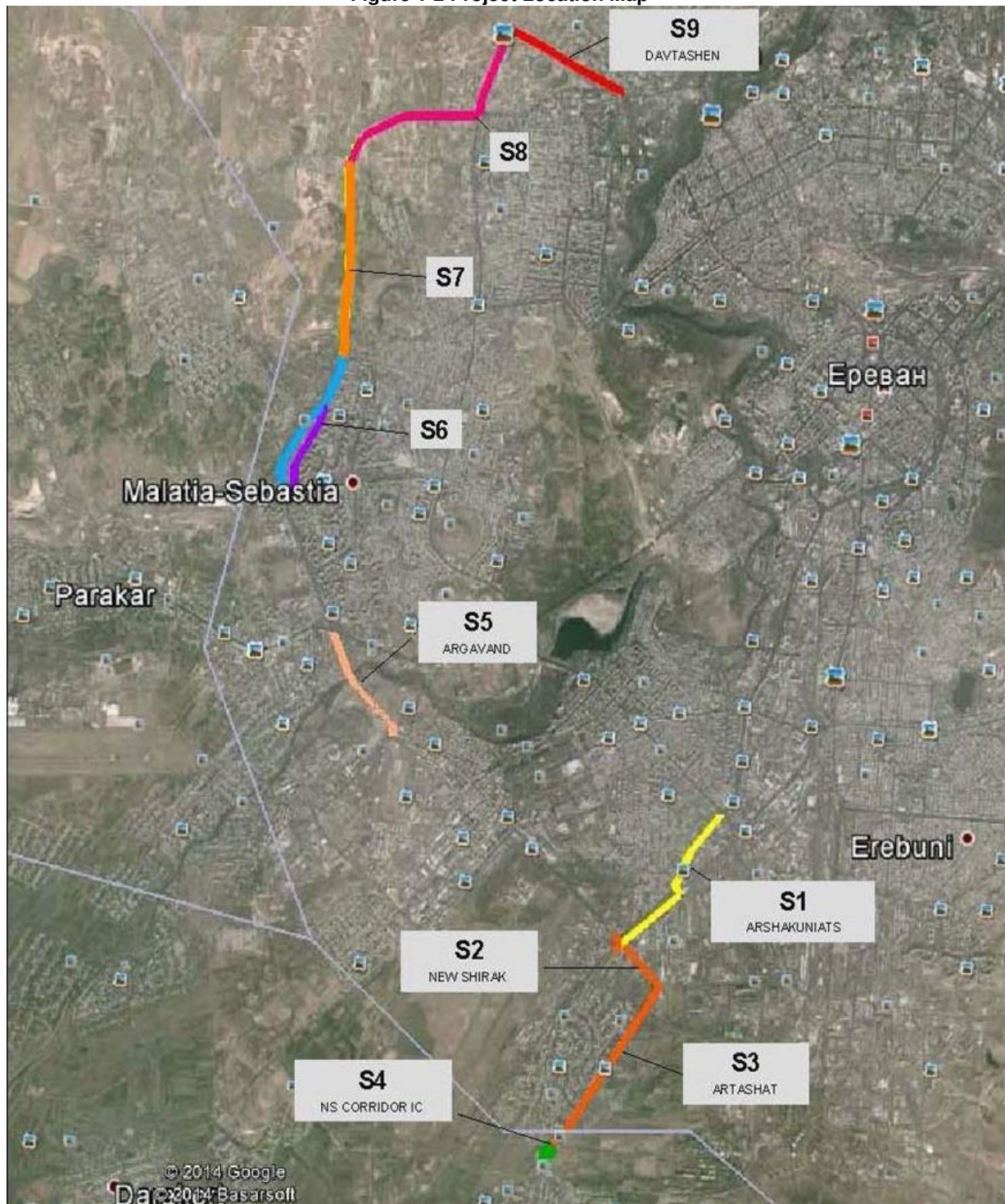
33. In order to facilitate communication between all parties, the area for Project 1 and Project 2 (Tranche 1 and Tranche 2) was divided into several sections numbered from S1 to S9 shown in the table below. They are shown in the following map (see Figure 1 2 Project Location Map).

Project/Tranche	Section	Name	Length
Project1/Tranche1	S1	Arshakunyats Street	1,280 m
	S2	New Shirak Street	3,200 m
	S3	Artashat Highway	
	S4	North South Corridor interchange	
Project2/Tranche2	S5	Argavand – New Shirak street	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	Davtashen - Ashtarak Highway	2,240 m

34. Due to its level of LAR impact, the Tranche2/ Project2 has been classified as Category A for involuntary resettlement¹⁰

¹⁰As per the ADB Operation Manual (OM) F1/OP (2009) a project is classified as Category "A" if > 200 people suffer significant impacts (relocation or loss of more than 10% of their productive assets). A project will instead be classified as Category "B" when less than 200 people suffer significant impacts. Category "C" projects have no LAR impacts.

Figure 1-2 Project Location Map



1.4 Subproject 2: Davtashen-Ashtarak Road Link

1.4.1 Location and Description

35. This LARP document covers section 9 of Project2/Tranche2

36. The project site is located in the capital of Yerevan. The project is located in the administrative Districts of Davtashen and Ajapnyak. The proposed 2.3 km road section would extend the Eghvard highway to intersection of Halabyan St. in the area of Republican Hospital and Davtashen Village. From Davtashen Village it would pass parallel to Melkumov Street before reaching the intersection of Melkumov Street and Chaush Street. The project design also foresees the construction of a two-level transport interchange. See figure below

37. The Section envisages a construction of a new dual 3 lanes divided road with a central reservation of 2.4m including a single central concrete crash barrier.

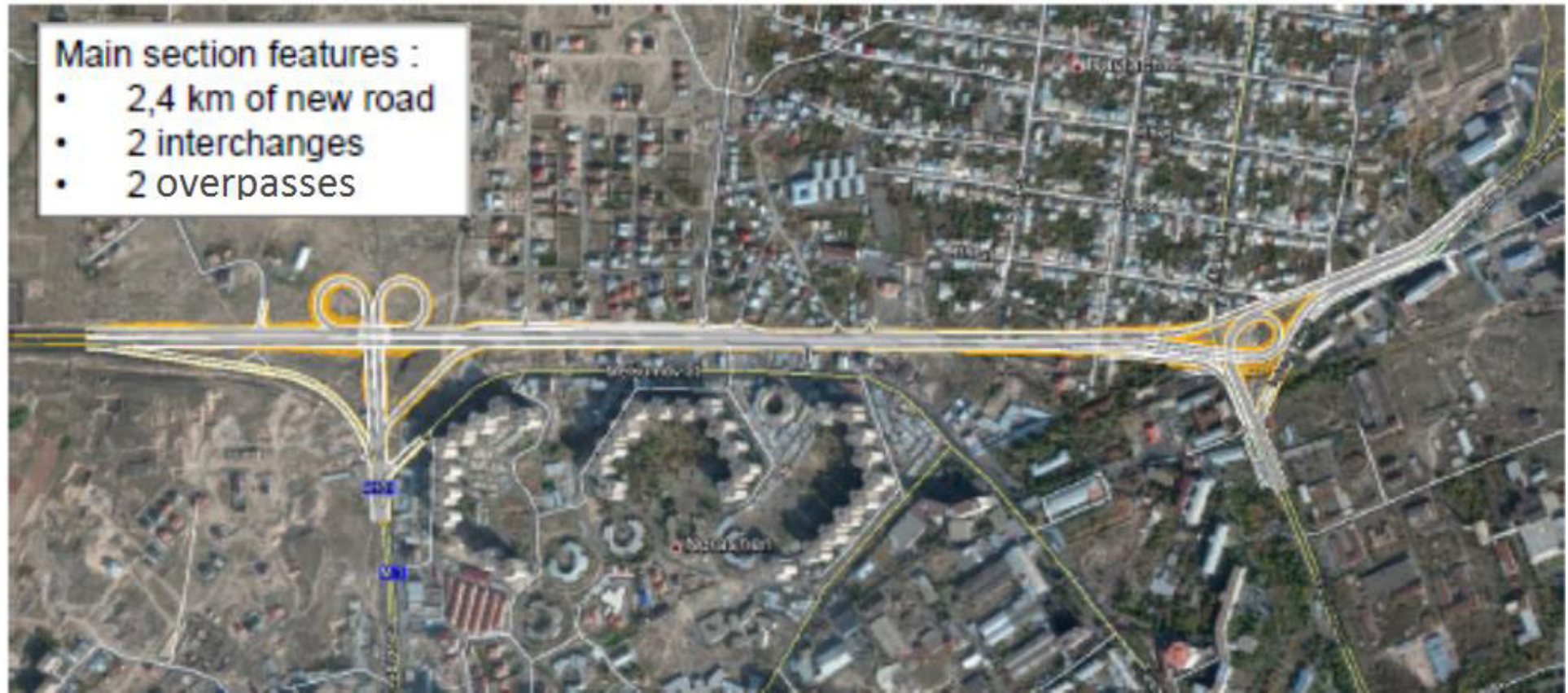
38. Both carriageways are planned with two lanes at 3.50m and one at 4.0m with a footpath of 2.25m. It also includes for the construction of 2 grade separated interchanges with 2 overpasses.

39. The works also foresee the diversion of utilities and creation of accesses

1.4.2 Sub-Project Implementation Timeline

40. Commencement of LARP implementation will start at the end of August 2016 and will be fully completed by the middle of February 2017. Handing over of the Site to the Contractor is planned for April 2017 after ADB approves the compliance report in the beginning of April.

Figure 1-3 Davtashen-Ashtarak Road Link



1.5 Scope and Status of Land Acquisition and Resettlement Plan

41. LARP is based on the detailed design for Subproject 2. It is final and ready for implementation. The following steps were taken for the completion of this LARP:

- (i) Completion of census of APs, AHs and inventory of losses;
- (ii) Completion of detailed measurements, description and valuation of the affected land, buildings, structures and other assets;
- (iii) Completion of the socioeconomic survey based on a 100% sample;
- (iv) Completion of the consultations with APs;
- (v) Preparation of a detailed compensation budget for all types of losses.

1.6 Objectives of Land Acquisition and Resettlement Plan

42. The main objective of LARP is to make a social impact assessment and identify persons affected by the Subproject, compensate them for their losses and assist them to restore their livelihoods and quality of life, at least to the level they had before the Project and in the case of the vulnerable and displaced poor, improving their standards of living to at least national minimum standards. The LARP assesses the land acquisition and resettlement impact of the Subproject on APs, in accordance with Armenian law, ADB SPS-2009 and LARF (RA Government Decree N 273-N, 7.03.2012).

43. For the achievement of these objectives, LARP provides particulars necessary for compensation, resettlement and rehabilitation by identifying:

- (i) The profile of the APs;
- (ii) The extent of losses and impact of the Subproject;
- (iii) Information disclosure, consultation and participation;
- (iv) The policy and framework for compensation payments and rehabilitation;
- (v) Complaints and grievance redress mechanism;
- (vi) Resettlement budget and financing plan including valuation of, and compensation for, lost assets, relocation, and rehabilitation;
- (vii) The institutional framework and implementation schedule of resettlement plan; and
- (viii) Monitoring of LARP implementation.

1.7 Land Acquisition and Resettlement-Related Project Implementation Conditions

44. In compliance with ADB safeguards requirements and MFF Project each tranche approval/implementation is based on the following conditions:

- (i) **MFF/First Tranche Appraisal:** conditional to: a) Preparation/disclosure of a LARF for the whole MFF acceptable to ADB and Government; b) Preparation of an Initial Poverty and Social Assessment (IPSA) and c) Preparation/disclosure of LARPs acceptable to ADB and Government for each Tranche of the Program requiring LAR;

- (ii) **Approval of Periodical Financial Request (PFR) for following Tranches:** conditional to: a) Review/update/disclosure of the LARF, b) Preparation of a Summary Poverty Reduction and Social Strategy (SPRSS); c) Preparation/disclosure of a LARPs fitting the revised LARF and acceptable to ADB and Government for each tranche of the Program with LAR;
- (iii) **Contract awards signing:** conditional to: a) approval of LARP by the GoA and ADB, b) disclosure to the public of the implementation-ready document and information pamphlet; c) Hiring of an External Monitoring Agency.
- (iv) **Commencement of Civil Works:** conditional to: full implementation of LARP to be vouched by a compliance report prepared by the EMA, accepted to ADB.

1.8 Document Disclosure

45. The final updated implementation-ready LARP in Armenian will be disclosed on YM official website after GoA approval. The LARP in English will be posted on the ADB official website immediately after ADB approval. The summary LARP information Pamphlet in Armenian will be disclosed to the APs after LARP approval.

1.9 Project Cut-Off Date

46. The cut-off date for the Project is set as February 22, 2016 when signing of description protocols for the Final LARP started. Formats of protocols are presented in Appendix 8.

2 IMPACT ASSESSMENT AND CENSUS OF AFFECTED HOUSEHOLDS

2.1 Background

47. One of the key principles adopted for the preparation of this LARP is that all compensation payments and livelihood restoration assistance related to the Project must be based on a detailed understanding of the impacts of the Project on affected people. For this LARP, the data was collected between June-August 2015 in frame of the GoA decree on Preliminary¹¹ study and then updated in December 2015 after the adoption of GoA decree on Eminent Domain.¹² In order to accurately assess the extent of the Project's LAR impacts the following surveys were undertaken:

- (i) **Detailed Measurement Survey (DMS)** - to measure the affected area of the lands, buildings space and the number and types of affected assets.
- (ii) **Inventory of Losses** - to identify and evaluate the characteristics of the land, buildings and assets to be acquired.
- (iii) **Valuation of Replacement Cost of the Affected Assets** - to identify the cost of compensation of lost assets, income and other livelihood sources and allowances for development of the LARP budget.
- (iv) **Census Survey** - to identify the exact number of AHs and their members, including some elementary social characteristics such as gender and ethnicity.
- (v) **Socio-Economic Survey (SES)**: to identify the current socioeconomic condition of affected individuals, households and business owners as well as access to public services, perceptions of compensation and Project impact on their livelihood.

2.2 Survey Methodology and Impact Assessment Approaches

2.2.1 Survey Methodology

48. DESC engaged a licensed measurement and valuation company, as subcontractor, to measure and re-evaluate independently from all previous survey efforts every asset to be acquired. This was done independently of the information that can be derived from the cadastral maps, data obtained during the preparation of Draft LARPs, and the legal status of the assets affected by the Project.

49. The scope of the DMS and assets inventory included the identification, classification, measurement, and valuation of the following assets, or attributes:

¹¹The RA Law on Expropriation of Property for Public and State Purposes envisages the opportunity of Preliminary Study of the property to be alienated at the request of the Acquirer before including the property in Eminent Domain Decree (EDD). It gives opportunity to conduct DMS, to finalize the list of the affected properties to be including in EDD, to identify the impact type and size for preparation of individual maps without the obligation to sign the description protocol with APs as in case of EDD.

¹²The GoA decree on Preliminary study was adopted on 21.05.2015 by decree N 589-У, and GoA decree on Eminent Domain was adopted on 03.12.2015 by decree N1429-У,

- (i) Land (agricultural, residential, industrial and commercial plots), including improvements on those plots
- (ii) Buildings/structures (including classification by building category and construction type)
- (iii) Legal status of the AP land and structures occupancy
- (iv) Area and type of crops
- (v) Number and type of trees
- (vi) Affected business (impact type and legal status)
- (vii) Employment losses
- (viii) Number, type and area of affected community/ public assets.

50. The DMS included measurement of existing real estate plots and buildings/structures built on them, determination of their targeted purpose, ownership, forms of use, its quality and quantity, appearances and types. The measurements were taken in accordance with the requirements of Annex 1 of Order No 283-N (directive on real estate measurement (registration) of October 20, 2011 issued by the Chairman of the State Committee of Real Estate Cadaster (SCREC) adjunct to the GoA. The measurements were also taken using satellite positioning stations, electronic tachymeters and laser range finders. According to ADB policy requirements, the current ground situation measured is based on the actual size of the assets used by AHs at the moment of measurement¹³. The APs were informed of the measurement date and time by telephone, a day prior to the field visit. This procedure ensured the measurement process was monitored by the APs (Details are provided in Appendix 2).

2.2.2 Impact Assessment Approaches

51. Below, the approaches applied during the impact assessment exercise under this LARP for several typical cases are presented, in particular: (i) identification and assessment mechanisms for the cases, when the remaining parts of affected properties are indirectly affected by the Project and consequently are subject for acquisition and compensation under the LARP; (ii) impact assessment and compensation mechanisms applied for the temporary impacts under the Project; (iii) assessment and calculation mechanisms for the cases, when the discrepancies are identified between impacts per DMS and impacts per Cadastral map/data.

- (i) **Indirectly affected parts of the affected properties:** As a result of analysis of detailed design, as well as the DMS and assets inventory, there were identified several cases, when the remaining part of affected properties are losing their target purpose after the acquisition by different reasons, therefore bear indirectly impact under the Project. For such cases, the indirectly affected parts have been included in this LARP as properties subject for acquisition and compensation. The mentioned cases are summarized below and the list of these cases with details is presented in Appendix 10.

- The cases, when the remaining part of property loses its access/exit¹⁴ as a result of acquisition of affected property;
- The cases, when the remaining part of property is not appropriate for further functional usage a result of land acquisition¹⁵;
- The cases partial impacts of the building or structure and unwillingness of the owner to keep and rehabilitate the remaining part, the remaining indirect impact was included in the directly affected assets in prior agreement with APs (as defined by Project LARF and DMS methodology of the LARP).

¹³ If the actual measurement corresponds to the parameters (taking into account the permissible deviation range, defined by the SCREC) stated in the property certificate issued by the SCREC, the property layouts were prepared for submission to the SCREC during LARP implementation period.

¹⁴ The same access that property had before the Project commencement. For more details please see the Appendix 10.

¹⁵ These are the cases, when the remaining part of the land plots is from 1.98% to 6.36 % of the total land; therefore they are not appropriate for functional usage and restoration of their residence.

- (ii) **Temporary impacts:** According to the detailed design of the Project, besides the affected land plots included in LAR boundaries, there are two cases when the Project temporary needs some parts of land plots, in particular: (a) In cases, when public utilities planned to be located in the affected land plots such as sewerage, water pipeline etc. and (b) In cases, when the foundation of retaining wall¹⁶ is planned to be constructed on the affected part of the community owned land plots illegally used by the APs.

52. Here are the mechanisms of impact assessment and compensation applied for the above-mentioned temporary impacts under this LARP:

- The private-owned land plots are considered as subject for acquisition and compensation both for land and improvements (these cases actually considered as permanent impacts).
- For the illegally used affected land plots the compensation will be paid only for improvements done on the affected land by user such as trees, crops, fences etc. In these cases no allowance will be paid to users for the illegal land use, however, these lands should be covered and returned to the owner/user (these tasks should be included in the Contractor's Contract).

(iii) **Discrepancies between Impacts identified per DMS and Cadastral map/data**

53. As a result of analysis of Cadastral map and data, as well as implemented DMS(actual measurement) there were cases, when the impacts identified by DMS per actual coordinates of affected land plots and the coordinates of affected land plots per Cadastral map/data are not corresponding to each other. In particular, there are cases, when:

- a) The properties are actually affected, but the coordinates of affected land plots should be corrected in cadastral map and data based on the actual measurement coordinates as a result of which the impact can be changed, and
- b) The properties which are not affected actually, and can be removed from the LARP after the correction of their cadastral coordinates.

54. During the LARP preparation, the details of all these cases have been presented to the SCREC with relevant layouts for correction, which is now in process. However, taking into account that in the moment of this LARP preparation, the mentioned cases haven't been corrected yet, the impacts have been calculated and included in this LARP by the following approach: for the cases under point (a) the impacts have been calculated based on the actual DMS data, and for the cases under point (b) the impacts have been calculated based on the cadastral data¹⁷.

55. The relevant remarks on these cases can be found in impact data presented in this LARP. The details of all these cases, as well as the procedures of their correction are included in the "Legalization and Correction Action plan" (LCAP) presented in the chapter 10.

(iv) **Utilities to be restored by the Project**

56. The project will restore only existing legal utilities. In case of illegal utilities the APs will be compensated for only additional improvements (pipes etc.) done by them and will be able to restore them on the remaining parts of their land plots. Those APs who had sewage hole on the affected part of the land plot will be given an opportunity to be connected to the sewage pipeline/network to be constructed under the Project. APs have to apply for a technical condition to be connected to the system. PIU will assist them in the process of the application as needed. The applicable fees and costs will be covered by the Project from the LARP contingency. Taking into account that the APs will be able to restore their utilities at the expense of the Project they will not be compensated for the sewage holes located on the affected part of their land plots.

¹⁶The foundation of retaining wall to be located under the land plot and after construction it will be covered and returned to the AP for further use.

¹⁷The impacts of those properties can be changed during the LARP implementation.

2.3 Impact on Land

2.3.1 Land Classification by the Armenian Land Code

57. The Land Code of the RA (May 2, 2001) classifies land fund into the following nine categories based on target position: (1) Agricultural, (2) Settlements/residential, (3) Industrial, Mining and Production (4) Power, Transport, Communication, Utility infrastructure facilities (5) Protected land for special purposes, (6) Special significance, and (7) Forested, (8) Water and (9) Reserve lands. Each target significance land, based on its type of usage, is classified by category of its functional significance.

58. The Project is located in an urban setting. Almost all of the affected plots are categorized as settlements/residential land by SCREC. For the sake of clarity and based on the actual usage, the affected land categories are grouped into following categories: orchards/agricultural, residential, commercial, industrial.

- (i) **Residential Land**, which is used for residential houses, adjacent auxiliary buildings and gardening
- (ii) **Orchards/agricultural Land**, which is used to grow some fruit or wood/ decorative trees and bushes.
- (iii) **Commercial Land**, which is used for businesses such as shops and petrol stations.
- (iv) **Industrial Land**, which is used for factories, factory offices and industrial storages and warehouses
- (v) **Special Land**, which belongs to the Government and is officially reserved for specific public use such as borders, military land and the land provided for use and maintenance of legally protected structures and buildings.

2.3.2 Land Losses

59. Affected lands are concentrated in Yerevan urban setting in Davtashen and Ajapnyak districts. In total, there are **77** land plots covering a surface area of **25,617.34** m². Overall, 60 households will have some land impact. Affected land-plots are mostly residential, under orchards or commercial. The presented land impacts include also the cases under Legalization and Correction Action Plan (LCAP).

60. The affected land plots are grouped into the following three types, based on their ownership status:

- (i) **Private-titled Land** - a total of 34 plots (16,273.75 m²) belong to persons having a legal title over the affected land parcels. Most of private lands are residential (21). Seven land plots are commercial and two land plots are industrial. The number of private land plots includes the land plots which are in the process of cadastral corrections under the LCAP, particularly 5 commercial land plots (1,325.36 m²) which are potentially removable after the correction of cadastral coordinates (G-3 district), and 4 residential land plots (1,174.54 m²) which are actually affected but the coordinates of affected land plots should be corrected in cadastral map and data.

The private land plots are affected with a minimum of 6.08 sq.m and maximum of 6,585.86 sq.m (average 454.06 sq.m).
- (ii) **Community Land**- this is the land that belongs to YM. A total of 42 community plots (9,337.51 m²) are affected by the Project. The survey found that 38 (6,473.24 m²) of such land are used without any legal title. Out of 38 land plots, 20 land plots are used

for residential purposes¹⁸, 6 land plots used for commercial purposes and one land plot is illegally used for industrial purposes.

1 commercial land plot is directly used by YM as an ambulance station. Three commercial land plots are formally leased, from which one land plot (21.40m²) may not be impacted after the correction of cadastral coordinates (G-3 district) under the LCAP and therefore, removed from the list of affected assets.

The community land plots are affected with a minimum of 2.45 sq.m and maximum of 1,936.62sq.m (average 218.15sq.m).

- (iii) **Government Land** - One land plot (6.08m²) of special use is affected under the Project. This land plot belongs to the Ministry of Defense of RA. It's a military college after M. Melkonyan.

61. The owner of the community land (Yerevan Municipality), will not be compensated.

62. All other categories of affected land will be compensated. The land impacts data is summarized in the following table.

¹⁸ 6 land plots with the residential houses are totally used for residential purpose, 13 are land plots parcel adjusted to the legal land plots and only 1 land plot is free and foreseen for residential purpose.

Table 2-1 Land Impacts by Category and Ownership/ Occupation Status

Type of Land		Residential		Orchard		Commercial ¹⁹		Industrial ²⁰		Special		Total		Remark
		Plots	Affected Area	Plots	Affected Area	Plots	Affected Area	Plots	Affected Area	Plots	Affected Area	Plots	Affected Area	
		No	m2	No	m2	No	m2	No	m2	No	m2	No	m2	
A. Community	Illegally Used	20	3,954.75	11	1,243.49	6	1,107.14	1	167.86	-	-	38	6,473.24	-
	Directly used	-	-	-	-	1	66.25	-	-	-	-	1	66.25	This land plot belongs to YM. It's ambulance station.
	Rented	-	-	-	-	2	2,776.62	-	-	-	-	2	2,776.62	No compensation was calculated for the one affected land plot with 1,936.62 sqm (lot-code 0050-0014 ²¹) due to the following legal grounds: It is given as for rent until the alienation date.
	Rented (Properties under LCAP)	-	-	-	-	1	21.4	-	-	-	-	1	21.40	Actually non affected properties which are potentially removable after the correction of their cadastral coordinates (G-3 district).
Subtotal A		20	3,954.75	11	1,243.49	10	3,971.41	1	167.86	-	-	42	9 337,51	
B. Private	Owned	17	4,229.83	3	858.71	2	778.27	2	1,321.18	-	-	24	7,187.99	-
	Community right to build	-	-	-	-	-	-	1	6,585.86	-	-	1	6,585.86	No compensation was calculated for the 6,585.86 sqm of one affected land plot (lot-code 0050-0016 ²²) due to the following legal grounds: it is given for

¹⁹8 commercial land plots are used for business purpose, 1 land plot is directly used by YM as an ambulance station, 1 land plot is not used in any manner, 1 land plot is a maintenance area of the petrol station which is not impacted and 6 land plots are under LCAP (G-3 district) out of which only 2 land plots are used for business purposes.

²⁰ 1 industrial land plot is used as a bakery workshop and the remaining 3 land plots are non-operating workshops.

²¹The property was given to AP for a rent in 2008. The property is used for the residential and business purposes.

²²The property was given to AP for a community right to build in 2006. It is industrial area with non-operating workshop.

Type of Land		Residential		Orchard		Commercial ¹⁹		Industrial ²⁰		Special		Total		Remark
		Plots	Affected Area	Plots	Affected Area	Plots	Affected Area	Plots	Affected Area	Plots	Affected Area	Plots	Affected Area	
		No	m2	No	m2	No	m2	No	m2	No	m2	No	m2	
														community right to build until the alienation date.
	Properties under LCAP	4	1,174.54	-	-	-	-	-	-	-	-	4	1,174.54	Actually affected properties, which cadastral coordinates should be corrected in cadastral map and data
		-	-	-	-	5	1,325.36	-	-	-	-	5	1,325.36	Actually non affected properties which are potentially removable after the correction of their cadastral coordinates (G-3 district).
Subtotal B		21	5,404.37	3	858.71	7	2,103.63	3	7,907.04	-	-	34	16,273.75	
C. Government Land		-	-	-	-	-	-	-	-	1	6.08	1	6.08	This land plot belongs to the Ministry of Defense of RA. It's a military college after M. Melkonyan.
Subtotal C		-	-	-	-	-	-	-	-	1	6.08	1	6.08	
Total (A+B+C)		41	9,359.12	14	2,102.20	17	6,075.04	4	8,074.90	1	6.08	77	25 617,34	-

2.4 Impact on Buildings and Structures

2.4.1 Residential Buildings and Structure

63. In total, the Tranche 2LARP for section 9 will affect 69 residential buildings and structures. Out of these, 17²³ are houses and 52 supporting structures. Out of these, 46 supporting structures belong to residential main buildings which will be affected, while 6 supporting structures belong to households whose main residential building will not be affected at all. In total, the impact on all residential buildings and structures located on 20 land plots, will affect 24 households. Two affected residential houses have co-owners who do not leave in those houses and consequently, lose the building which is not their actual place of residence.

64. The area of affected buildings amounts to 2,862.03 m². The affected buildings are mainly made of reinforced concrete. Supporting structures are mainly made of stone, metal, and concrete.

Table 2-2 Impact on Residential Buildings and Structures

Name	Material	No	Total	Plots
			m2	No
A. House				
Residential house	Reinforced Concrete	17	1,966.21	14
Subtotal (A)		17	1,966.21	14
B. Supporting Structures				
B1. Supporting Structures with Affected Main Building				
Animal barn	Stone	1	9.2	13
Basement	Reinforced concrete, stone	2	12.26	
Garage	Stone	2	55.22	
Greenhouse base	Reinforced concrete	5	349.58	
Hencoop	Stone	2	6.98	
Kennel	Stone	1	0.92	
Boiler	Stone	2	2.85	
Hole	Reinforced concrete	1	2.72	
Loft	Asbestos slate/stone	3	120.48	
Incomplete structure	Stone	1	44.45	
Patio	Metal	1	6.75	
Pool	Reinforced concrete	1	56.2	
Shed	Metal	13	93.74	
Support structure	Stone	6	82.54	
Toilette	Stone, metal	5	18.57	
Subtotal (B1)	-	46	862.46	13
(B2) Support Structures of AHs without Residential Loss				
Kennel	Stone, Metal	2	3.1	3

²³Together with 17 affected residential houses 46 separate supporting structures are affected. Each structure was valued separately, as the replacement cost was calculated based on the material of the each particular structure.

Name	Material	No	Total	Plots
			m2	No
Shed	Metal, stone	3	20.15	
Support structure	Stone	1	10.11	
Subtotal (B2)	-	6	33.36	3
Subtotal (B1+B2)	-	52	895.82	16
Total	-	69	2,862.03	20

2.4.2 Non-Residential Buildings and Structures

65. In total, 34 non-residential structures will be affected with total area of 2,761.13 sq.m, from which 20 belong to businesses and 14 are non-residential/ non business structures used by APs for private purposes. Affected 20 main and supporting business structures belong to 10 businesses located at 11 land-plots. These structures amount to an area of 990.83 sq.m out which 435.11sq.m is illegal. Out of 10 businesses, the half has agricultural type and the other half are commercial²⁴. 14 non-business structures are aimed for private use. The affected structures are mainly made of stone, concrete and metal.

Table 2-3 Impact on Non-Residential Structures

No	Type of Structure	Material	No	Legal sq.m	Illegal sq.m	Total sq.m.	No of Plots
A. Non Business Structures							
1	Shed	Concrete panel	1	67.10	-	67.1	6
2	Storage structure	Stone, Concrete panel	4	439.68	-	439.68	
3	Hole	Stone	1	-	2.12	2.12	
4	Non-operating workshop	Stone, Concrete panel	2	881.59	-	881.59	
5	Electrical substation	Stone	1	56.70	-	56.70	
6	Greenhouse base	Reinforced Concrete	1	-	116.80	116.80	
7	Pool	Reinforced Concrete	1	89.62	-	89.62	
8	Support structure	Stone	1	44.98	-	44.98	
8	Patio	Stone	1	-	8.50	8.50	
9	Metal Construction	Metal	1	63.21	-	63.21	
Subtotal (A)			14	1,642.88	127.42	1,770.30	
B. Business Structures							
B1. Business Structures of Agricultural type							
Business N 1	Hencoop	Stone, Metal	1	-	10.79	10.79	1
Business N 2	Mushroom greenhouse	Stone	1	-	23.65	23.65	1
Business N 3	Loft (bee boxes)	Metal	1	-	39.9	39.9	1
Business N 4 Business	Garages	Stone	1	267.93	-	267.93	1
	Toilette	Stone	1	-	5.21	5.21	

²⁴In scope of this LARP the business is considered as agricultural when the APs organise the producing of agricultural products in their residential area with assistance and joint efforts of family members. The commercial are those businesses which are concentrated on providing of the services, trade and food production with hiring of employees.

No	Type of Structure	Material	No	Legal sq.m	Illegal sq.m	Total sq.m.	No of Plots
N 5							
Subtotal (B1)			5	267.93	79.55	347.48	4
B2. Business Structures of Commercial type							
Business N 6	Shed	Metal	1	-	5	5	1
Business N 7	Bakery	Stone	2	-	187.03	187.03	2
Business N 8	Shed	Asbestos slate	1	-	34.54	34.54	1
	Car repair man-hole	Reinforced Concrete	1	-	5.01	5.01	
Business N 9	Office building	Stone	2	44.01	7.98	51.99	2
	Storage	Stone	1	176	-	176	
Business N 10	Petrol Station	Stone	1	55.28	-	55.28	2
	Support structure	Stone	1	-	2.28	2.28	
	Metal Structure	Metal	1	-	2.68	2.68	
	Petrol tank hole	Reinforced Concrete	2	12.5	44.3	56.8	
	Shed	Stone	1	-	63.64	63.64	
	Car repair man-hole	Reinforced Concrete	1	-	3.1	3.1	
Subtotal (B2)			15	287.79	355.56	643.35	8
Subtotal (B1+B2)			20	555.72	435.11	990.83	11
Total			34	2,198.60	562.53	2,761.13	17

2.4.3 Movable Structures

66. The Tranche 2LARP for section 9 will affect 53 movable structures located on 9 land plots (4 illegally used, 4 owned, 1 leased). Transportation cost will be paid to the APs to relocate structures.

Table 2-4 Impact on Movable Structures

Type of Affected Structures	Construction Type	Structures	Land plot (without double counting)
		No	No
Kiosk	Metal	2	2
Bee boxes	Wood	40	1
Metal House	Metal	8	4
Patio	Metal	1	1
Petrol Dispenser Point	Metal	1	1
Petrol Tank (A)	Metal	2	1
Petrol Tank (B)	Metal	3	1
Total	-	53	9

2.4.4 Fences and Other Improvements

67. A total of 1,156.65 linear m. of fences and 1,679.83 m² stone wall/fences on 43 land plots will be affected by the T2LARP for section 9. Of this total length, 1,156.65 linear m of fences are different type of metal fences, from which 45.23 m are made of metal and basalt, while 1,397.81m² are made of stone 'tuff' (a local type of volcanic stone) and 282.02m² are made of concrete. Overall, 39 households will be affected by loss of fences including the temporary impacts, and compensated at replacement cost

Table 2-5 Impact on Fences and Walls

Material	Total	
	Length	Area
	M	m ²
Metal A	902.00	-
Metal B	59.32	-
Metal C	150.10	-
Metal/Basalt kerbstone	45.23	-
Tuf/Stone A	-	44.70
Tuf/Stone B	-	7.20
Tuf/Stone C	-	8.50
Tuf/Stone D	-	806.93
Tuf/Stone E	-	107.47
Tuf/Stone F	-	73.48
Tuf/Stone G	-	198.00
Tuf/Basalt A	-	43.73
Tuf/Basalt B	-	107.80
Reinforced Concrete	-	63.62
Reinforced Concrete panel	-	218.40
Total	1,156.65	1,679.83

68. The APs have made some other improvements on 33 land plots that are measured and calculated for compensation. There are concrete, asphalt, metal, wood and bricks surfaces made by APs on the affected lands. The most affected are concrete paved areas that amount to 3,639.82m². A total of 3,639.82², 240.00 m³, 476.30m and 24 numbers of improvements are affected and will be compensated including the temporary impacts.

Table 2-6 Impact on Improvements

Type	Material	Plots	Area	Area	Length	No
		No	m ²	m ³	M	
Area	Asphalt	9	1,786.83	-	-	-
Area	Concrete Covered	22	1,730.76	-	-	-
Area	Concrete Bricks	1	68.18	-	-	-
Area	Concrete Bricks	2	41.00	-	-	-
Brick Furnace	Brick	1	-	-	-	1
Kerbstone A	Concrete/marbled	1	-	-	30.50	-
Kerbstone B	Concrete	2	-	-	64.80	-

Type	Material	Plots	Area	Area	Length	No
		No	m ²	m ³	M	
Embankment A	Crushed stone	1	-	240.00	-	-
Tandoor	Brick	1	-	-	-	1
Yard upgrade	Stone/concrete	1	-	-	10.00	-
Gate	Metal	4				4
Door	Metal	1	2,00	-	-	-
Pipe d=110x3,2mm	Polyvinylchloride	1	-	-	45.00	-
Pipe d=32x3mm	Metal-plastic	1	-	-	45.00	-
Pipe d=50mm	Metal	1	-	-	80.00	-
Irrigation pipe d=50mm	Metal	1	-	-	81.00	-
Electric Pillar	Metal	2	-	-	-	16
Electric Pillar	Wood	1	-	-	-	2
Power Cable	Metal	1	-	-	120.00	-
Panel	Asbestos slate	1	11.05	-	-	-
Total		33*	3,639.82	240.00	476.30	24
*Total number has been calculated without double counting as there are several types of improvements on the same land plot.						

2.4.5 Buildings Impacts and Relocation Strategy

69. Based on the LARF, all buildings, partly or completely affected, will be entirely compensated. Relocation strategy adopted for the Project is based on the compensation at replacement cost (market value of building materials, labor, materials transportation cost and other relevant expenses). In case of affected legal structures, owners will receive replacement cost plus 15% as required by the law. In case of affected residential buildings, the APs will receive 115% of the replacement cost irrespectively of their legal status. In case of affected illegal structure on the private land plot, APs will receive full replacement cost of the building. In case of illegal structures on the illegally used land plots, APs will receive replacement cost minus legalization expenses which will not be more than 20% of the total compensation amount.

70. Under this LARP 17 residential and 20 business buildings have to be demolished and APs relocated. The loss of 17 residential houses will affect 19 AHs. The loss of 20 permanently affected non-residential structures will affect ten businesses. As a result, 11 AHs will relocate their businesses. From the total 26 AHs to be relocated, four AHs have both residential and business relocation. Regardless of the business status (with or without tax declaration) the AHs/APs that will be affected by relocation during the Project are shown in the below. The details of the total impact on these businesses as well as strategies for livelihood restoration see in Chapter 7 "Compensation, Relocation and Income Restoration".

Table 2-7 Relocation Impact

Relocation Impact	Ahs	APs
	No	No
Businesses relocation (permanently affected)	11	51
Residential relocation	19	89
Total	26*	120
* Four (4) AHs will lose both their houses and businesses.		

71. In order to get a comprehensive and clear picture of the impact extent on APs, which have to be relocated from their houses, detailed losses are presented in the following table. There are 19 households with 89 family members, which are losing their houses.

Table 2-7.1 Detailed Impact on Residential Relocation

No	Affected Land						Affected Structure		Affected Fence		Affected Improvements			Affected Households		
	Type of owner	Usage Status	Total Area, M2	Affected Area, M2	Affected % in total	Type of Land	Name	m2	Material	Affected l.m/m2	Name	Material	Area, m2, m3, no	No of AHs	No of AH members	Relocation
1	Community (YM) ²⁵	Illegally used	21.17	21.17	100	Residential	Residential House	21	-	-	-	-	-	1	3	Residential relocatee
2	Community (YM)	Illegally used	717.1	717.1	100	Residential	Residential House	259.56	Tuf/Stone	254.1	Area	Concrete Covered	77.29	1	6	Residential relocatee
3	Private	Directly held by the owner	701.45	701.45	100	Residential	Residential House	168.93	Tuf/Stone	6.1	Area	Concrete Covered	91.72	2	11	Residential relocatee
							Incomplete structure	44.45	Tuf/Stone	35.53	Area	Asphalt	33.99			
							Kennel	0.92	Tuf/Stone	6.4						
							Shed	3.22								
4	Private	Directly held by the owner	407.48	407.48	100	Residential	Residential House	58.8	Metal	90	-	-	-	1	6	Residential and Business relocatee
							Shed	7.3								
							Loft	66.74								
							Hencoop	4.26								
							Mushroom greenhouse	23.65								
5	Private	Directly held by the owner	254.4	254.4	100	Residential	Garage	40.9	Metal	59	Area	Concrete Covered	64.45	1	3	Residential relocatee
							Toilette	1.44								
							Toilette	0.44								
							Support structure	9.75								
							Shed	5.88								
							Boiler	1.44								
							Hole	2.72								
	Community (YM)	Illegally used	14.82	14.82	100	Residential	-	-	-	-	-	-				

²⁵ All residential relocatees that illegally use community owned lands will receive rehabilitation allowance for land use as defined by LARF and will be able to restore their residence.

No	Affected Land						Affected Structure		Affected Fence		Affected Improvements			Affected Households								
	Type of owner	Usage Status	Total Area, M2	Affected Area, M2	Affected % in total	Type of Land	Name	m2	Material	Affected l.m/m2	Name	Material	Area, m2, m3, no	No of AHs	No of AH members	Relocation						
	Community (YM)	Illegally used	114.44	114.44	100	Residential	Residential House	104.65	-	-	-	-	-									
6	Private	Directly held by the owner	253.5	253.5	100	Residential	Greenhouse base	127.14	Metal	42	-	-	-	1	3	Residential relocatee						
							Boiler	1.41														
							Shed	5.62														
	Community (YM)	Illegally used	22.51	22.51	100	Residential	-	-	Metal	27	-	-	-									
	Community (YM)	Illegally used	68.23	68.23	100	Residential	Residential House	60.8	-	-	-	-	-									
7	Community (YM)	Illegally used	582.16	582.16	100	Residential	Residential House	122.71	Metal	65	Area	Asphalt	80	1	8	Residential relocatee						
							Support structure	20.08	Tuf/Stone	7.2												
							Shed	4.2														
							Hencoop	2.72														
							Shed	1.8														
							Shed	6.55														
							Animal stoke	9.2														
							Greenhouse base	54.02														
	Community (YM)	Illegally used	187.65	187.65	100	Residential	-	-	Metal	40	-	-	-									
	Community (YM)	Illegally used	150.39	150.39	100	Residential	-	-	Metal	30.4	-	-	-									
8	Community (YM)	Illegally used	92.56	92.56	100	Residential	Residential House	30.22	-	-	Area	Concrete Covered	32.32	1	2	Residential and Business relocatee						
							Support structure	5.88														
							Shed	12.35														
							Loft	39.9														
9	Community (YM)	Illegally used	492.38	492.38	100	Residential	Residential House	89.92	Metal	60	Area	Concrete Covered	261.96	1	5	Residential and Business relocatee						
							Loft	16.22														

No	Affected Land						Affected Structure		Affected Fence		Affected Improvements			Affected Households		
	Type of owner	Usage Status	Total Area, M2	Affected Area, M2	Affected % in total	Type of Land	Name	m2	Material	Affected l.m/m2	Name	Material	Area, m2, m3, no	No of AHs	No of AH members	Relocation
							Garage	14.32								
							Toilette	9.58								
							Shed	5.86								
							Basement	5.86								
							Shed	34.54								
							Car repair man-hole	5.01								
	Community (YM)	Illegally used	102.51	102.51	100	Residential	-	-	Metal	30	-	-	-			
10	Private	Directly held by the owner	1,729.49	1,729.49	100	Residential	Residential House	230.27	Metal	32.5	Area	Concrete Covered	35.25	3	17	Residential relocatee
							Support structure	35.3	Metal	12	Area	Concrete Covered	26			
							Shed	4	Metal	28.5	Area	Concrete Covered	75.47			
							Toilette	1.84			Panel	Asbestos slate	11.05			
							Residential House	48.06								
							Patio	6.75								
							Greenhouse base	51.61								
							Toilette	5.27								
							Residential House	128.05								
							Greenhouse base	66.41								
							Shed	12.46								
							Greenhouse base	50.4								
11	Private	Directly held by the owner	645	481.93	74.72	Residential	Residential House	101.54	Metal	46				Area	Concrete Covered	38.72
							Residential House	84.71								
							Shed	7.4								

No	Affected Land						Affected Structure		Affected Fence		Affected Improvements			Affected Households		
	Type of owner	Usage Status	Total Area, M2	Affected Area, M2	Affected % in total	Type of Land	Name	m2	Material	Affected l.m/m2	Name	Material	Area, m2, m3, no	No of AHs	No of AH members	Relocation
	Community (YM)	Illegally used	177.69	177.69	100	Residential	-	-	-	-	-	-	-			
12	Community (YM)	Leased	1936.62	1936.62	100	Commercial	Residential House	184.1	-	-	Area	Asphalt	690.7	2	9	Business and Residential relocatee
	Private	Directly held by the owner	753.57	753.57	100	Residential		Tuf/Stone	141.33							
							Pool	56.2	Tuf/Stone	56.4	Area	Concrete Covered	74.34			
							Shed	17.1			Area	Concrete Covered	28.9			
							Support structure	44.98								
							Garages	267.93								
							Storage	176								
							Toilette	5.21								
	Community (YM)	Illegally used	161.26	161.26	100	Residential	-	-	Metal	37.56	-	-	-			
13	Private	Directly held by the owner	144	144	100	Residential	Residential House	157.7	-	-	Area	Concrete Covered	10.21	1	5	Residential relocatee
							Loft	37.52								
							Basement	6.4								
	Community (YM)	Illegally used	351.14	351.14	100	Residential	Support structure	7.46	Metal	108.1	Area	Concrete Covered	116.26			
									Tuf/Stone	18.6						
14	Community (YM)	Illegally used	469.89	469.89	100	Residential	Residential House	115.19	Metal	42	Area	Concrete Bricks	34.12	1	5	Residential relocatee
							Support structure	4.07								

2.5 Crops

72. Although the affected area is urban some residents grow vegetables to support their home economy. Usually, vegetables are grown in orchards on the illegally used land plots or in the home gardens next to APs residences. However, the notion of 'agricultural' loss has a different dimension here from agricultural loss in rural settings. The T2 LARP for section 9 will affect crops on 21 plots used by 17 AHs. For 13AHs, agriculture is not means of living, but rather a supplement to their home economies, Socio-economic data shows that the main income source of only 3 AHs has been generated as a result of agricultural activity. Those 3 AHs have both residential and agricultural income losses for which rehabilitation (allowances for severe impact and vulnerability) and livelihood restoration allowances have been calculated. Most frequently grown are strawberries, tomatoes, peppers and eggplants. The Project also affects 167.00 m² area of decorative flowers. In consequence, a total of 557.93 kg of different vegetables will be lost annually.

Table 2-8 Impact on Crop

Type of Crop	Annual Productivity	Affected Area	Total Loss
	kg/ m ²	m ²	Kg
Decorative flowers	1.0	167.00	-
Okra	3.0	7.50	22.50
Sweet potatoes	4.7	2.00	9.30
Pumpkin	4.7	0.50	2.33
Greens	3.0	13.50	40.50
Strawberry	0.6	36.00	21.60
Bean	3.0	2.00	6.00
Tomato	4.2	71.50	300.30
Cherry tomato	4.2	0.50	2.10
Lettuce	3.0	3.50	10.50
Eggplant	3.0	20.00	60.00
Cucumber	2.7	4.00	10.80
Pepper	3.0	24.00	72.00
Total	-	352.00	557.93

2.6 Trees

73. Under the T2LARP of section 9, 2,545 fruit trees and bushes will be affected. Out of this, 1,328 are fruit bushes and 1,217 are fruit trees.

74. Most of the affected bushes are raspberries, dewberries and currants. Most of the affected trees are cherries, grapes and apricots. In total 34 households will be affected by fruit trees and bushes loss. The owners will receive full compensation for the affected trees. A summary of information on the affected fruit bushes and trees is presented in the following table.

Table 2-9 Impact on Fruit Trees

Type of Tree	Seedling	Not yet Productive	Productive	Total
	No	No	No	No
A. Fruit Bushes				
Raspberry	-	-	338	338
Gooseberry	-	-	5	5
Currant	-	3	123	126
Rose-hip	-	-	36	36
Dewberry	-	-	822	822
Crataegus (Haw)	-	-	1	1
Subtotal(A)	-	3	1,325	1,328
B. Fruit Trees				
Cherry	49	66	126	241
Black cherry	22	-	3	25
Peach	13	3	33	49
Nectarine	-	-	1	1
Fig hybrid	-	-	1	1
Fig	1	-	24	25
Walnut	17	4	30	51
Mulberry	16	1	64	81
Mulberry hybrid	-	-	2	2
Grapes	42	9	96	147
Apple	19	1	93	113
Apricot	12	3	109	124
Persimmon	-	-	7	7
Sweet Cherry	16	9	69	94
Cornel	1	1	2	4
Dwarf Apple	-	-	7	7
Almond	1	1	7	9
Pomegranate	1	4	13	18
Plum (Shlor)	6	1	32	39
Plum	37	19	55	111
Quince	2	-	15	17
Pear	7	4	13	24
Hazelnut	-	4	15	19
Oleaster	-	4	4	8
Subtotal (B)	262	134	821	1,217
Total (A+B)	262	137	2,146	2,545

75. There will be 73 timber/wood trees affected by the T2LARP of section 9. Of the affected timber wood trees, the most affected are ash tree and ulmus (8 and 58). Of all affected trees, about 90 % are seedlings. 14 households will be affected by loss of timber trees. The owners of affected trees will be compensated without deductions for the value of the wood/timber that can be obtained from the affected trees.

Table 2-10 Impact on Wood Trees

Type	Seedling	Medium Growth	Full Growth	Total
	No	No	No	No
Ailanthus	4	-	-	4
Poplar	-	-	2	2
Ulmus	53	2	3	58
Ash Tree	8	-	-	8
Willow	1	-	-	1
Total	66	2	5	73

76. The T2LARP of section 9 will also impact 697 decorative trees and bushes. As shown in the following table, the most impact is on thuja trees. The T2LARP for section 9 area is reach with decorative bushes and garden flowers. Almost every house has gardens full of flowers. 681 decorative bushes and different types of garden flowers will be affected. The most affected are wild grape and rose noble. All of the affected decorative trees and bushes belong to 24 households.

Table 2-11 Impact on Decorative Trees and Bushes

Type	Small	Medium	Large	Total
	No	No	No	No
A. Decorative Bushes				
Rose Noble	13	9	398	420
Climbing Rose	-	-	2	2
Hybrid Rose	-	-	22	22
Wild Grapes	-	-	128	128
Box Tree	-	12	1	13
Sweetheart Rose	-	-	1	1
Jasmin	6	-	-	6
Tecoma	-	-	2	2
Yucca	6	-	-	6
Palm	-	-	1	1
Lilac	4	5	47	56
Viburnum opulus	-	-	1	1
Cornus	-	-	23	23
Subtotal (B)	29	26	626	681
B. Decorative Trees				
Fir	-	-	1	1
Thuja	-	1	12	13
Pine	1	1	-	2
Subtotal (B)	1	2	13	16

Type	Small	Medium	Large	Total
	No	No	No	No
Total (A+B)	30	28	639	697

2.7 Impact on Businesses and Income

77. Based on the nature and scope of the affected business, only permanent business losses are identified in this LARP. It includes losses to businesses occurred due to demolition of main buildings or permanent displacement of the structure where business operates. The APs will receive a cash indemnity of 1 year net income.

78. There are a total of 11 affected businesses in this Sub Project area. They belong to 11 households with 51 affected persons. All 11 businesses will be permanently affected, from which 6 have a tax declaration and 5 don't have a tax declaration. Out of these, 7 will lose building and the business with it, and 4 will lose only business as they are not owners of affected buildings and are not rent-payers either.. Details on impact and income restoration are presented in Chapter 7 "Compensation, Relocation and Income Restoration".

Table 2-12 Permanent Impact on Business

No	Description	With tax declaration	Without tax declaration	No of Land Plots	Remark
		No	No		
1	Sale of Construction material	2	-	2	
2	Petrol station	1	-	1	
3	Transportation services for passengers and cargo	1	-	1	
4	Bakery	1	-	2	
5	Importing and sale of food	1	-	1	The business is free from taxes as it is agricultural. The MoF confirmed that the owner of the business didn't present any tax report. Given this fact, the compensation has been calculated as for businesses without tax declaration.
6	Storing, sorting and selling of vegetables	-	1		
7	Aviculture	-	1	1	The business is free from taxes as it is agricultural. Though there is available area of land plot remaining after the acquisition for the reconstruction of hencoop, however, the owner claimed that he cannot reconstruct the hencoop on the remaining land plot due to hygienic reasons, therefore the business considered as permanently affected. The compensation has been calculated as for businesses without tax declaration.
8	Mushroom production	-	1	1	The business is free from taxes as it is agricultural. Given this fact, the compensation has been calculated as for businesses without tax declaration.
9	Apiculture	-	1	1	The business is free from taxes as it is agricultural. Given this fact, the compensation has been calculated as for businesses without tax declaration. The compensation has been calculated for the bee boxes as movable property.
10	Car repair service	-	1	1	The business is illegal.
Total		6	5	11	

2.8 Impact on Employment

79. Due to closure/relocation of businesses resulting from demolition of main business buildings, 15 employees will permanently lose their employment.

Table 2-13 Impact on Employment

Loss	Employees Affected
	No
Permanent Employment Loss	15
Total	15

2.9 Severely Affected Households

80. According to the SUDIP LARF, only households, which lose 10% or more of agriculture income and those who will be relocated from their residential buildings, are considered as severely affected and therefore, entitled to receive allowance for severely affected APs. A total of 37 AHs will be compensated as severely affected AHs, out of which 32 AHs will lose 10%, or more agricultural income from lost fruit trees and crops from the affected land plots and 19 AHs will face relocation. 14 AHs to be relocated will also lose 10% or more agricultural land from their affected land plots. Regardless of APs legal status, each of AHs losing 10%, or more agricultural income will receive an additional crop compensation covering 1-year yield for severe agricultural income losses. The AHs to be relocated will receive a rehabilitation allowance amounting to 6 minimum monthly salaries. Details on impact and income restoration are presented in Chapter 7 “Compensation, Relocation and Income Restoration”.

Table 2-14 Severity of Impact

No	Degree of Impact	Total	
		AHs	APs
		No	No
A	AHs losing more than 10% of agricultural income	32	160
B	AHs losing agricultural businesses	3	12
C	AHs to be relocated (14 included in A)	19	89
Total (without double counting)		37	172

2.10 Impact on Poor and Vulnerable Groups

81. According to the SUDIP LARF Addendum, ‘**vulnerability**’ is defined as follows:

‘Persons registered in the evaluation system of vulnerability of families (ESVF) and receive a family allowance. Socially vulnerable persons are households who are headed by a breadwinning women or by person entitled to the old age pension and not including other adult, working-age person with stable employment providing at least minimum monthly salary except for persons doing compulsory military service or full-time students under twenty-three years of age’.

82. Under this LARP, there are 3 AHs registered in the ESVF²⁶ who are receiving appropriate allowances. Six households are identified as women headed and five as elderly headed households.

²⁶The Republic of Armenia has a social welfare program that provides benefits for the poor called the evaluation system of vulnerability of families (ESVF). In order to receive this benefit, a family needs to apply and meet basic criteria, which

They will be compensated as vulnerable households and will receive a rehabilitation allowance amounting to 6 minimum monthly salaries. In total 13 AHs will be compensated as vulnerable.

Table 2-15 Impact on Poor and Vulnerable Affected Households²⁷

Type	Total	
	AHs	APs
	No	No
Poor Ahs	3	22
Woman headed Ahs	6	8
Elderly headed AHs	5	12
Total Vulnerable AHs (APs) without double counting	13*	42
*1 AH is both woman-headed and poor.		

2.11 Summary of Affected Households and Affected Persons

83. The Census identified 76 affected households with a total of 302 members. Eleven households have to relocate and re-establish their businesses as the main business buildings will be demolished. Information on different categories of affected households (AHs) and affected persons (APs) by impact type, as well as net figures without double counting are provided in the summary of AHs/APs, presented at the end of this section. In total, the T2 section 9 will impact the land plots of 60 AHs, buildings and structures of 29 AHs, trees and crops of 40 AHs, residential houses of 19 AHs, and employments of 15 AHs.

Table 2-16 Summary of Affected Households/ Persons by Category of Impact

Impact category	AHs	AHs	APs	Remarks
	No Per Type of Impact	Without Double Counting	Absolute No	
A. Land Impact by Legal Occupancy				
A1. Private	39	39	157	-
A2. Community	33	22	84	11 AHs are included in A1
A3. Government land	1	0	0	-
B. Buildings Impact				
B1. Residential structures	24	0	0	All AHs are included in A1 and A2
B2. Non-residential structures	11	0	0	All AHs are included in A1 and A2
B3. Movable structures	9	1	6	8 AHs are included in A1 and A2.
B4. Fences	39	0	0	All AHs are included in A1 and A2
C. Tree/ Crop Impact				
C1. Fruit trees and bushes	34	0	0	All AHs are included in A1 and A2
C2. Wood trees	14	0	0	
C3. Decorative trees, bushes, flowers	24	0	0	

are assessed in relation to household size and composition, vulnerability and income.

²⁷in accordance to the LARF requirements, the list of poor households identified by the result of SES was compared with the list of poor AHs included in ESVF provided by the RA Ministry of labor and social affairs and it was revealed that the list is fully fits with the list of the Ministry, which means that all AHs considered as poor by SES, are already included in the ESVF, thus the relevant allowances for those AHs are calculated and included in this LARP.

Impact category	AHs	AHs	APs	Remarks
	No Per Type of Impact	Without Double Counting	Absolute No	
C4. Crop	17	0	0	
D. Business Impact				
D1. Permanent with tax declaration	6	4	20	2 AHs are included in A2.
D2. Permanent without tax declaration	5	0	0	All AHs are included in A1 and A2
E. Employment Impact				
E. Permanent employment loss	12	8	28	2 AHs are included in A2 2 AHs are included in D1
F. Vulnerability of Ahs				
F. Vulnerable AHs	13	1	1	1 AH is included in E 5 AHs are included in A1 6 AHs are include in A2
G. Relocation Impact				
G1. Business relocation	11	0	0	All AHs are included in A1 and A2
G2. Residential relocation	19	2	6	1 AH is included in F 10 AHs are included in A1 6 AHs are include in A2
Total	-	76	302	

3 SOCIOECONOMIC INFORMATION AND PROFILE

3.1 Background

84. This Chapter presents the findings on the major socio-economic characteristics of the affected population and project communities. The information presented in this chapter is derived from available secondary data and data collected through socio-economic survey and census conducted in the Project affected community in areas covered by this LARP. The main objective of the surveys is to understand the existing socio-economic environment and vulnerability of affected people and families in the Project area, to use the data for the preparation of the LARP budget and to identify groups and persons who need additional support.

3.2 Survey Methodology

85. The socio-economic (SES) and Census surveys of affected households were conducted for the period of time from July 6, 2015 up to February 23, 2016. All affected APs, including owners and users of affected lands and buildings, owners of permanently affected medium and small business and APs who will permanently lose employment, were surveyed through questionnaires and by telephone. (For questionnaires, refer to Appendices 3, 4, 5). Each questionnaire took 30-40 minutes to complete. The collected data was processed using the MySQL software. In total, 65²⁸ affected households are surveyed. This amounts to 100% of the sample.

3.3 Socio-economic Profile of Affected Households and Affected Persons

3.3.1 Gender and Ethnicity of APs

86. Armenian laws and the Constitution grant women and men equal rights including equal entitlement to land and property ownership, education, health care, employment, working conditions and pay, both in public and private-sector enterprises and equal individual and family rights. There is no legal distinction in property, land tenure, inheritance and business ownership rights.

87. The SES data show that out of all APs, 52.23% (152) are females and 47.77% (139) are males. (Table 3-2) However, the heads of households profile shows that only 21.54% (14) of the heads of households are females.

Table 3-1 Gender Profile of Heads and Members of Affected Households

Gender	Head of AH		AH Members	
	No	% of the total	No	% of the total
Male	51	78.46	88	38.94
Female	14	21.54	138	61.06

²⁸Out of the remaining 11 AHs, 5 AHs have refused to answer to the questions, 4 AHs were out of RA and 2 AHs were unreachable for Census and socio-economic survey.

Gender	Head of AH		AH Members	
	No	% of the total	No	% of the total
Total	65	100	226	100

Table 3-2 Gender Profile of Affected Persons

Gender	No	% of the total
Male	139	47.77
Female	152	52.23
Total	291	100.00

88. The APs surveyed under section 9 are all Armenians.

Table 3-3 Ethnic Profile of Affected Persons

Ethnicity	AH Members	
	No	% of the Total
Armenian	291	100.00
Total	291	100.00

3.3.2 Family Composition and Socio-economic Classification

89. The Census identified 65 affected households with a total of 226 members. There are 79.02% (177) of adults and 20.98% (47) minors in the sample. On average, there are 3.47 persons per affected household. Data on marital status show that 72.31% of the heads of households and 47.79% of other household members are married, while 22.57% of household members are single. There are 18.46% of heads of households and 3.1% of other members who are widowed. Percentage of divorced heads of household members (3.08%) is not significant.

Table 3-4 Marital Status of Heads and Members of Affected Households

Marital Status	AH Head		AH Members	
	Number	%	Number	%
Married	47	72.31	108	47.79
Single	4	6.15	51	22.57
Widowed	12	18.46	7	3.10
Divorced	2	3.08	7	3.10
Not applicable /minors	-	-	53	23.45
Total	65	100	226	100.00

3.3.3 Age

90. The age distribution of surveyed population shows the 56-65 age groups was the most represented group among the heads of households (47.69%), while among household members it is 18-35 group (43.75%). The profile of the youth community is even more pronounced if the two age groups (0-17 and 18-35) are combined. Such comparison shows that more than half of the population is younger than 35. The largest age group for heads of households indicates three statistical models in the age categories, 46-55, 56-65 and 66 or more.

Table 3-5 Age Distribution of Heads and Members of Affected Households

Age	AH Head		AH Members	
	Number	%	Number	%
0 – 17	-	-	47	20.98
18 – 35	2	3.08	98	43.75
36 – 45	3	4.62	28	12.50
46 – 55	18	27.69	21	9.38
56 – 65	31	47.69	21	9.38
66 or more	11	16.92	9	4.02
Total	65	100.00	224*	100.00
*The age of 2 AH members has not been identified.				

3.3.4 Education

91. The following table shows that around 60% of household heads have a minimum of a secondary level of education. A high level of literacy (59.29% having a minimum of secondary education) is recorded among family members too. Around 40% of the heads of households have a university degree, whereas among family members, the percentage of university education is considerably lower (29.65%). Generally, education of head of households is higher in all educational categories with exception of secondary school (10 years of education) where the other family members have insignificantly higher percentage (27.43% vs. 24.6%).

Table 3-6 Education of Heads and Members of Affected Households

Education status	AH Head		AH Members	
	Number	%	Number	%
Illiterate	-	-	1	0.44
Elementary	-	-	16	7.08
Post-Primary	4	6.2	9	3.98
Secondary (10 Years)	16	24.6	62	27.43
High School (12 Years)	-	-	5	2.21
Secondary Professional	19	29.2	30	13.27
University Student (Full Time)	-	-	10	4.42
University Student (Distance)	-	-	1	0.44
University Degree	26	40.0	67	29.65
Incomplete Higher Education	-	-	2	0.88
Not Applicable	-	-	23	10.18
Total	65	100.0	226	100.0

3.3.5 Employment and Income Sources

92. Employment and income data are collected from 65 AHs and information is self-reported. All APs participated in the survey and answered the questions.

93. 75.38% of the heads of households are employed and 18.46% are pensioners, while only 41.59% of other household members are employed and 3.54% are pensioners. The next represented group among household members is student (18.58%). The employment data for the affected households are presented in the following Tables.

Table 3-7 Employment Status of Heads and Members of Affected Households

Employment status	AH Head		AH members	
	Number	%	Number	%
Employed	49	75.38	94	41.59
Pensioner	12	18.46	8	3.54
Student, pupil	-	-	42	18.58
Unemployed and not looking for a job	1	1.54	29	12.83
Unemployed and looking for a job	1	1.54	26	11.50
Army servant	-	-	2	0.88
Disabled	2	3.08	2	0.88
Not applicable/less than 6 years old	-	-	23	10.18
Total	65	100.00	226	100.00

Table 3-8 Type of Employment

Type of employment	AH Head		AH Member	
	Number	%	Number	%
Civil servant	11	22.45	27	28.72
Private sector employee	23	46.94	45	47.87
Self-employed	3	6.12	6	6.38
Entrepreneur	7	14.29	9	9.57
Employed in agriculture /private/	5	10.20	7	7.45
Employed in agriculture /other/	-	-	-	-
Total	49	100.00	94	100.00

94. The above table shows, that most of both heads of households (46.94%) and household members (47.87%) are employed in the private sector, afterwards only those are working as civil servant (22.45% and 28.72%). There are more entrepreneurs among heads of households than those among household members.

3.3.6 Income and Expenditure

95. The data on average monthly income excludes 2 AHs, both of which are engaged in business activity (petrol station and producing and selling of agricultural products). If these sums were included, the mean income will be as twice as high and it would distort the profile of the APs.

96. Income and expenses were self-reported by the interviewed families. The mean monthly family income in the area was 506,668.51 AMD or around USD 1,000 at the time of the study. The main income providers in the affected households are the heads of the households (75.38% employed and further 18.46% are pensioners). While the heads of household are the main bread winners, more than half of other household members do not have any income (students, unemployed, minors).

Table 3-9 Income Sources of Affected Households

Type of Income	Mean Income
	AMD/month
Salary	132,143.51
Age pension	40,375.00

Type of Income	Mean Income
	AMD/month
Other type of pension	25,750.00
Scholarship	20,000.00
Social benefit	32,400.00
Benefit for trauma caused at work	13,000.00
Remittance from abroad	70,000
Remittance received within Armenia	46,000
Rent income	100,000
Other	27,000
Total	506,668.51

97. The average monthly expenditure for households was around 508,778.66AMD (near \$1000) with a largest portion (22.04%) spent on food and drink. The next major expenses are transport, property rent and other expenses with 13.30%, 10.81% and 11.35% respectively. There are no major differences in spending on utility charges or social obligations. The monthly expenditure data are summarized in the following table.

Table 3-10 Average Monthly Expenses of Affected Households

Self-Reported Monthly Expenses	Average	% of Monthly Income
	AMD	
Food and drinks	112,140.35	22.04
Private transport /including petrol/	67,677.42	13.30
Public transport	17,334.69	3.41
Clothes	29,293.48	5.76
Healthcare (medicines, service)	28,158.33	5.53
Education (tuition fees, stationary)	32,076.92	6.30
Mobile phone bills	12,920.00	2.54
Land line bills	1,836.84	0.36
Social activities/obligations	33,380.95	6.56
Electricity, gas, internet and other utilities	34,689.66	6.82
Property rent /in case of renting	55,000.00	10.81
Property tax	3,930.49	0.77
Machines (mobile, computer, TV etc.)	22,615.38	4.45
Other	57,724.14	11.35
Total	508,778.66	100.00

3.3.7 Poor and Extremely Poor Households

98. The Census has identified 3 households that have been considered as poor. It may be noted that the poverty level for the AHs has been arrived based on the income information provided by the AHs during the census survey and by applying National Statistical Service calculation methodology. Therefore, the AHs receiving family poverty benefit from the government varies from the findings of census survey taking into account the difference between the parameters used for the registration in the evaluation system of vulnerability of families by the government. Besides those 3 AHs, the remaining AHs have monthly income

per person higher than 55,000 AMD which is by considered as the poverty line²⁹. However, in accordance to the LARF requirements, the list of all APs is submitted for cross-checking and validation to the RA Ministry of Labor and Social Affairs³⁰. The verification of the AHs eligibility (if any) will be provided before the finalization and approval of this LARP and included in the budget.

3.3.8 Perceptions of Living Conditions

99. There were 65 AHs who gave their perceptions on their housing conditions and the surrounding area. The most cited was lack of space in the current residence (36.9%), lack of heating (24.6%) and humidity of walls and foundations (23.1%). Lacking of light and worn out windows, doors and floor were stated by the same percentage of surveyed APs (13.8%). **(Table 3-8)**. When asked about downside of living in their suburb, 21.5% of the APs stated traffic noise and noise from businesses. **(Table 3-9)**

Table 3-11 Housing Conditions

Housing Conditions (Self-Reported)	Frequency	%
Lack of space	24	36.9
Lack of light	9	13.8
Lack of heating	16	24.6
Leaking roof	8	12.3
Humidity	15	23.1
Worn out windows, doors, floor	9	13.8

Table 3-12 AHs Perceptions of the Suburb

Neighborhood Conditions (Self-Reported)	Frequency	%
Noise/neighbors	9	13.8
Other noise (traffic, business)	14	21.5
Waste problem	3	4.6
Crime	6	9.2

3.3.9 Perception of the Project

100. 83.3% of interviewed AHs already heard about the Project. 81.7% of respondents think that the Project will have a negative environmental impact. The resettlement impact and decrease in income have been observed as a next negative impact in the opinion of 70% and 68.3% of surveyed APs.

101. Better appearance of the public places, increase in prices for real estate and easier access to other districts are the most cited positive effects of the Project (81.4%, 79.7% and 78.0% respectively).

²⁹See the Article 1 of "RA Law on minimum salary" (ՀՕ-66-Ն), adopted on 17.12.2003 and changed on 01.12.2014.

³⁰As the poor AHs identified by Census and SES data are corresponding to the data provided by Ministry of Labor and Social Affairs, the necessity to submit additional request to the YM has not been arisen.

Table 3-13 Affected Households' Perception of the Project

Type of impact	Yes		No	
	Number	%	Number	%
Perceived Disadvantages of the Project				
Resettlement	42	70.0	18	30.0
Decrease in income	41	68.3	19	31.7
Traffic interruption	15	25.0	45	75.0
Worsening in road safety, increased risk of traffic accidents	30	50.0	30	50.0
Increase in real estate prices	40	66.7	20	33.3
Environmental impact	49	81.7	11	18.3
Commercialization	30	50.0	30	50.0
Loss of social network	24	40.0	36	60.0
Loss of community territories	29	48.3	31	51.7
No disadvantages	17	28.3	43	71.7
Total	317	52.8	283	47.2
Perceived Project Benefits				
Opportunities for new workplaces	33	55.9	26	44.1
Opportunities for business	31	52.5	28	47.5
Increase of real estate prices in the area /region	47	79.7	12	20.3
Better appearance of public places	48	81.4	11	18.6
Inflow of new inhabitants	23	39.0	36	61.0
Easier access to other districts of town	46	78.0	13	22.0
No benefit	24	40.7	35	59.3
Total	252	61.0	161	39.0

4 PUBLIC CONSULTATIONS, PARTICIPATION AND DOCUMENTS DISCLOSURE

4.1 Background

102. According to SPS (2009) and the LARF, the APs must be fully consulted and provided with opportunities to participate in the planning and implementation of LAR. Under the same principles, the APs have to be informed in an appropriate and timely manner of the outcomes of the planning process, as well as the schedules and procedures for the implementation of the LARP. A public information and consultation campaign must be carried out by the Implementing Agency (IA) during all stages of the LAR process. The IA must also organize a disclosure of the Resettlement Plan. Furthermore, it must inform the APs about the payment procedures for compensation and relocation.

103. This chapter describes the mechanisms for the public consultation process with the APs, disclosure of the LARP through distribution of informative material to create awareness among the affected persons of their entitlements, compensation payment procedures and the grievance redress mechanism.

4.2 Public Consultation

104. Two public consultations have been conducted for section 9: First one was held on 25 of June 2015 in high school N189 after Samvel Gevorgyan after Government Decree for Preliminary study has entered into force. Potentially affected people living in that area, representatives from Davtashen and Ajapnyak administrative district, as well as representative of Republic of Armenia daily newspaper were present. Road design, the features of the main phases of the resettlement processes, particularly the team of conducting of DMS and socio-economic surveys have been presented to APs.

105. The second public consultation was held on 18 of December 2015 after EDD has entered into force for APs residing in the project affected area. The consultation was conducted in the secondary school N 93 named after Ashot Manukyan, str. Davtashen 5. All APs were notified by phone calls about the date and place of the consultation. In addition, the announcement was published in the Republic of Armenia daily newspaper on 15.12.2015. Public consultation was held by the PIU with the assistance of DESC consultants.

106. The number of participants and other related particulars are summarized in the following table. The attendance records are presented in Appendix 6. In total 41 APs (8 women and 33 men) (representatives of their HH, 8 men and 1 woman) participated in the public consultation (the list of participants with respective signatures is attached to the Minutes of Meeting of the public consultation).

107. The following project-related information was presented to the APs: entitlements matrix, grievance redress mechanism, valuation methodology, DMS and Census/SES. The key questions and answers, as well as the key issues and concerns discussed, are presented in the following tables.

Table 4-1 Questions and Answers

Questions	Answers
Improvements carried out after the cut-off date shall not be compensated. What kind of improvements do you mean?	We mean planting of trees or other crops, as well as renovation, construction works such as asphaltting and any other improvement that will be carried out after the cut-off date.
In those cases when the AP wants the non-alienated part of the property to be alienated, what are the further steps that the AP can take? Who is covering the costs of the court?	Since the day that APs receive official notifications and maps regarding alienation of their property, they are given specific time period during which they can apply to the PIU claiming alienation for the non-alienated part. The PIU will review the claim within specified time period and will provide an answer. In case if the answer is not acceptable or sufficient for the AP, the latter has the right to appeal to the court. The costs of the court are covered by APs.
How will the issue of access be handled? Will accesses be provided?	The issue of accesses has been reviewed; accesses will be provided to all properties (besides those cases when the property will be acquired because of closing of access) under RoW which had car and foot access before commencement of Project.. The Grievance Redress Mechanism was disclosed to you, so if you notice that you have no access when provided with maps, you have to apply with that request, which will be addressed and handled respectively.
There are residential houses in one side of the existing road and shops across the road. Is it possible to divert the new road insignificantly through a design solution/change to affect the shops and not the residential houses	The design has been made in compliance with specified standards and was approved. Moreover it is ADB's principle to have the possibly least impact on persons This means the design has provided the best options possible.
Is a sewage system envisaged?	The Project affected sewage system that already exists in some sections of the road, will be relocated. New sewage system is not envisaged in those areas that currently have no existing one. The same principle will apply for other utilities such as gas pipeline etc.
What is the principle of compensation for illegal lands?	Under this Project the RA Government through GoA decreemade a decision to provide allowances for illegal lands. According to the adopted methodology compensation will be provided only when the fact of illegal usage of the land is confirmed by the District and sent to the Municipality. Otherwise compensation will not be provided.
I own a structure on illegal land. Why should I receive compensation with the same principle that applies for illegal lands (25%)? Many times I have applied to the Municipality for legalization, but didn't receive permission for legalization.	As you know, construction of this road has been envisaged according to the Master Plan of Yerevan. That's why the lands that were located in the envisaged alignment were not considered legalizable by the Yerevan Municipality.

4.3 Information Disclosure

108. During the Census and SES, apart from information disclosure through the consultations, a printed Entitlement Matrix in the Armenian language was distributed to all APs.

109. During the Project planning, implementation, and monitoring, the following information disclosure actions are planned:

- (i) Uploading of the English version of the LARP on the ADB website;
- (ii) Distribution of copies of the LARP in Armenian in Davtashen and Ajapnyak Local Community Authorities offices;
- (iii) Disclosure of LARP in Armenian and all LARP related documents on the PIU website,
- (iv) A final Project Information Pamphlet providing a summary of the impacts, implementation arrangements and of the LARP compensation policy will be provided to all APs immediately after the final approval of the LARP (Appendix 1, 9).

5 GRIEVANCE REDRESS MECHANISM

5.1 Background

110. The LARP includes in its scope the establishment of a responsive, readily accessible and culturally appropriate grievance redress mechanism capable of receiving and facilitating the resolution of affected persons' concerns and grievances about the physical, social and economic impacts of the Project with a particular attention to the impacts on vulnerable groups. The APs will have the right to file complaints and/or queries on any aspect of LAR. Under the adopted grievance mechanism, the APs may appeal any decision, practice or activity connected with the measurement, assessment or valuation of land or other assets, its acquisition and compensation. All possible avenues will be made available to the APs to voice their grievances. The PIU will ensure that grievances and complaints on any aspect of the land acquisition, compensation and resettlement, are timely and effectively addressed.

111. The fundamental objectives of the Grievance Redress Mechanism are:

- (i) To reach mutually agreed solutions satisfactory to both, the Project and the APs, and to resolve any resettlement-related grievances locally, in consultation with the aggrieved party;
- (ii) To facilitate the smooth implementation of the LARPs, particularly to cut down on lengthy litigation processes and prevent delays in Project implementation;
- (iii) To democratize the development process at the local level, while maintaining transparency as well as to establish accountability to the affected people.

112. All APs have been fully informed of their rights and of the procedures for addressing complaints during the public consultations prior to the detailed measurement, assets inventory, census and valuation of assets to be acquired. This was also obtained through careful preparation for the implementation of LARP, by ensuring full participation and consultations of all APs, and by establishing extensive communication and coordination between the APs, the PIU, and the local authorities in general.

5.2 Grievance Procedure

113. Initially the Grievance resolution process began informally during the LARP preparation process. A further opportunity for registering complaints or applications has been provided to the APs by the PIU by sending them notifications on Eminent Domain GD. In this phase of LARP preparation the APs could register concerns, complaints or queries in written form directly to the PIU.

114. In order to ensure that grievances and complaints are addressed in a timely, transparent and satisfactory manner, and that all possible avenues are available to the APs to air their grievances, the PIU will establish a formal complaints and grievance redress mechanism during the LARP implementation and thereafter. Several parties will be involved in this formal grievance redress mechanism, such as the PIU, Grievance Review Group and YM. Attempts will be made to resolve complaints at the PIU level with the help of a Grievance Review Group (GRG) with the involvement of all stakeholders. The GRG will establish fairness and transparency in the registration and resolution of grievances of the project affected persons.

115. The existence of a GRM was disclosed to the APs in the LARP preparation stage during the public consultations. After the approval of LARP the revised GRM will be disclosed to APs through a LARP Information pamphlet.

116. Complaints and grievances received during the resettlement phase will be addressed through the following steps and actions:

Step 1

117. The person affected by the Project could raise their suggestions/concerns/complaints first of all to the PIU through the submitting of the complaint letter, an email or the local focal point (the details are provided in the subchapter 5.3). PIU receives and resolve/replies the APs' grievances. The PIU will accept the complaints in the first instance. PIU project director redirects the complaints to the respective specialist. The complaint will be signed by the AP and it will contain the following information: (i) the nature of the complaint, (ii) the location and (iii) the complainant's complete address.

118. A settlement will be made within 30 days from the day of receiving the grievance and related documents (if other timeframes are not defined by the RA legislation). The responses to APs will be given in a written manner. If the case is complex and requires an investigation (e.g. scrutiny by technical experts or legal opinion from the state or certified private entities) complaint review period may be extended. In such cases, a written notification will be sent to the complainant, explaining reasons for extension, describing the process and indicating an expected date for delivering the results of the review.

119. If an AP is not satisfied with the response³¹ or PIU responsible staff needs additional capacity to response the APs' grievance, the Grievance Review Group (GRG) can be formulated to ensure comprehensive, equitable and transparent discussion of the case. To establish legitimacy of the GRG to review and judge on the substantive merit of the AP's complaint, the composition of the GRG should be balanced and include an independent observer to ensure the impartiality and transparency of the complaint review process. The following composition of the GRG is proposed:

Members	Position
(a) Representative of PIU	Chairperson
(b) Representative of safeguards team (PIU)	Member
(c) Representative of Local Government, as relevant	Member
(d) Certified technical expert, as relevant	Member
(e) Representative of Engineer/Contractor, as relevant	Member
(f) Representative of the APs	Member
(g) Independent party (for example NGO)	Observer

120. To make for effective complaint processing, the role and responsibilities of each GRG member should be carefully elaborated and explained to them.

121. During the grievance review process by GRG, several experts can be involved such as valuation expert, agronomist, measurement specialist, design engineer etc., as needed for each specific case. Independent party (for example NGO representative) can be invited upon request of AP.

122. A settlement will be made within 30 days from the day of the start of GRG review. The responses to APs will be given in a written manner.

Step 2

123. If an AP does not agree with the PIU's compensation offer or reasons for dismissal, he/she should address their grievance to the YM. The AP must lodge the complaint within one month after

³¹The APs will be informed on their rights for the next GRM opportunities in the written response to be provided to AP. It will be mentioned in the response letter, that the AP should inform the PIU on his/her no satisfaction with the response and his/her willingness for GRG formulation in a written manner.

receiving response from the PIU. The documents in support of the claim must be submitted at this stage. YM must respond to the complaint within 30days. YM follows Public Administration RA law for registration, revision and resolving the case.

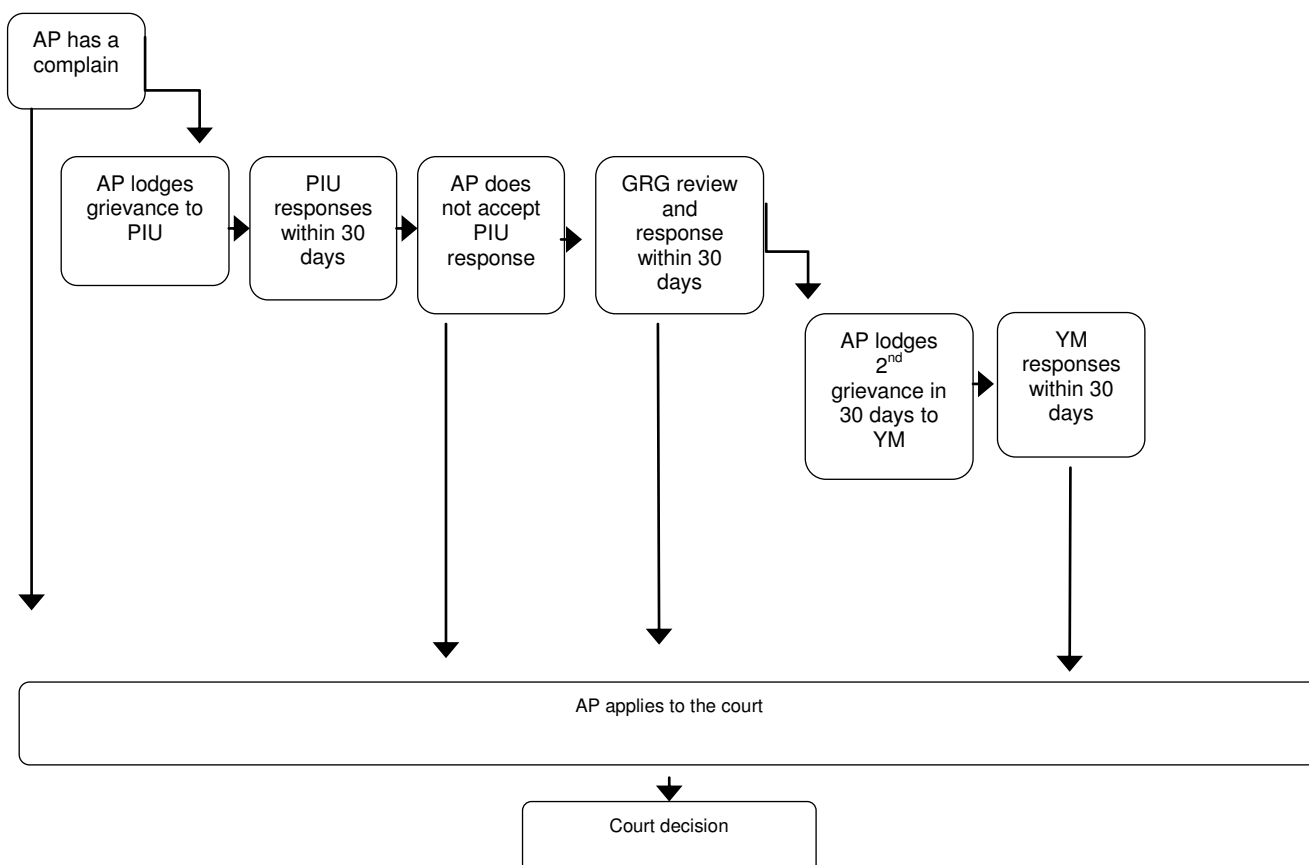
124. Regardless of the set grievance mechanism and procedures, APs will have the right to submit their cases to a court of law at any point in time of the grievance redress process. All efforts will be made to settle the issues at the PIU level through community consultation. If not possible, attempts will be made to resolve the issues at the YM level to avoid/minimize litigation as much as possible. All complaints and resolutions will be properly documented by the PIU and made available for review, monitoring and evaluation purposes.

125. All complaints received and addressed will be documented regardless of the outcome. All records of grievance cases will be entered in the LARP GRM Database. A template for recording grievance has been developed and is available to the APs when they lodge the complaint.

126. The GRM implementation will be monitored through internal and external monitoring. Main indicators for monitoring of GRM are number and type of complaints, resolved cases, timing for the resolution, etc., more indicators for internal/external monitoring and evaluation will be developed by PIU and EMA and will be presented in the Semiannual Social Monitoring Reports (SSMR), Quarterly Progress Reports (QPR) and Compliance Reports with the monitoring results.

127. The institutional scheme of GRM is presented in Figure 5-1.

Figure 5-1 Grievance Resolution Process Scheme



5.3 Access to Information and Grievance Resolution Services

128. In order to maintain transparency and accountability to affected communities and to make information, assistance and grievance resolution services accessible to the Affected Persons, the PIU considered the following additional avenues:

A PIU Website

129. A website was established and run by the PIU. Project related documents are available on the web and are updated regularly. Stakeholders, project affected people and wider community members, can post questions, opinions, and suggestions, receive answers to their questions and acquire any information about the Project.

A Special Email

130. In order to make Project information accessible to the wider community and the APs who prefer electronic communication, the PIU created a specially designated email address for the wider public to send their grievances, suggestions /opinions/ questions etc. (verabnaketsum@yerevan.am)³². The email account will remain active for the duration of the Project, including the Defects Notification Period. Information about the email account has been disseminated to the APs during the public consultations, by local authorities, through the Project information leaflet and other available means for the dissemination of information. The account is already operational.

Face to Face Meetings

131. If APs cannot use any of the available avenues, an appointment for a face-to-face meeting with the PIU designated officer will be available. To make an appointment for a face-to-face meeting, the following contacts will be available to APs:

PIU tel: 010-52-09-73
Contact address: P. Buzand 1/3, 5th floor, 0010 Yerevan,
Armenia.

Mailing Complaints

132. The APs, stakeholders and wider public will have the option to post a letter with their complaints, concerns, opinions and suggestions to the following PIU address:

Investing Projects Implementation Unit Building up of Yerevan PIU CNCO
P. Buzand 1/3, 5th floor, 0010 Yerevan, Armenia

133. Information on all available avenues is communicated to the affected persons during the community consultations. If APs at these consultations suggest other, more effective ways of voicing their views and concerns, their proposals will be incorporated into the grievance mechanism and the public informed accordingly.

Local Focal Point

134. The local focal point will be appointed by the APs and will have the following functions: transfer of information from PIU to APs and vice versa, collection of complaints from APs, particularly, registering APs verbal complaints in the log book, consultation to APs regarding GRM, participation in the GRG as needed, participation in PIU, GRG field visits as needed etc, assistance to APs in application through GRM as needed. A local focal point(s) will be selected for the duration of the project, including LARP implementation and construction stages during the public consultation prior to the LARP implementation by the participants of the public consultation meeting. After the selection of the focal point(s) PIU with DESC will organize orientation training to them. During the training LARP implementation process, entitlement matrix and the GRM will be presented.

³² "Verabnaketsum" means 'resettlement' in Armenian

6 RA LEGAL AND ADB POLICY FRAMEWORK AND ENTITLEMENTS

6.1 RA Legal and ADB Policy Background

6.1.1 RA Laws on Land Acquisition and Resettlement

135. Armenia's Constitution (1995) guarantees protection of ownership rights. It also provides that for public and state interest the ownership may be terminated in exclusive cases of Eminent Domain based on an established legislation and with prior equivalent compensation. Land acquisition and compensation cases are envisaged in Land Code Articles 102, 104, the RA Civil Code (1998), Articles 218 to 221 of RA Law "On the Alienation of the Private Property for Public and State Needs" adopted on 27 November 2006, Amendment to the RA Law on "The Alienation of the Private Property for Public and State Needs" changed on 21 June 2014.

136. Under the existing law of RA "On the Alienation of the Private Property for Public and State Needs" the RA Government will issue a Decree determining the case of exclusive public and state priority needs based on the request from relevant state agencies. The government decree on the recognition of an item as prevailing and exclusive public interest shall set out:

- (i) Exclusive and prevailing public interest, for which alienation of property shall be executed
- (ii) The party acquiring the alienated property
- (iii) The units constituting the alienated property (addresses, location and/or other information, which makes the property different from other assets) and
- (iv) A final deadline to launch the alienation process.

137. Law of RA "On the Alienation of the Private Property for Public and State Needs" specifies the land acquisition procedures and compensation rights of titled landowners and owners of immovable property in cases of alienation of their property for public purposes. Upon enactment of the government decree on recognition of property as prevailing exclusive public interest, the authorized body shall compile minutes describing the alienated property according to the procedure and deadlines defined by the government; acquiring party, owners and those holding property rights towards the alienated property may participate in the compilation of such minutes if the latter had not been compiled during the preliminary survey of the property. One copy of the minutes describing the alienated property shall be, within no later than three days after its compilation, be duly communicated to the owner and persons holding property rights towards such property, who are entitled to protest it with the authorized body and/or court within ten days after receiving the information.

138. The consideration for the land/property being acquired is established by agreement between YM and APs taking into account the market value of land and damages, including consequential damages, and may include exchange of land/property. Adequate compensation shall be paid to the owner against alienation of his/her property. Adequate compensation shall be the amount 15 percent over and above the market price for the alienated property, as per the law of the country.

139. Assessment of the real estate or the real estate rights shall be made in accordance with the procedure defined under the Act of the Republic of Armenia on Assessment Activity of Real Estate in Armenia adopted in October 4, 2005. This is done by a licensed property valuer.

6.1.2 Asian Development Bank Involuntary Resettlement Policy under the Safeguard Policy Statement

140. The ADB Policy on Involuntary Resettlement is based on the following principles:

- (i) Involuntary resettlement is to be avoided or at least minimized;
- (ii) Compensation/rehabilitation provisions will ensure the maintenance of the APs' pre-Project standards of living;
- (iii) APs should be fully informed and consulted on LAR compensation options;
- (iv) APs' socio-cultural institutions should be supported/used as much as possible;
- (v) Compensation will be carried out with equal consideration of women and men;
- (vi) Lack of legal title should not be a bar to compensation and/or rehabilitation;
- (vii) Particular attention should be paid to households headed by women and other vulnerable groups, such as Indigenous Peoples, and appropriate assistance should be provided to help them improve their status;
- (viii) LAR should be conceived and executed as a part of the Project, and the full costs of compensation should be included in Project costs and benefits; and
- (ix) Compensation and resettlement subsidies will be fully provided prior to clearance of right of way/ground leveling and demolition.

6.1.3 Comparison of RA Legislation on Land Acquisition and Resettlement and Asian Development Bank Resettlement Policy

141. RA legislation and ADB policies are outlined and compared in the following table.

Table 6-1 Comparison of RA Legislation on Land Acquisition and Resettlement and ADB Resettlement Policy³³

RA Legislation	ADB SPS
Land compensation only for titled landowners	Lack of title is not a bar to compensation and/or rehabilitation. Non-titled landowners receive rehabilitation
All affected houses/buildings are compensated for buildings damages/demolition caused by a Project, with the exception of unregistered commercial structures	ADB Policy includes compensation for unregistered commercial structures as well
Crop losses compensation provided only to registered landowners	Crop losses compensation provided to all APs
Land valuation based on current market value plus 15% of the assessed value.	Land valuation based on current market rate/replacement cost
Information on impacts quantification/costing, entitlements, and amounts of compensation and financial assistance are to be disclosed to the AHs/APs prior to appraisal	The same
No provision for income/livelihood rehabilitation measure, allowances for severely affected APs and vulnerable groups, or resettlement expenses	The ADB policy requires rehabilitation for income/livelihood, for severe losses, and for expenses incurred by the APs during the relocation process
RA law does not have a specific project level GRM, but RA legislation envisages mechanisms for the AP's to submit applications, complaints, objections and suggestions to the acquirer and to the relevant authorities as well as filing a complaint to the court, during every stage of the acquisition process. Regardless the	IA/EA should establish a functional mechanism to receive and facilitate the resolution of the APs concerns and grievances regarding physical and economic displacement. IA/EA should conduct meaningful consultation at the beginning of and during the implementation of the project, provides

³³The first six rows refer to the LARF GAP analysis table, the last row is added manually.

<p>requirement of the “RA Law on Alienation of Property for Public and State Purposes”, every person has a right to an effective remedy before courts and before state authorities according to the RA Constitution.</p> <p>Public consultations with APs are not envisaged by RA legislation. However, the RA legislation defines the requirements and conditions for notification of APs on their actions and rights during different stages of alienation process, particularly: after the government decree on recognition of property as exclusive prevailing public interest comes into force, a copy of the description protocol of the property to be acquired, draft contract of the property to be acquired is sent to the property owner and persons possessing property rights. The property acquirer shall provide information on transferring the compensation into the court or notary deposit account. If the acquirer is conducting a preliminary survey on the property to be acquired, adequate information shall be provided to the property owner, the possessor and user on the nature and matter, legal consequences of those proceedings prior to its initiation.</p>	<p>timely disclosure of relevant and adequate information on impact assessment/evaluation, rights, compensation eligibilities and financial aid to AP/AH that is understandable and readily accessible to APs.</p>
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142. In general, there are no basic differences between Armenian legislation and ADB policies regarding land acquisition and resettlement. However, Armenian laws and regulations are not very clear on how the rehabilitation of APs is to be achieved. Another issue is that the ADB recognizes as eligible for compensation, or at least rehabilitation, titled and non-titled owners or registered and unregistered tenants. To reconcile these gaps between Armenian legislation and ADB Policy, YM drafted the LARF for the Program, ensuring compensation at full replacement cost of all items and at least rehabilitation of informal/non-titled settlers and unregistered businesses. The LARF also provides rehabilitation packages for vulnerable or severely affected APs that will be relocated.

143. Attempts should first be made to acquire private land on the basis of negotiation with individual affected entities. Should the negotiation fail, the power of eminent domain will be sought and the expropriation process will start. In the event of a negotiated sale, the ADB requires that appropriate due-diligence is applied to ensure that APs are offered a fair price, informed, and allowed sufficient bargaining space and their case is monitored by an external party. These conditions are fully guaranteed by the use of an external monitoring agency and by the Armenian Government practice of engaging professionally licensed independent assessors of property to determine asset compensation rates.

6.1.4 Land Acquisition and Resettlement Framework Principles and Entitlements Adopted for this Multi Tranche Financial Facility

144. Based on Armenian laws and ADB’s Safeguard Policy Statement (SPS), 2009, the following core involuntary resettlement principles are developed for this MFF:

- (i) Land acquisition, and other involuntary resettlement impacts will be avoided or minimized exploring all viable alternative Project designs;
- (ii) Where unavoidable, a time-bound LARP (such as this one) will be prepared and APs will be assisted in improving or at least regaining their pre-program standard of living;
- (iii) Consultation with APs on compensation, disclosure of resettlement information to APs, and participation of APs in planning/implementing sub-Projects, such as providing their views on design alternatives and participating in monitoring activities, will be ensured;
- (iv) Vulnerable and severely affected APs will be provided with special assistance;
- (v) Non-titled APs (e.g. informal dwellers or squatters, APs without registration details) will receive a livelihood allowance in lieu of land compensation and will be fully compensated for losses other than land;
- (vi) Legalizable APs will be legalized and fully compensated for land losses;

- (vii) Provision of income restoration and rehabilitation;
- (viii) The LARP will be disclosed to the APs in the local language;
- (ix) Payment of compensation, resettlement assistance and rehabilitation measures will be fully provided prior to the contractor taking physical possession of the land and to the commencement of any construction activities on a particular package; and
- (x) Appropriate redresses mechanisms to solve APs grievances are established.

6.2 Compensation Eligibility

145. APs entitled for compensation or at least rehabilitation provisions under the Project are:

- (i) All APs losing land either covered by legal title/land rights or without legal status;
- (ii) Tenants and sharecroppers whether registered or not;
- (iii) Owners of buildings, crops, plants, or other objects attached to the land; and
- (iv) APs losing business, income, and salaries. Compensation eligibility is limited by the cut-off date which was the day of signing of description protocols recorded namely 22 February 2016. APs who settle in the affected areas after the cut-off date will not be eligible for compensation. However, they will be given sufficient advance notice, requested to vacate premises and dismantle affected structures prior to Project implementation. Their dismantled structures and materials will not be confiscated and they will not pay any fine or suffer any sanction.

6.3 Compensation Entitlements

146. LAR tasks under the Project will be implemented according to a compensation eligibility and entitlements framework in line with both Armenian laws and regulations and ADB Policy. The basis to determine the amount of compensation is the market value of the property and in cases where the cadastral value exceeds the market value of the property; the cadastral value will be taken as basis. For specific details, please refer to the entitlement matrix in chapter 7.

147. Entitlement provisions for APs losing land, houses, and income and rehabilitation subsidies include provisions for permanent or temporary land losses, buildings losses, crops and trees losses, a relocation subsidy, and a business losses allowance based on tax declarations and/or lump sums. These entitlements are detailed below:

- (i) **Agricultural and non-agricultural land impacts** are to be compensated in cash at current market rates or cadastral value (whichever the highest) plus a 15% allowance according to the law. When >10% of an AP agricultural income is affected, AP (owners, leaseholders and sharecroppers) will get an additional allowance for severe impacts equal to the market value of a year's gross yield of the land lost.
- (ii) **For actually possessed and used lands, which are non-legalizable, APs** are to be compensated with one time self-relocation allowances in cash equal to 25% of the market or cadastral value of the affected land (whichever is highest).
- (iii) **For actually possessed and used lands, which are legalizable, APs** (if any), will be legalized and paid as titled owners.
- (iv) **Leaseholders** are to be compensated based on the market or cadastral value (whichever is higher) of the affected land + a 15% allowance in proportion to the **remaining years** of lease as follows: i.) <up to 1 year - 5% of land value; 2) < up to 15 years - 14% of land value; 3) < up to 25 years - 20% of land value; 4) 25 years and more- 25% of land value.

- (v) **Residential buildings/structures** are to be compensated to all APs irrespective of the house registration status in cash at replacement cost (not less than the market value) plus a 15% allowance. Compensation is free of deductions for depreciation, transaction costs and salvageable materials. In case of partial impacts and unwillingness of the owner to relocate, building impacts cover only the affected portion of a building and its full rehabilitation to previous use. Relocated renters will be given all relocation and severe impacts allowances (see below).
- (vi) **Non-residential buildings/structures** are to be compensated in the following ways:
 - a. **AHs with valid registration** - Cash compensation + 15% for loss of building at full replacement cost (to be not less than the market value) free of depreciation/transaction costs and salvaged materials;
 - b. **AHs with non-legal buildings/structures built on the legal land** – As above, but without 15% allowance;
 - c. **AHs with non-legal buildings/structures built on the non- legal land** – Rehabilitation allowance equal to replacement cost (free of depreciation/transaction costs and salvaged materials) minus the legalization cost which cannot exceed 20% of the building market value. There is no need to legalize these buildings/structures. Relocated renters will be given all relocation and severe impacts allowances (see below).
- (vii) **Crops:** Cash compensation at current market rates for the gross value of 1 year's harvest by default. Crop compensation is to be paid both to landowners and tenants based on their specific sharecropping agreements.
- (viii) **Trees:** Cash compensation at market rate based on type, age and productivity of trees.
- (ix) **Businesses:** Permanent losses (1 year or more) will be compensated in cash equal to 1-year of net income based on tax declaration; temporary losses will be compensated in cash equal to the monthly income based on tax declaration with the number of months of business stoppage. In the absence of a tax declaration these AP will be compensated as above but based on the maximum non-taxable salary, which is 55,000 AMD (minimum salary).
- (x) **Permanent business workers and employees:** receive indemnity in this amount of their average salary for lost wages for 6 months. Temporary employment losses: Indemnity for lost wages for the period of business interruption up to a maximum of 6 months.
- (xi) **Relocation subsidy:** APs forced to relocate (including renters) will receive a relocation subsidy sufficient to cover transport costs and living expenses for 1 month amounting to the minimum salary (55,000 AMD).
- (xii) **Community structures:** are to be fully replaced or rehabilitated so as to satisfy their pre-Project functions.
- (xiii) **Severe impacts allowances:** These are to be given to AH losing >10% of agricultural income (see above) or to AH relocate from residential structures (including renters).
- (xiv) **Vulnerable people livelihood:** Vulnerable people (APs below poverty line and women or elder headed households) will be given a rehabilitation allowance equal to 6 months at minimum salary and employment priority in Project-related jobs.

6.4 Assessment of Compensation Unit Values

148. Assessment of the real estate or the real estate rights was made in accordance with the procedure defined under *the Act on Assessment of Real Estate in Armenia*. ADB methodology for assessing unit compensation values of different items is as follows:

- (i) **Agricultural Land** was valued at market rates based on a survey of land sales in the year before the impact survey.

- (ii) **Houses/Buildings** were valued at replacement rate based on construction type, materials cost, labor, transport/other construction costs. No deduction for depreciation/transaction costs. If an AP does not wish to relocate, partial impacts may be paid only for the affected portion of the building or for repairs.
- (iii) **Annual Crops** were valued at net market rates at the farm gate for the first year crop. In the event that more than one-year compensation is due to the APs, the crops after the first year are to be compensated at gross market value.
- (iv) **Trees** were valued according to different methodologies depending on whether the tree lost was a wood tree or a productive tree.
 - a. Wood trees were valued based on age category (a. seedling; b. medium growth and c. full growth) and wood value and volume;
 - b. Fruit/productive trees were valued based on age (a. seedling; b. adult-not yet fruit bearing; and c. fruit bearing). Stage (a) and (b) trees are compensated based on the value of the investment made; stage (c) trees are compensated at net market value of 1 year income x number of years needed to grow a new fully productive tree.

149. The compensation unit rates were assessed by a certified independent evaluator based on clear and transparent methodologies acceptable to the ADB. The assessed compensation rates then were verified and certified by the PIU.

6.5 Conditions for Expropriation

150. Acquisition of land through expropriation proceedings entails lengthy procedures and often may be resisted. Such approach will thus be pursued under the Program only in extreme cases when negotiations between APs and YM fail and no alternative land is available to implement a section 9. In these cases, however, YM will not occupy the needed plots until: (i) the proper judicial process as defined by the law is initiated; (ii) a court injunction has been obtained and properly communicated to the APs; and (iii) the compensation/rehabilitation amounts are deposited in an escrow account.

6.6 Conditions and Mechanisms for Legalization

151. In principle all occupants of untitled-plots can be legalized as long as they do not occupy areas classified as "Red Zones", the areas officially reserved for a specific public use, such as military areas, hospital areas, school areas or areas that are not ecologically fit for settlement (river beds, radioactive terrains or other dangerous or unfit lands).³⁴ The Law of the Republic of Armenia has set detailed procedure for legalization of legalizable assets.

152. However, the approach adopted for this Project envisaged an easier procedure for legalization of legalizable assets, which is followed by fair and equal compensation as titled assets. In case of non-titled residential buildings, the APs have to initiate the legalization process in accordance with pertinent administrative regulations. The approach to the legalization issue set out in the LARF is the following:

- (i) In the case of affected illegal residential construction, APs will not go through the legalization procedure but will be given compensation as rightful owners (115% of the replacement cost);
- (ii) In case of affected non-residential constructions, APs will not need to go through the legalization procedure. The compensation amount will be paid at replacement value less the legalization cost;

³⁴ See Land Code of the Republic of Armenia (2nd of May, 2001) article 60

- (iii) In case of legalizable affected non-titled land, APs will be legalized and paid as titled owners;
- (iv) In case of non-legalizable affected land, APs will be compensated with one time self-relocation allowances in cash equal to 25% of the market or cadastral value of the affected land (whichever the highest).

153. In case of leaseholders, they will be legalized and compensated as full owners or will be given a new lease. If this is not possible they will receive compensation based on the market or cadastral value (whichever the higher) of the affected land + a 15% allowance in proportion to the remaining years of lease as follows: i.) < up to 1 year - 5% of land value; 2) < up to 15 years - 14% of land value; 3) < up to 25 years - 20% of land value; 4) 25 years and more- 25% of land value.

7 COMPENSATION, RELOCATION AND INCOME RESTORATION

7.1 Background

154. In order to explore additional assistance to the affected households necessary for their livelihood restoration, the PIU and the Consultant conducted interviews and consultations with the APs and the relevant local authorities. Also, during the collection of data for the socioeconomic survey, APs were given the opportunity to assess their chances for restoration of livelihood with the compensation they are entitled to receive according to LARF and to suggest additional measures, which, in their opinion, would ensure, as a minimum, the same level of livelihood they had before the Project.

155. The census identified 76 affected households in the area covered by the LARP. In accordance with the LARF, all AHs are considered for appropriate compensation for the income losses that were measured during the preparation of this LARP. The Census and socioeconomic survey show that the key impact of this section will be on residential relocation and relocation of businesses due to loss of business main structures.

7.2 Affected Agricultural Income

156. There are 32 AHs who will lose more than 10% of agricultural income from the affected land plots.

Table 7-1 Compensation and Assistance for Affected Persons Losing Income

No of AHs	Description of loss	Compensation details	Assistance provided
32	Agricultural income loss (including for self-consumption)	Compensation for all affected crops and trees at replacement cost based on asset affected	Rehabilitation allowance in amount of 25% of land market value in case of illegally used land plots. Compensation at replacement cost + 15% in case of owned land plots.
		Compensation for all assets, as well as improvements done on the land	Allowance as severe affected household for fruit trees losses in amount of 1 year yield

7.3 Affected Businesses

157. In total, 11 businesses will be permanently affected by the Project due to demolition of the main buildings. The following table (Table 7-2) summarizes the impact details on businesses to be permanently relocated.

Table 7-2 Detailed Impact on Businesses to be Relocated

No	Type of business	Empl oyees	Affected Land						Affected Structure		Affected Fence		Affected Improvements			Affected Households		
		No	Type of owner	Usage Status	Total Area, M2	Affected Area, M2	Affected % in total	Type of Land	Name	m2, no	Material	Affected l.m/m2	Name	Material	Area, m2, m3, no	No of AHs	No of AH members	Relocation
1	Sale of Construction material (With tax declaration)	2	Community (YM)	Illegally used	464.7	464.7	100	Residential	Shed	5	-	-	Area	Concrete Covered	46.67	1	1	Business relocatee
									Movable structures (Metal houses)	3								
2	Sale of Construction material (With tax declaration)	0	Community (YM)	Illegally used	135.3	135.3	100	Residential	Movable structures (Metal houses)	3	-	-	-	-	-	1	6	Business relocatee
3	Aviculture (Without tax declaration)	0	Private	Directly held by the owner	283.44	867.43	32.68	Residential	Shed	2.31	Tuf/St one	73.48	-	-	-	1	4	Business relocatee
									Shed	4.74	Metal	21.76						
									Kennel	2								
									Shed	13.1								
									Hencoop	10.79								
4	Bakery (With tax declaration)	5	Private	Directly held by the owner	62.8	681.5	9.21	Residential	Bakery	43.63	-	-	Brick Furnace	brick	1	1	6	Business relocatee
			Community (YM)	Illegally used	167.86	167.86	100	Residential	Bakery	143.4			-	-	-			
5	Mushroom production (Without tax declaration)	0	Private	Directly held by the owner	407.48	407.48	100	Residential	Residential House	58.8	Metal	90	-	-	-	1	6	Business and Residential relocatee
									Shed	7.3								
									Loft	66.74								
									Hencoop	4.26								
									Mushroom greenhouse	23.65								
6	Apiculture (Without tax declaration)	0	Community (YM)	Illegally used	92.56	92.56	100	Residential	Residential House	30.22	-	-	Area	Concrete Covered	32.32	1	2	Business and Residential relocatee
									Support structure	5.88								
									Shed	12.35								
									Loft	39.9								

No	Type of business	Empl oyees	Affected Land						Affected Structure		Affected Fence		Affected Improvements			Affected Households						
		No	Type of owner	Usage Status	Total Area, M2	Affected Area, M2	Affected % in total	Type of Land	Name	m2, no	Material	Affected l.m/m2	Name	Material	Area, m2, m3, no	No of AHs	No of AH members	Relocation				
7	Car repair station (Without tax declaration)	0	Community (YM)	Illegally used	492.38	492.38	100	Residential	Residential House	89.92	Metal	60	Area	Concrete Covered	261.96	1	5	Business and Residential relocatee				
									Loft	16.22												
									Garage	14.32												
									Toilette	9.58												
									Shed	5.86												
									Basement	5.86												
									Shed	34.54												
									Car repair man-hole	5.01												
		Community (YM)	Illegally used	102.51	102.51	100	Residential	-	-	Metal	30	-	-	-								
8	Storing, sorting and selling of vegetables (Without tax declaration)	0	Community (YM)	Leased	1936.62	1936.62	100	Commercial	Residential House	184.1	-	-	Area	Asphalt	690.7	2	9	Business and Residential relocatee				
			Private	Directly held by the owner	753.57	753.57	100	Residential			Pool	56.2							Tuf/ Stone	141.33	Area	Concrete Covered
									Shed	17.1	Tuf/ Stone	56.4	Area	Concrete Covered	28.9							
									Support structure	44.98												
									Garages	267.93												
									Storage	176												
	9								Importing and sale of food (With tax declaration)	4	Community (YM)	Illegally used	161.26	161.26	100				Residential	Toilette	5.21	Metal
			-	-	-																	
	10	Transportation services for passengers and cargo (With tax declaration)	2	Community (YM)	Illegally used	74.7	74.7	100	Residential	Office building	44.01	-	-	-	-				-	1	6	Business relocatee
										Office building	7.98											
11	Petrol station (With tax)	2	Community (YM)	Leased	840	840	100	Residential	Petrol Station	55.28	Tuf/ Stone	171	Area	Asphalt	424.51	1	6	Business relocatee				

No	Type of business	Empl oyees	Affected Land						Affected Structure		Affected Fence		Affected Improvements			Affected Households		
		No	Type of owner	Usage Status	Total Area, M2	Affected Area, M2	Affected % in total	Type of Land	Name	m2, no	Material	Affected l.m/m2	Name	Material	Area, m2, m3, no	No of AHs	No of AH members	Relocation
	declaration)							Support structure	2.28			Area	Concrete Bricks	68.18				
								Shed	63.64			Kerbstone	Concrete	10.5				
								Metal Construction	2.68									
								Petrol tank hole	12.5									
								Petrol tank hole	44.3									
			Community (YM)	Illegally used	206.24	206.24	100	Residential	Car repair man-hole	3.1	Tuf /Stone	27	Area	Asphalt				173.1
											Tuf /Stone	10.96	Area	Concrete Covered				13.1
											Tuf /Stone	8.5	Electric Pillar	Metal				4
											Metal	10.5	Power Cable	Metal				120

158. All households losing their businesses, regardless of legal status, will be assisted to restore the affected business. The owner of the business with tax declaration that will suffer a permanent impact will be given a cash indemnity of one-year net income in addition to compensation for all affected assets. The APs whose business is without tax declaration will receive cash indemnity at the rate of minimum salary for 12 months. Details are presented in the table 7-3.

Table 7-3 Compensation and Assistance for Businesses

No of Ahs	Description of loss	Compensation details	Assistance provided	Time of relocation
Permanently Affected Businesses				
6 with tax declaration	Business loss	Compensation for all affected assets at replacement cost based on asset affected	Annual net income compensation	30 calendar days after the delivery of full compensation
			Business registration costs	
			Relocation allowance covering transport costs	
5 without tax declaration	Business loss (from which 4 are businesses of agricultural type)	Compensation for all affected assets at replacement cost based on asset affected	Allowance for income loss in amount of 12 x of minimum salary	
			Relocation allowance covering transport costs	
			Rehabilitation allowance for illegally used land in the amount of 25% of land market value	

7.4 Employment loss

159. Due to the permanent business closure, 15 employees will permanently lose their employment. Most of the affected employees (5) work in bakery, 4 in the service of importing and sale of food, 2 employees work in sale construction, transportation service and petrol service in each (see the table 7-2). They will be compensated in the amount of their average salary for 6 months of business stoppage. They will be assisted with locating alternative jobs.

8 RESETTLEMENT BUDGET

8.1 Background

160. This chapter describes the methodology adopted for the determination of unit rates, cost of LAR and compensation that will be paid to APs for resettlement impacts caused by the section 9 the compensation entitlements of different categories of APs presented in this chapter have been defined according to the principles adopted in the LARF. The compensation rates were determined by a certified independent evaluator using transparent methodology that was accepted by the ADB, the PIU/YM and GoA. The LARP budget is summarized at the end of the chapter

8.2 Sources and Allocation of Funds

161. LARP preparation and implementation costs, including compensation and administration costs will be financed from the following sources:

- (i) For the land located in Yerevan, as well as rehabilitation allowance for illegal usage of land that belongs to YM and Fee for provision of address will be financed from the funds provided for this project within Yerevan Community budget.
- (ii) Other land acquisition expenses, including taxes, duties, fees, and transaction costs (Cadaster fees, fee for provision of common reference, State registration fee for remaining part, State sales contract registration for affected part, Cadaster fees for the remaining part) will be covered by the co-financing part of the RA state budget.
- (iii) Compensation for the remaining assets including allowances will be covered by RA state budget, from the ADB³⁵ loan provided for this project.

162. The PIU should undertake measures to request funds from the relevant financing sources needed for implementation of LARP and timely allocate them to APs transferring to the AP's individual account opened in his/her name in a commercial bank operating in the RA.

8.3 Compensation for Acquired Land

8.3.1 Valuation Approach

163. According to LARF, land owners, leaseholders, land users subject to legalization will receive compensation for the affected land. YM decided to provide Illegal users with livelihood restoration/rehabilitation allowances for the affected land. The compensation details are presented in the following table.

Table 8-1 Compensation/ Rehabilitation Allowances for Agricultural and Non-agricultural Land

Owner	Land user subject to legalization	Illegal land user
Replacement cost + 15%	Replacement cost + 15% (after legalization)	25% of the replacement cost
Leaseholders for the remaining years of lease		
Up to 1 year - (replacement cost +15%) * 0.05		
Up to 15 years - (replacement cost +15%) * 0.14		
Up to 25 years - (replacement cost +15%) * 0.20		
25 years - (replacement cost +15%) * 0.25		

³⁵Agreement between GoA and ADB has been reached and covenanted in the Loan Agreement (Loan number 3293-ARM13.10.2015).

164. The basis for the compensation and rehabilitation allowance calculation is the market price of the land. The market value of the land was assessed by using a comparative evaluation method. The comparative method³⁶ is based on the comparison of reliable, market information on the sale of similar plots (at least three sales examples). Based on this method, the adjusted average sale price of recently sold lands (within the same location and the same/similar application purpose/features) is determined. The price for each land plot is determined separately as many factors influence the differences in land price even for the adjusted land plots. (For detailed valuation methodology, please see the Appendix 2).

8.3.2 Compensation to Legal Land Owners

165. The compensation to be paid to legal land owners was calculated at replacement cost plus addition of 15% which is in accordance with the RA Law on Eminent Domain. The total cost for the compensation to legal land owners is 384,585,387.40 AMD. Out of this amount the 70,002,314.70 AMD is calculated for the 5 commercial land plots included in LCAP which are potentially removable from LARP in case of the correction of their cadastral coordinates. If after the cadastral correction these five land plots become non-affected and therefore are removed from LARP, the total cost for the compensation to legal land owners will decrease to 314,583,072.70 AMD. Private land owners and the leaseholder will be compensated from YM budget for the land loss.

Table 8-2 Land Compensation for Private and Community Land

Land Category	Land Plots	Affected Area	Average Unit Price	Total Land Cost	Total Land Compensation (including 15%)
	No	m2	AMD/ m ²	AMD	AMD
A. Legal Properties					
Residential	17	4,229.83	35,826.52	151,540,095.00	174,271,109.25
Orchard	3	858.71	32,270.36	27,710,877.00	31,867,508.55
Commercial	2	778.27	38,466.48	29,937,306.00	34,427,901.90
Industrial	2	1,321.18	22,922.07	30,284,184.00	34,826,811.60
Subtotal (A)	24	7,187.99	-	239,472,462.00	275,393,331.30
B. Properties under LCAP					
B1. Actually affected properties requiring correction of cadastral coordinates					
Residential	4	1,174.54	29,013.94	34,078,036.00	39,189,741.40
Subtotal (B1)	4	1,174.54	-	34,078,036.00	39,189,741.40
B2. Potentially removable properties after correction of cadastral coordinates (G-3 district)					
Commercial	5	1,325.36	45,928.33	60,871,578.00	70,002,314.70
Subtotal (B1+B2)	9	2,499.90	-	94,949,614.00	109,192,056.10
Total	33	9,687.89	-	334,422,076.00	384,585,387.40

8.3.3 Compensation to Land Leaseholders

166. Leaseholders' compensation was calculated based on the market value of the affected land plot, and increased by 15% in the following proportions based on the remaining years of lease: i) < 1 year 5%; 2) < 15 years 14%; 3) < 25 years 20%; 4) > 25 years 25%. The total compensation to be paid to 2 leaseholders is **5,788,001.52**AMD. Out of this amount the 202,589.52 AMD is calculated for one commercial leased land plot included in LCAP which is potentially removable from LARP in

³⁶ RA Law on Real Property Assessment, Article 11

case of the correction of its cadastral coordinates. After the correction and removal of this land plot the cost for the compensation to 1 leaseholder will be 5,585,412.00 AMD.

Table 8-3 Compensation for Leases

Land Category	Land Plot	Affected Area	Unit Price	Market Value of the Land	Market Value +15%	Leaser Remaining Years	Applied Coefficient	Total for Compensation
	No.	m ²	AMD/ m ²	AMD	AMD	No.	%	AMD
A. Leased Properties								
Commercial	1	840	41,300.00	34,692,000	39,895,800.00	15	14	5,585,412.00
B. Leased property under LCAP (potentially removable property after correction of cadastral coordinates (G-3 district))								
Commercial	1	21.4	58,800.00	1,258,320	1,447,068.00	15	14	202,589.52
Total	2	861.4	-	35,950,320.00	41,342,868.00	-	-	5,788,001.52

8.3.4 Rehabilitation Allowance for Illegally used Land

167. The rehabilitation allowance for illegally used land will amount to 25% of the market value of the land. In total **56,742,874.50 AMD** for 6,473.24m² will be paid to illegal users of Yerevan Municipality as a rehabilitation allowance for their livelihood losses.

Table 8-4 Rehabilitation Allowance for Illegally Used Land

Land Category	Land Plots	Affected Area	Average Unit Price	Total Land Cost	Total Rehabilitation allowance (25% of the Land Cost)
	No	m ²	AMD/ m ²	AMD	AMD
Residential	20	3954.75	32,384.50	128,072,605.00	32,018,151.25
Orchard	11	1,243.49	33,871.10	42,118,369.00	10,529,592.25
Commercial	6	1,107.14	47,267.95	52,332,234.00	13,083,058.50
Industrial	1	167.86	26,500.00	4,448,290.00	1,112,072.50
Total	38	6,473.24	-	226,971,498.00	56,742,874.50

8.4 Compensation for Buildings, Structures and Improvements

8.4.1 Valuation Approach

168. The compensation for alienated structures was calculated for both, the owners of legal structures and the users of illegal ones. For each group, LARF defines a special approach for the calculation of compensation. The general approach is presented in the following table.

Table 8-5 Compensation for Residential and Non-Residential Structures

Legal and non-legal residential structures	Legal non-residential structures	Non-legal non-residential structures on legal land	Non-legal non-residential structures on non-legal land
Replacement cost +15%	Replacement cost +15%	Replacement cost	Replacement cost minus 20% for legalization expenses

169. The replacement costs for buildings and structures was determined by calculating the construction cost of similar new buildings/structures, for the same use and materials, or a substitute that meets modern requirements, based on market prices as of the assessment date. (For detailed valuation methodology, please see the Appendix 2)

8.4.2 Residential Buildings

170. In total, **609,461,204.55**AMD for affected buildings and structures with an area of **2,862.03m²** will be paid to owners and non-legal users of buildings and structures as a result of land acquisition. From this amount, 564,663,190.50 AMD will be paid for affected residential houses and 44,798,014.05 AMD for the supporting structures.

Table 8-6 Compensation for Residential Buildings

Name	Material	No	Total	Average Unit Price	Total Cost	Total Compensation (including 15%)
			m2	AMD/m2	AMD	AMD
A. House						
Residential house	Reinforced Concrete	17	1,966.21	249,724.84	491,011,470.00	564,663,190.50
Subtotal (A)		17	1,966.21	249,724.84	491,011,470.00	564,663,190.50
B. Supporting Structures						
B1. Supporting Structures with Affected Main Building						
Animal stoke	Stone	1	9.2	74,500.00	685,400.00	788,210.00
Basement	Reinforced Concrete, Stone	2	12.26	174,877.32	2,143,996.00	2,465,595.40
Garage	Stone	2	55.22	110,804.27	6,118,612.00	7,036,403.80
Greenhouse base	Reinforced Concrete	5	349.58	7,531.79	2,632,962.00	3,027,906.30
Hencoop	Stone	2	6.98	61,824.93	431,538.00	496,268.70
Kennel	Stone	1	0.92	21,300.00	19,596.00	22,535.40
Boiler	Stone	2	2.85	85,200.00	242,820.00	279,243.00
Hole	Reinforced Concrete	1	2.72	48,200.00	131,104.00	150,769.60
Loft	Asbestos slate/stone	3	120.48	29,605.26	3,566,842.00	4,101,868.30
Incomplete structure	Stone	1	44.45	40,500.00	1,800,225.00	2,070,258.75
Patio	Metal	1	6.75	10,700.00	72,225.00	83,058.75
Pool	Reinforced Concrete	1	56.2	103,900.00	5,839,180.00	6,715,057.00
Shed	Metal	13	93.74	9,541.11	894,384.00	1,003,917.60
Support Structure	Stone	6	82.54	131,376.52	10,843,818.00	12,470,390.70
Toilette	Stone, Metal	5	18.57	97,203.72	1,805,073.00	2,075,833.95
Subtotal (B1)	-	46	862.46	-	37,227,775.00	42,787,317.25
(B2) Support Structures of AHs without Residential Loss						
Kennel	Stone, Metal	2	3.1	21,532.26	66,750.00	76,762.50
Shed	Metal, Stone	3	20.15	24,704.76	497,801.00	572,471.15
Support Structure	Stone	1	10.11	117,100.00	1,183,881.00	1,361,463.15
Subtotal (B2)	-	6	33.36	-	1,748,432.00	2,010,696.80

Name	Material	No	Total	Average Unit Price	Total Cost	Total Compensation (including 15%)
			m2	AMD/m2	AMD	AMD
Subtotal (B1+B2)	-	52	895.82	-	38,976,207.00	44,798,014.05
Total	-	69	2,862.03	-	529,987,677.00	609,461,204.55

8.4.3 Non-Residential Buildings

171. In total, **360,225,880.80**AMD for 34 affected buildings and structures with an area of 2,761.13 m², will be paid to owners and non-legal users of buildings and structures as a result of land acquisition.

Table 8-7 Compensation for Non-residential Buildings

No	Type of Structure	Material	No	Legal sq.m	Illegal sq.m	Total sq.m.	Average Unit Price	Total Cost	Total Compensation
							AMD/m2	AMD	AMD
A. Non Business Structures									
1	Shed	Concrete panel	1	67.1	-	67.1	19,200.00	1,288,320.00	1,481,568.00
2	Storage structure	Stone, Concrete panel	4	439.68	-	439.68	67,677.59	29,756,484.00	34,219,956.60
3	Hole	Stone	1	-	2.12	2.12	43,600.00	92,432.00	106,296.80
4	Non-operating workshop	Stone, Concrete panel	2	881.59	-	881.59	121,956.13	107,515,307.00	123,642,603.05
5	Electrical substation	Stone	1	56.7	-	56.7	74,500.00	4,224,150.00	4,857,772.50
6	Greenhouse base	Reinforced Concrete	1	-	116.8	116.8	5,600.00	654,080.00	752,192.00
7	Pool	Reinforced Concrete	1	89.62	-	89.62	78,500.00	7,035,170.00	8,090,445.50
8	Support structure	Stone	1	44.98	-	44.98	85,200.00	3,832,296.00	4,407,140.40
8	Patio	Stone	1	-	8.5	8.5	32,000.00	272,000.00	312,800.00
9	Metal Construction	Metal	1	63.21	-	63.21	10,600.00	670,026.00	770,529.90
Subtotal (A)			14	1,642.88	127.42	1,770.30	-	155,340,265.00	178,641,304.75
B. Business Structures									
B1. Business Structures of Agricultural type									
Business N 1	Hencoop	Stone, Metal	1	-	10.79	10.79	44,000.00	474,760.00	545,974.00
Business N 2	Mushroom greenhouse	Stone	1	-	23.65	23.65	80,900.00	1,913,285.00	2,200,277.75
Business N 3	Loft (bee boxes)	Metal	1	-	39.9	39.9	13,500.00	538,650.00	619,447.50
Business N 4	Garages	Stone	1	267.93	-	267.93	118,800.00	31,830,084.00	36,604,596.60
	Toilette	Stone	1	-	5.21	5.21	89,400.00	465,774.00	465,774.00
Subtotal (B1)			5	267.93	79.55	347.48	-	35,222,553.00	40,436,069.85

No	Type of Structure	Material	No	Legal sq.m	Illegal sq.m	Total sq.m.	Average Unit Price	Total Cost	Total Compensation
							AMD/m2	AMD	AMD
B2. Business Structures of Commercial type									
Business N 5	Shed	Metal	1	-	5	5	9,300.00	46,500.00	37,200.00
Business N 6	Bakery	Stone	2	-	187.03	187.03	206,900.00	38,696,507.00	35,340,947.00
Business N 7	Shed	Asbestos slate	1	-	34.54	34.54	10,900.00	376,486.00	432,958.90
	Car repair man-hole	Reinforced Concrete	1	-	5.01	5.01	63,100.00	316,131.00	363,550.65
Business N 8	Office building	Stone	2	44.01	7.98	51.99	340,100.00	17,681,799.00	19,740,237.15
	Storage	Stone	1	176	-	176	238,100.00	41,905,600.00	48,191,440.00
Business N 9	Petrol Station	Stone	1	55.28	-	55.28	461,000.00	25,484,080.00	29,306,692.00
	Support structure	Stone	1	-	2.28	2.28	87,300.00	199,044.00	199,044.00
	Metal Structure	Metal	1	-	2.68	2.68	55,900.00	149,812.00	149,812.00
	Petrol tank hole	Reinforced Concrete	2	12.5	44.3	56.8	71,900.00	4,083,920.00	4,218,732.50
	Shed	Stone	1	-	63.64	63.64	47,900.00	3,048,356.00	3,048,356.00
	Car repair man-hole	Reinforced Concrete	1	-	3.1	3.1	48,200.00	149,420.00	119,536.00
Subtotal (B2)			15	287.79	355.56	643.35	-	132,137,655.00	141,148,506.20
Subtotal (B1+B2)			20	555.72	435.11	990.83	-	167,360,208.00	181,584,576.05
Total			34	2,198.60	562.53	2,761.13	-	322,700,473.00	360,225,880.80

8.4.4 Fences and Improvements

172. All improvements done by APs, regardless of their status, are subject to compensation. In total **36,270,805AMD** will be paid for different types of improvements. Compensation for affected fences amounts to **43,985,001.10AMD**.

Table 8-8 Compensation for Improvements

Type	Material	Plots	Area	Area	Length	No	Unit Price	Compensation
		No	m ²	m ³	m		AMD	AMD
Area	Asphalt	9	1,786.83	-	-	-	9,000	16,081,470
Area	Concrete covered	22	1,730.76	-	-	-	6,500	11,249,940
Area	Concrete bricks	1	68.18	-	-	-	6,500	443,170
Area	Concrete bricks	2	41	-	-	-	7,000	287,000
Brick Furnace	Brick	1	-	-	-	1	2,000,000	2,000,000
Kerbstone A	Concrete/ marbled	1	-	-	30.5	-	8,000	244,000
Kerbstone B	Concrete	2	-	-	64.8	-	7,000	453,600
Embankment A	Crushed stone	1	-	240	-	-	6,300	1,512,000
Tandoor	Brick	1	-	-	-	1	500,000	500,000
Yard upgrade	Stone/ concrete	-	-	-	10	-	20,000	200,000
Gate	Metal	-	-	-	-	4	400,000	1,600,000
Door	Metal	1	2,00	-	-	-	50,000	100,000
Pipe d=110x3,2mm	Polyvinyl chloride	1	-	-	45	-	5,000	225,000
Pipe d=32x3mm	Metal-plastic	1	-	-	45	-	1,000	45,000
Pipe d=50mm	Metal	1	-	-	80	-	4,000	320,000
Irrigation pipe d=50mm	Metal	1	-	-	81	-	6,000	486,000
Electric Pillar	Metal	2	-	-	-	16	10,000	160,000
Electric Pillar	Wood	1	-	-	-	2	45,000	90,000
Power Cable	Metal	1	-	-	120	-	2,050	246,000
Panel	Asbestos slate	1	11.05	-	-	-	2,500	27,625
Total		33*	3,639.82	240	476.30	24	-	36,270,805
*Total number has been calculated without double counting as there are several types of improvements on the same land plot.								

Table 8-9 Compensation for Fences

Material	Length	Area	Unit Price	Market Value	Compensation for Legal (Market Value + 15%)	Compensation for Illegal (Market Value)	Compensation for Illegal (Market Value Minus Legalization Cost)	Total for Compensation
	M	m ²	AMD/m	AMD	AMD	AMD	AMD	AMD

Material	Length	Area	Unit Price	Market Value	Compensation for Legal (Market Value + 15%)	Compensation for Illegal (Market Value)	Compensation for Illegal (Market Value Minus Legalization Cost)	Total for Compensation
	M	m ²	AMD/m	AMD	AMD	AMD	AMD	AMD
Metal A	902,00	-	3,363.75	3,034,100	3,489,215.00	-	28,560.00	3,517,775.00
Metal B	59.32	-	4,293	254,688	292,891.20	-	-	292,891.20
Metal C	150.1	-	4,200	630,420	724,983.00	-	-	724,983.00
Metal/Basalt kerbstone	45.23	-	8,300	375,409	-	375,409.00	-	375,409.00
Tuf/Stone A	-	44.7	9,600	429,120	493,488.00	-	-	493,488.00
Tuf/Stone B	-	7.2	8,000	57,600	66,240.00	-	-	66,240.00
Tuf/Stone C	-	8.5	19,700	167,450	-	-	133,960.00	133,960.00
Tuf/Stone D	-	806.93	20,800	16,784,144	14,309,900.80	182,374.00	4,112,784.00	18,605,058.80
Tuf/Stone E	-	107.47	22,400	2,407,328	2,768,427.20	-	-	2,768,427.20
Tuf/Stone F	-	73.48	25,600	1,881,088	2,163,251.20	-	-	2,163,251.20
Tuf/Stone G	-	198	27,200	5,385,600	-	4,651,200.00	587,520.00	5,238,720.00
Tuf/Basalt A	-	43.73	25,600	1,119,488	1,287,411.20	-	-	1,287,411.20
Tuf/Basalt B	-	107.8	30,400	3,277,120	3,768,688.00	-	-	3,768,688.00
Reinforced Concrete	-	63.62	27,500	1,749,550	2,011,982.50	-	-	2,011,982.50
Reinforced Concrete panel	-	218.4	10,100	2,205,840	2,536,716.00	-	-	2,536,716.00
Total	1,156.65	1,679.83	-	39,758,945	33,913,194.10	5,208,983.00	4,862,824.00	43,985,001.10

8.5 Compensation for Crops and Trees

8.5.1 Crops

173. Crop compensation will be paid in cash at market rate at the gross crop value of the expected annual harvest. The unit rates were determined based on the yield and prices of major crops for 5 years period. Total crop compensation is **566,491.75AMD**.

Table 8-10 Compensation for Crops

Type of Crop	Annual Productivity	Affected Area	Total Loss	Price	Sum
	kg/ m ²	m ²	kg	AMD/m ²	AMD
Decorative flowers	1.00	167	-	2180	364,060.00
Okra	3.00	7.5	22.5	990	7,425.00
Sweet potatoes	4.65	2	9.3	480	960.00
Pumpkin	4.65	0.5	2.3	697.5	348.75
Greens	3.00	13.5	40.5	3540	47,790.00
Strawberry	0.60	36	21.6	498	17,928.00

Type of Crop	Annual Productivity	Affected Area	Total Loss	Price	Sum
	kg/ m ²	m ²	kg	AMD/m ²	AMD
Bean	3.00	2	6	1110	2,220.00
Tomato	4.20	71.5	300.3	1092	78,078.00
Cherry tomato	4.20	0.5	2.1	1344	672.00
Lettuce	3.00	3.5	10.5	3540	12,390.00
Eggplant	3.00	20	60	660	13,200.00
Cucumber	2.70	4	10.8	675	2,700.00
Pepper	3.00	24	72	780	18,720.00
Total	-	352	557.93	-	566,491.75

8.5.2 Fruit Trees

174. Compensation for fruit trees is different for productive, not yet productive trees and seedlings:

- (i) **Fruit bearing trees:** compensation at replacement cost for lost income based on the net market value of one year's income multiplied by the number of years needed to grow a fully productive tree.
- (ii) **Not-yet-fruit-bearing trees:** regardless of their age these trees will be compensated at replacement cost of productive inputs for the number of years needed to grow a tree to the productive age.
- (iii) **Seedlings:** compensation for the market value of the seedling.

175. In total all fruit trees and bushes, including the seedlings, not-yet-fruit-bearing trees and fruit-bearing trees will be compensated in the amount of 85,309,170.00 AMD. The particulars of compensation for the affected fruit-bearing trees are summarized in the following tables.

Table 8-11 Compensation for Seedlings

Type	Unit Cost	Trees	Total Compensation
	AMD/tree	No	AMD
A. Fruit Trees			
Cherry	1,000	49	49,000.00
Black cherry	1,000	22	22,000.00
Peach	1,500	13	19,500.00
Fig	2,500	1	2,500.00
Walnut	2,000	17	34,000.00
Mulberry	2,000	16	32,000.00
Grapes	750	42	31,500.00
Apple	1,000	19	19,000.00
Apricot	2,000	12	24,000.00
Sweet Cherry	1,500	16	24,000.00
Cornel	2,000	1	2,000.00
Almond	2,000	1	2,000.00
Pomegranate	3,000	1	3,000.00

Type	Unit Cost	Trees	Total Compensation
	AMD/tree	No	AMD
A. Fruit Trees			
Plum (Shlor)	2,000	6	12,000.00
Plum	1,500	37	55,500.00
Quince	1,500	2	3,000.00
Pear	1,500	7	10,500.00
Total	-	262	345,500.00

Table 8-12 Compensation for Not-yet productive Trees

Type of tree	Unit Cost	Trees	Total Compensation
	AMD/tree	No	AMD
A. Fruit Bushes			
Currant	1,680	3	5,040.00
Subtotal(A)	-	3	5,040.00
B. Fruit Trees			
Cherry	5,610	66	370,260.00
Peach	2,670	3	8,010.00
Walnut	14,900	4	59,600.00
Mulberry	7,270	1	7,270.00
Grapes	6,020	9	54,180.00
Apple	8,510	1	8,510.00
Apricot	10,610	3	31,830.00
Sweet Cherry	3,210	9	28,890.00
Cornel	6,610	1	6,610.00
Almond	12,400	1	12,400.00
Pomegranate	9,060	4	36,240.00
Plum (Shlor)	8,060	1	8,060.00
Plum	6,110	19	116,090.00
Pear	9,010	4	36,040.00
Hazelnut	14,900	4	59,600.00
Oleaster	9,440	4	37,760.00
Subtotal(B)	-	134	881,350.00
Total (A+B)	-	137	886,390.00

Table 8-13 Compensation for Fruit Bearing Trees

Type of tree	Annual yield	Unit cost	Years to re-grow to productive level	Unit cost per tree	Affected trees	Total compensation
	kg	AMD/kg	No	AMD	No	AMD
A. Fruit Bushes						
Raspberry	2	840	3	5,040	338	1,703,520

Type of tree	Annual yield	Unit cost	Years to re-grow to productive level	Unit cost per tree	Affected trees	Total compensation
	kg	AMD/kg	No	AMD	No	AMD
Gooseberry	3	600	3	5,400	5	27,000
Currant	3	600	3	5,400	123	664,200
Rose-hip	5	320	3	4,800	36	172,800
Dewberry	2	630	3	3,780	822	3,107,160
Crataegus (Haw)	7	1,000	1	7,000	1	7,000
Subtotal(A)	-	-	-	-	1,325	5,681,680
B. Fruit Trees						
Cherry	20	320	4	25,600	126	3,225,600
Black cherry	20	320	4	25,600	3	76,800
Peach	40	330	3	39,600	33	1,306,800
Nectarine	40	360	3	43,200	1	43,200
Fig hybrid	40	330	3	39,600	1	39,600
Fig	25	800	4	80,000	24	1,920,000
Walnut	30	1,240	6	223,200	30	6,696,000
Mulberry	90	420	4	151,200	64	9,676,800
Mulberry hybrid	90	460	4	165,600	2	331,200
Grapes	25	330	4	33,000	96	3,168,000
Apple	50	350	6	105,000	93	9,765,000
Apricot	80	480	6	230,400	109	25,113,600
Persimmon	10	840	5	42,000	7	294,000
Sweet Cherry	30	550	4	66,000	69	4,554,000
Cornel	10	480	4	19,200	2	38,400
Dwarf Apple	15	350	6	31,500	7	220,500
Almond	15	1,060	5	79,500	7	556,500
Pomegranate	10	1,030	5	51,500	13	669,500
Plum (Shlor)	25	260	5	32,500	32	1,040,000
Plum	30	310	4	37,200	55	2,046,000
Quince	25	850	6	127,500	15	1,912,500
Pear	60	720	6	259,200	13	3,369,600
Hazelnut	20	1,060	6	127,200	15	1,908,000
Oleaster	40	530	5	106,000	4	424,000
Subtotal(B)	-	-	-	-	821	78,395,600
Total (A+B)	-	-	-	-	2,146	84,077,280

8.5.3 Wood Trees

176. The compensation for wood trees is different for seedlings, medium growth and fully grown trees:

- (i) Seedlings: compensation at replacement cost of productive inputs. Seedlings are defined as trees with a diameter up to 12 cm.
- (ii) Medium and fully-grown trees: compensation at replacement cost of wood value of the tree to be calculated based on the volume of the wood. Medium growth trees are defined as trees with a 13-22cm diameter and fully grown trees as those with a diameter greater than 22cm.

177. Wood trees compensation amounts to 149,100 AMD for seedlings, 17,920 AMD for medium grown trees and 149,500 AMD for fully grown trees with an overall total compensation of **316,520AMD**, as indicated in the following table.

Table 8-14 Compensation for Wood Trees

Type	Seedling (up to 12 cm diameter)				Medium growth (13-22cm)				Full growth (22cm+)				Total	
	No	Unit cost	Diameter	Subtotal	No	Unit cost	Diameter	Subtotal	No	Unit cost	Diameter	Subtotal	No	AMD
		AMD	sm	AMD		AMD	sm	AMD		AMD	sm	AMD		
Ailanthus	3	2,310	2.6	6,930	-	-	-	-	-	-	-	-	3	6,930
	1	2,310	10	2,310	-	-	-	-	-	-	-	-	1	2,310
Poplar	-	-	-	-	-	-	-	-	1	29,900	35	29,900	1	29,900
	-	-	-	-	-	-	-	-	1	29,900	66	29,900	1	29,900
Ulmus	12	2,310	8	27,720	2	8,960	17.5	17,920	3	29,900	50	89,700	17	135,340
	41	2,310	3	94,710	-	-	-	-	-	-	-	-	41	94,710
Ash Tree	5	1,890	2	9,450	-	-	-	-	-	-	-	-	5	9,450
	3	1,890	8	5,670	-	-	-	-	-	-	-	-	3	5,670
Willow	1	2,310	7	2,310	-	-	-	-	-	-	-	-	1	2,310
Total	66	-	-	149,100	2	-	-	17,920	5	-	-	149,500	73	316,520

8.5.4 Decorative Trees and Bushes

178. Compensation for decorative trees and bushes was calculated based on the replacement cost. In total **1,356,800AMD** will be compensated for the loss of 697 decorative trees and bushes.

Table 8-15 Compensation for Decorative Trees and Bushes

Type	Small			Medium			Large			Total	
	Unit price	Trees	Compensation	Unit price	Trees	Compensation	Unit price	Trees	Compensation	Trees	Compensation
	AMD/ tree	No	AMD	AMD/ tree	No	AMD	AMD/ tree	No	AMD	No	AMD
A. Decorative Bushes											
Rose Noble	300	13	3,900.00	600.00	9	5,400.00	900.00	398	358,200.00	420	367,500.00
Climbing Rose	-	-	-	-	-	-	3,500.00	2	7,000.00	2	7,000.00
Hybrid Rose	-	-	-	-	-	-	900.00	22	19,800.00	22	19,800.00
Wild Grapes	-	-	-	-	-	-	1,500.00	128	192,000.00	128	192,000.00
Box Tree	-	-	-	1,500.00	12	18,000.00	2,500.00	1	2,500.00	13	20,500.00
Sweetheart Rose	-	-	-	-	-	-	3,000.00	1	3,000.00	1	3,000.00
Jasmin	500	6	3,000.00	-	-	-	-	-	-	6	3,000.00
Tecoma	-	-	-	-	-	-	2,000.00	2	4,000.00	2	4,000.00
Yucca	5,000	6	30,000.00	-	-	-	-	-	-	6	30,000.00
Palm	-	-	-	-	-	-	25,000.00	1	25,000.00	1	25,000.00
Lilac	500	4	2,000.00	1,500.00	5	7,500.00	2,500.00	47	117,500.00	56	127,000.00
Viburnum opulus	-	-	-	-	-	-	2,500.00	1	2,500.00	1	2,500.00
Cornus	-	-	-	-	-	-	1,500.00	23	34,500.00	23	34,500.00
Subtotal (B)	-	29	38,900.00	-	26	30,900.00	-	626	766,000.00	681	835,800.00
B. Decorative Trees											
Fir	-	-	-	-	-	-	400,000	1	400,000	1	400,000
Thuja	-	-	-	6,000	1	6,000	9,000	12	108,000	13	114,000
Pine	3,000	1	3,000	4,000	1	4,000	-	-	-	2	7,000
Subtotal (B)	-	1	3,000	-	2	10,000	-	13	508,000	16	521,000
Total (A+B)	-	30	41,900	-	28	40,900	-	639	1,274,000	697	1,356,800

8.6 Compensation for Business and Income Losses

8.6.1 Business Losses

179. All eleven businesses will be permanently affected, out of which six businesses has tax declaration and five are businesses without tax declaration. The affected businesses of agricultural type which are not tax payers according to the RA legislation requirements have been considered as businesses without tax declaration and will be compensated accordingly.

180. The base unit cost for the losses of businesses with tax declarations is calculated based on 1 year's net income. The assessment is based on the tax declaration of the affected business.

181. In the absence of a tax declaration, a business AP will receive a rehabilitation allowance based on the maximum non-taxable salary.

182. Calculations for compensation for businesses were carried out on a business-by-business basis during the DMS survey and the valuation reports based on the information provided by Ministry of Finance (MoF). Thus, the calculated compensation for businesses amounts to **14,241,062.80AMD**.

Table 8-16 Compensation for Business Losses

No	Busin ess	Income months	Net monthly income	Net annual income	Total	Registratio n cost/ provision of address	Total compensation including registration costs	Remark
	No	No	AMD	AMD	AMD	AMD	AMD	
	Permanently Affected With Tax Declaration							
1	1	12	n.a.	701,973	701,973	n.a	701,972.80	-
2	1	12	n.a.	52,208	52,208	3,000	55,208.00	-
3	1	12	n.a.	2,934,880	2,934,880	3,000	2,937,880.00	-
4	1	12	n.a.	5,354,258.00	5,354,258.00	n.a	5,354,258.00	-
5	1	12	n.a.	1,162,000	1,162,000	10,000	1,172,000.00	-
6	1	12	n.a.	716,744.00	716,744.00	3,000	719,744.00	-
	Permanently Affected Without Tax Declaration							
7	5	12	55,000.00	n.a	3,300,000.00	n.a	3,300,000.00	For Permanently affected businesses without tax declaration compensation is provided based on the official minimum salary.
Total	11	-	-	-	14,222,062.80	n.a	14,241,062.80	-

8.6.2 Income Losses

183. There are 15 permanently affected business employees working in 5 affected businesses. The compensation for permanent termination (permanent impact) of an entrepreneurial activity the employee shall receive cash indemnity for six months in the amount of the average monthly salary for each month. The calculated compensation for 15 permanently affected business employee's amounts to **7,688,500.00** AMD.

184. According to the SUDIP LARF, the employees entitled to the compensation are registered employees who have worked for an affected organization at least two month prior to the cut-off date of the impacts assessment/AP census and for whom mandatory social security payments are calculated in accordance with RA law.

Table 8-17 Compensation for Employment Loss

Loss	Number of Employees Affected	Months	Average Unit Cost*	Total/ AMD
Permanent Employment Loss	15	6	85,427.78	7,688,500.00
Total	15	-	-	7,688,500.00
<i>*Note: The average monthly salaries were calculated for each individual. Here the average is presented.</i>				

8.7 Rehabilitation Allowances

8.7.1 Severe Impact Allowances

185. Under this LARP, additional fruit-bearing trees and crop compensation covering 1-year's yield will be paid to severely affected households. A total of 32 AHs are severely affected losing more than 10% of the agricultural income and will be compensated accordingly. 3 AHs are severely affected due to the loss of income from their agricultural businesses and will receive an allowance equivalent to 12 months minimum salary (55,000 AMD). 19 relocated AHs will also receive an allowance equivalent to 6 months minimum salary (55,000 AMD). The total compensation for all severely impacted AHs amounts to **25,700,891.75**AMD. The details are presented in following table.

Table 8-18 Allowances for Severely Affected Households

Category	No of AHs	Unit Cost	Total
			AMD
Severely AHs losing more than 10% of agricultural income	32	545,340.37*	17,450,892
Severely AHs losing agricultural businesses	3	660,000	1,980,000
Severely Affected HHs to be relocated	19	330,000	6,270,000
Total	37	-	25,700,891.75
<i>*The allowance was calculated individually for each AH. The unit costs in this table represent the average amounts.</i>			
<i>** The calculation of the allowance is done based on the same principle as was applied for the businesses without tax declaration (minimum salary for 12 months).</i>			

8.7.2 Allowances to Vulnerable Groups

186. Additional allowances are allocated for vulnerable groups, particularly for AHs headed by women, elderly as well as poor AHs. Such allowance amounts to the equivalent of 6 months

minimum salary 55,000 AMD). The total allowance to be paid to vulnerable 13AHs amounts to **4,290,000AMD**.

Table 8-19 Allowances to Socially Vulnerable People

Type	No	Allowance Amount	Total
a. Poor Ahs	3	-	-
b. Woman-headed Ahs	6	-	-
c. Elderly-headed Ahs	5	-	-
Total	13*	330,000	4,290,000
*1 AH is both woman-headed and poor.			

8.7.3 Relocation Allowances

187. The relocation allowances were calculated taking into account the costs that will be incurred for the transportation of movable assets. Transportation costs were determined according to the average cost for such services offered by several freight shipping organizations accepted in the market. It was calculated in such a manner so as the AP can move his/her property within a 20 km. radius. The allowance is calculated for all APs that need to relocate their assets. In total **3,903,750.00AMD** will be paid for the relocation of movable assets of AHs (Table 8-20) and **1,660,500.00AMD** will be paid for relocation of movable structures (Table 8-21).

Table 8-20 Transportation Costs for Movable Assets

Type of allowance	Trips required	Unit rate	Total
	No	AMD	AMD
Transportation costs, small gabarites	75	35,250	2,643,750.00
Transportation costs, big gabarites	14	90,000	1,260,000.00
Total	89	-	3,903,750.00

Table 8-21 Livelihood expenses for relocated AHs

Type	No of AHs	Unit Rate	Total
Livelihood restoration allowance	19	55,000	1,045,000
Total	19	-	1,045,000

Table 8-22 Transportation Costs for Movable Structures

Type of Affected Structures	Construction Type	Buildings	Affected Surface	Unit cost	Trip	Total for compensation
		No	m ²	AMD	No	AMD
Kiosk	Metal	2	19.54	90,000.00	1	180,000.00
Bee boxes	Wood	40	-	35,250.00	1	35,250.00
Metal House	Metal	8	140.68	90,000.00	1	720,000.00
Patio	Metal	1	16.10	90,000.00	1	90,000.00
Petrol Dispenser Point	Metal	1	-	35,250.00	1	35,250.00
Petrol Tank (A)	Metal	2	-	90,000.00	1	180,000.00
Petrol Tank (B)	Metal	3	-	140,000.00	1	420,000.00
Total	-	53	176.32	-		1,660,500.00

8.8 Registration Costs and Applicable Taxes

188. Under the LARF there will be no deductions from the compensation paid to APs. During the signing of acquisition contracts and the re-registration of properties, certain mandatory fees and taxes are payable according to RA legislation. All fees are lump sums of different amounts based on the category of land (residential or agricultural) and structures (residential, or non-residential). The particulars of the payable registration fees and duties are presented in the valuation methodology. The following fees and taxes are payable under the Armenian laws:

- (i) Fee for the state registration of rights to the real estate unit, changes in rights and delegation³⁷;
- (ii) Fee for the provision of a common reference of a real estate unit³⁸;
- (iii) State duties for the registration of real estate³⁹ and of real estate alienation contracts⁴⁰;
- (iv) Notary service fee for the ratification of real estate division contracts and of real estate alienation contracts⁴¹;

189. In total **3,637,000AMD** will be paid for registration of the properties.

Table 8-23 Fees for Property Registration

Land/ building category per Cadastral Certificate	Cadastral fees	Cadastral common certificate	State registration fee for remaining part	Address registration fee for the remaining part	State sales contract registration for affected part	Sales notary fee	Cadastral fees for the remaining part	Subtotal (Registration Cost per 1 Property)	N	Total Registration
Residential	25,000	10,000	-	-	20,000	17,000	-	72,000	4	288,000
	25,000	10,000	1,000	15,000	20,000	17,000	25,000	113,000	17	1,921,000
Commercial	25,000	10,000	-	-	20,000	17,000	-	72,000	1	72,000
	25,000	10,000	1,000	15,000	20,000	17,000	25,000	113,000	10	1,130,000
Industrial	25,000	10,000	-	-	20,000	17,000	-	72,000	1	72,000
	25,000	10,000	2,000	30,000	20,000	17,000	50,000	154,000	1	154,000
Total	-	-	-	-	-	-	-	-	34	3,637,000

190. In cases defined under the RA tax legislation related to property alienation of APs: owners, legal entities, private entrepreneurs and individuals who are not entrepreneurs may have tax commitments. In this regard, the Article 11, part 5 of the “RA Law on Alienation of the property for public and state purposes” disposes that the acquirer compensates to the expropriated property owner all the financial responsibilities (taxes, mandatory fees etc.) related to property expropriation.

191. However, shall be considered the fact that under point ‘b’ of article 15 of RA law on Taxes, unless otherwise provided by tax legislation taxpayers are obligated to calculate due amount of taxes themselves and pay them to the budget for the results of due period. Abovementioned provision imply that taxpayer APs shall calculate themselves the taxes arising as a result of property acquisition and pay them to the state budget within the terms defined by law, acquirer is responsible to compensate to the AP all the taxes arising in regard of the property acquisition.

192. At the same time, the VAT⁴² for the acquisition of industrial and commercial properties, including lands and buildings is calculated and included in LARP budget. The deals less than

³⁷ State Registration Of Rights To The Property Act.

³⁸ Ibid

³⁹ State Duties Act.

⁴⁰ Ibid.

⁴¹ Study Of Services Of Notary Offices

⁴² Buy/sell transactions by a physical person who is not a sole entrepreneur, in some cases are considered goods supply and are taxed by Value Added Tax (VAT) equal to 20% of the goods/property value. Particularly, it refers to the acquisition of the property (production, other trade and public importance property, including buildings and structures, property and lands of

58,350,000 AMD are not taxed. Taxation of the deals exceeding 58,350,000 AMD shall be 20% of the part exceeding 58,350,000 AMD.

193. In total **52,369,52AMD** VAT will be paid for affected properties.

Table 8-24 Value Added Tax for the Affected Properties

Property Type per Cadaster	Compensation Amount	VAT (AMD)
Sanitary veterinary service station (Commercial)	168,121,231	21,954,246
Building, structures maintenance (Industrial)	147,579,216	29,515,843
Build- up (Commercial)	62,847,187	899,437
Total	378,547,634	52,369,52

194. Taking into account the legal provisions, it was not possible to arrive at the exact amount required to fulfill the obligation as per the RA legislation at LARP preparation stage, this will be done during the LARP implementation process (the exact amount of taxes should be done by the APs).⁴³ Besides, the calculated VAT for the affected properties, in case, when the APs will provide PIU with the calculated taxes with relevant supporting grounds, the acquirer's tax commitments arising according to RA legislation will be paid from the Contingency of LARP Summary budget.

8.9 Budget (Cost) Summary

195. The total implementation cost of LARP for the Project amounts to **2,140,921,903.64** AMD which is equivalent to USD **4,497,735.09** as shown in the following table. Out of the total amount, Yerevan Municipality will allocate 537,391,803.69AMD and the GoA will allocate 81,979,647.61AMD. The remaining 1,521,550,452.34AMD for implementing the LARP will be covered from the ADB loan. The Yerevan Municipality will ensure that the compensation funds for land acquisition and resettlement are approved by all sources and allocated in time for implementation of this LARP.

196. The LARP budget also includes miscellaneous expenses for administrative costs that will be incurred during the implementation of LARP. This expense has been estimated and included in the budget as a single lump sum.

197. Table below presents the budget summary per source of financing.

Table 8-25 Budget Summary

Item	Source of Finance	Total/AMD	Total/USD
I. Compensation Budget, Including Allowances			
Compensation for private land (Including 15% surcharge)	YM	384,585,387.40	807,952.49
Compensation for Leases YM	YM	5,788,001.52	12,159.67
Rehabilitation allowance for illegally used land	YM	56,742,874.50	119,207.72
Compensation for residential buildings	ADB Loan	609,461,204.55	1,280,380.68
Compensation for non- residential buildings	ADB Loan	360,225,880.80	756,777.06
Compensation for fences	ADB Loan	43,985,001.10	92,405.46
Compensation for improvements	ADB Loan	36,270,805.00	76,199.17

industrial, earth interior and other production importance,) belonging to a person and subject of the entrepreneurial activity. Article 6, RA Law on VAT.

⁴³ APs will be informed about tax issues and actions to be taken by them during the LARP implementation process. The special notification and consultation will be provided to APs to pay attention on the requirements of tax law.

Item	Source of Finance	Total/AMD	Total/USD
I. Compensation Budget, Including Allowances			
Compensation for crops	ADB Loan	566,491.75	1,190.11
Compensation for fruit trees and bushes seedlings	ADB Loan	345,500.00	725.84
Compensation for not yet productive trees and bushes	ADB Loan	886,390.00	1,862.16
Compensation for fruit bearing trees	ADB Loan	84,077,280.00	176,632.94
Compensation for wood trees	ADB Loan	316,520.00	664.96
Compensation for decorative trees and bushes	ADB Loan	1,356,800.00	2,850.42
Compensation for business losses	ADB Loan	14,241,062.80	29,918.20
Compensation for employment loss	ADB Loan	7,688,500.00	16,152.31
Allowances to severely affected households	ADB Loan	25,700,891.75	53,993.47
Allowances to socially vulnerable people	ADB Loan	4,290,000.00	9,012.61
Transportation costs for movable assets	ADB Loan	3,903,750.00	8,201.16
Livelihood expenses for relocated AHs	ADB Loan	1,045,000.00	2,195.38
Transportation costs for movable structures	ADB Loan	1,660,500.00	3,488.45
Fees for registration services	GoA	3,637,000.00	7,640.76
VAT	GoA	52,369,526.80	110,020.01
Sub-Total I	-	1,699,144,367.97	3,569,631.03
II. Administrative Costs			
Direct administration costs [5% of Sub-Total)	ADB Loan (83.33%)	70,794,850.09	148,728.68
	GoA (16.67%)	14,162,368.31	29,752.87
Sub Total II	-	1,784,101,586.37	3,748,112.58
Contingency 20%	ADB Loan	254,734,024.50	535,155.51
	YM	90,275,540.27	189,654.50
	GoA	11,810,752.50	24,812.51
Total LAR Budget	-	2,140,921,903.64	4,497,735.09
<i>Exchange rate on June 24 .2016. Central Bank of the Republic of Armenia: (USD) 1USD=476 AMD</i>			

Table 8-26 Budget Summary per Source of Financing

Source of Finance	AMD	USD
Yerevan Municipality	537,391,803,69	1,128,974,38
ADB loan	1,521,550,452,34	3,196,534,56
State Budget	81,979,647,61	172,226,15
Total	2,140,921,903,64	4,497,735,09

9 INSTITUTIONAL ARRANGEMENTS

9.1 Background

198. Planning and implementation of the LAR activities involve distinct processes and dynamics of different actors. This chapter will present the details on all the parties and their roles during the LAR activities.

9.2 Core Agencies and Organizations

9.2.1 Asian Development Bank

199. The Asian Development Bank (ADB) will be the funding agency of the Project. In addition to funding, ADB will periodically review the Project and LARP implementation as well as provide clearance to contract awards and signing/initiation of civil works on the Project.

9.2.2 The RA Ministry of Economy

200. The RA Ministry of Economy is the executing agency (EA) for the project. It implements general functions for the Program including cross-agency coordination.

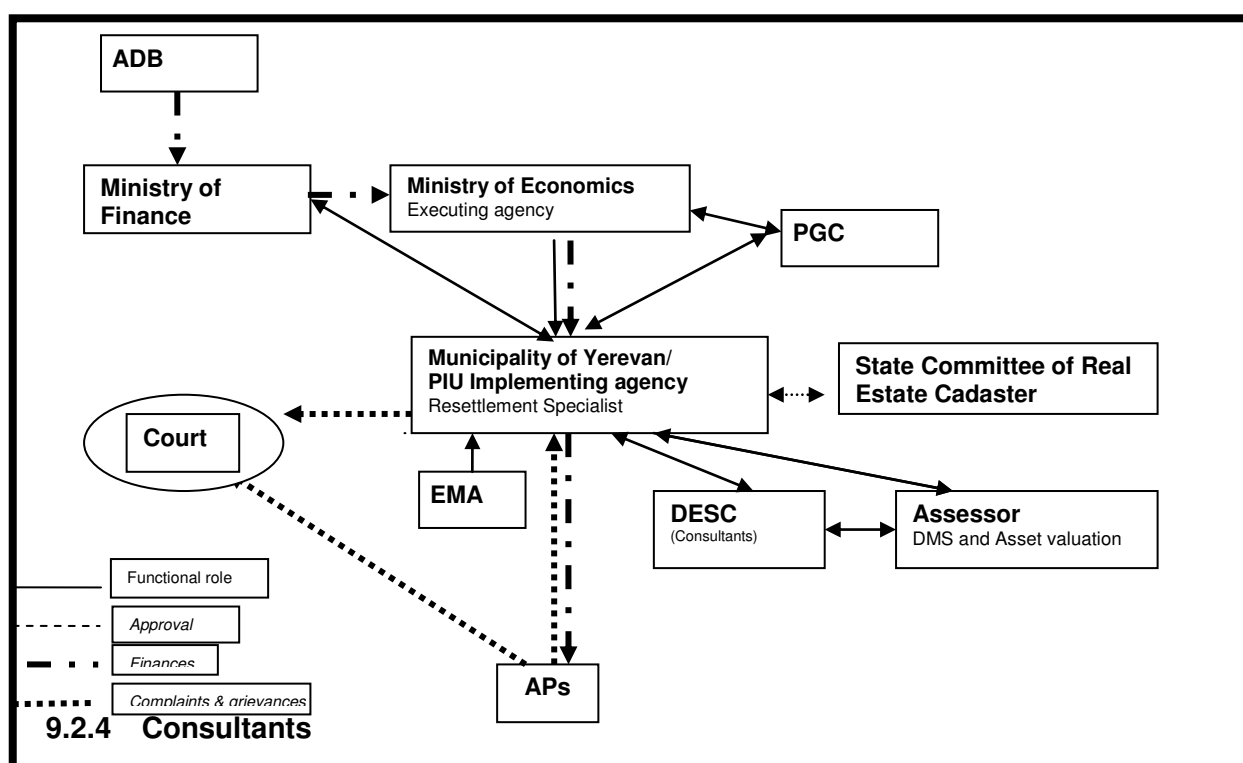
9.2.3 The Municipality of Yerevan and Project Implementation Unit

201. The Municipality of Yerevan (YM) has the overall responsibility for the Project. This includes preparation, implementation and financing of all LAR tasks and cross-agency coordination. YM exercises its functions with respect to the Project through the Project Implementation Unit. The PIU Resettlement Specialists (RS) is responsible directly to the PIU head for the general management of the planning and implementation of all LAR tasks.

202. The RS will be responsible for: (i) cooperation with cadastral services; (ii) assisting the consultants in mapping, surveying and title verification activities; (iii) issuing the LARP to ADB for review, (iv) disclosing the LARP; (v) planning and management of LARP implementation and the distribution of compensation; (vi) assisting in case of complaints; (vii) ensuring proper internal monitoring. The RS will also provide all needed documentation to ensure the prompt allocation of LAR budgets to the APs and will maintain the coordination of all LAR related activities. In addition, the PIU RS will serve as a liaison between the resettlement specialists of the DESC, YM, PGC, EA, the State Cadaster, ADB and will develop and maintain direct relationships with government authorities with respect to LAR tasks. Depending on the scope and complexity of works during the LARP implementation. The PIU will engage more specialists when required.

203. A Project Governing Council (PGC) is made up of representatives from the YM, concerned ministries and chaired by RA Prime Minister. It has been established to oversee the Project and in accordance with regulations approved by RA Prime Minister's Decree No 892-A as of October 26, 2009 to make decisions based on its vested right

Figure 9-1 Land Acquisition and Resettlement Organogram and Actions



204. Different consultants have been involved in the preparation and implementation of the LARP.

- (i) **Detailed Engineering and Construction Supervision Consultant (DESC)** - includes international and local LAR capacity and survey teams which carried out activities necessary for preparation of this LARP. DESC will assist in the overall supervision of the section 9 with respect to LAR activities.
- (ii) **External Monitoring Agency (EMA):** This consultant hiring procedure is in process. The EMA will conduct the external monitoring and evaluation of the implementation of this LARP
- (iii) **Independent Detailed Measurement and Asset Valuers:** This is an accredited private firm hired by DESC for measurement and assets inventory as well as evaluation of the affected assets during the preparation of this LARP.

9.3 Other agencies and Institutions

205. Several other Government agencies play instrumental roles in the LAR processes. These are:

- (i) **The RA Ministry of Finance:** The budget funds for the implementation of the LARPs (apart from the budget for land compensation and land acquisition related taxes, duties, fees and transaction costs) will be provided to YM by the RA Ministry of Finance after the official approval of the final LARP by RA Government;
- (ii) **The RA Ministry of Labor and Social affairs:** is responsible for providing information about vulnerable AHHs registered in the family benefit system (ESVF and receive a family allowance;
- (iii) **State Committee of Real Estate Cadaster of the GoA:** is responsible for providing information about the status of real estate ownership, and is in charge of the state registration of ownership;

- (iv) **Head of the administrative district of Yerevan:** is responsible for approval of references of illegally used land plots;
- (v) **Local Courts:** In case of expropriation issues. YM will have to rely on the Yerevan City Court which, based on due legal process, will have to review the expropriation cases, carry out a hearing and decide whether the land can be expropriated and if so, what would be fair price.

9.4 LARP Implementation Capacity

206. The EA/PIU gained experience for LARP implementation during the preparation and implementation of LARPs for other project sections and has sufficient capacity now for implementation of this LARP. An experienced Implementation team will be hired and mobilized by PIU for the implementation of this LARP. Besides. ADB periodically organizes training workshops on aspects of LARP implementation under its RETA 7433: Mainstreaming Land Acquisition and Resettlement Safeguards in Central and West Asia Region, in which the PIU safeguards staff are invited to participate.

10 LAND ACQUISITION AND RESETTLEMENT PLAN IMPLEMENTATION PROCESS

10.1 Background

207. This Chapter describes the steps taken to prepare this LARP and the future activities required to ensure its successful implementation. A timeline and implementation schedule is presented at the end of the chapter.

10.2 Land Acquisition and Resettlement Plan Preparation Actions

208. The IA will begin the implementation of LARP immediately after its approval by the ADB and GoV of RA. During LARP implementation, and in order to implement the LARP effectively, the PIU will hire additional LARP implementation specialists depending on the workload. The PIU has already initiated some actions as groundwork and certain preparatory tasks regarding the implementation of the LARP have been successfully completed. The following are the particulars of the main preparatory tasks completed to date:

- (i) Establishment of the Project Implementation Unit (PIU);
- (ii) Establishment of the official cut-off date as of 22 February, 2016;
- (iii) Identification and calculation of impacts. AP numbers and costs data based on the existing LARF provisions;
- (iv) Final public consultations;
- (v) Disclosure of assets description protocols to all APs⁴⁴;
- (vi) .Appointing of External Monitoring Agency (EMA)⁴⁵;
- (vii) Endorsement of this LARP by the PIU and its submission to the ADB for approval in the form of this document.

⁴⁴. All protocols except 13 problematic cases have been already submitted to APs. 23 protocols have not been signed. 5 APs have refused to sign the protocol (One AP wants to alienate the property completely and has submitted a claim to the Court, the second AP raises the complaint to resolve the issue related to the sewage system. Third AP insists do not alienate the land plot, the residential house on which is affected by the Project. One AP thinks that the retaining wall to be constructed close to his property will not protect his property from the wastes of sewage and trash. The next AP doesn't agree that actually his land plot with fence is deviated 1m to the neighbour's property which is not affected, because of which the land impact is decreased by 1sqm.), 5 APs are out of RA, 13 APs were not able to sign because their properties are under LCAP. Per RA Eminent Domain Law, requirements IA will send protocols to APs. According to the law the APs have the right to appeal to the IA in ten days period after receiving the protocols.

⁴⁵ The tender for appointment of External Monitoring Agency (EMA) is in process and it is planned to mobilize it prior to the start of LARP implementation

10.3 Land Acquisition and Resettlement Plan Implementation Milestones

209. IA will provide adequate advance notice to the APs and pay their due compensation based on the eligibility criteria defined in this LARP for resettlement including relocation and income restoration/assistance prior to the start of construction work.

210. The following process of compensation disbursement to the APs in accordance to Project LARF and Armenian Laws and Regulations is described below:

- (i) **Sending of Draft Acquisition Contracts and agreements:** As soon as LARP is approved by ADB and RA Government. IA will send the draft contracts and agreements to APs. APs should incorporate their bank account numbers in the draft contracts and agreements. IA should sign a final contract/agreement with AP within 3 months after dissemination of the draft contract/agreement.
- (ii) **Signing of the contracts and agreements:** PIU will sign contracts with APs for disbursement of compensation for legal properties and will sign agreements without notary verification for disbursement of allowances.
- (iii) **Expropriation procedure:** In case the acquisition contracts are not signed by APs (owners and other property right holders) within 3 months after dissemination of the draft contract for some reasons (disagreement of APs. unresolved legalization issue etc.), the amount of compensation will be pledged in the names of the APs on the court deposit account. AP has a right to take the amount from deposit account within 7 days. In this case, contract will be considered as signed. Otherwise. IA will initiate expropriation procedure and will transfer the case to the court. In case of expropriation, the subject for Court's discussion can only be on the compensation amount. Court's decision on compensation amount for the property and other assets to be acquired will be the basis for the acquisition of land. In such cases, no construction works on the particular plot will start until court decision is obtained and enters into force.
- (iv) **Payment of Compensation/Allowances:** The compensation amount will be paid within 15 days after contract signing and the 15% will be paid after the AP hands over the property according to a handing act. The compensation will be transferred to the AP's bank account.
- (v) **Vacation of Site:** The APs will have 30 days to relocate from the date of delivery of full compensation/allowances. Within this time they should manage to dismantle and remove all salvageable material for rebuilding of houses and re-establishment of businesses. IA reserves the right to demolish such structures if the AP has not done this by the agreed deadline.

211. Grievances or objections (if any) will be redressed as per the grievance redress procedure adopted in this LARP. All activities related to LAR will be completed prior to commencement of civil works.

10.4 Legalization and Correction Action Plan

212. While finalizing the LARP, based on the analysis of census data, data received from the different governmental authorities, as well as the implemented DMS some typical cases and legalization issues have been identified and those need to be addressed during LARP implementation. The signing of acquisition contracts is impossible without resolving these issues, otherwise these cases will be considered for the expropriation process in the court. Therefore the Legalization and Correction Action Plan (LCAP) is developed under this LARP to be implemented during the LARP implementation. The LCAP cases are divided into two main typical groups:

- (i) Cases related to the legalization of APs/assets
- (ii) Cases related to the cadastral corrections

10.4.1 Cases related to the legalization of APs

213. According to LARF principles the legalizable APs may be legalized and receive full compensation considered by the Entitlement matrix and compensation eligibilities defined in LARF. According to “Conditions for Legalization” defined in LARF the legalizable APs are those APs who do not have state registered property or other property rights on the affected land and other assets but who have certain legal expectations arising from the force of law or actual usage or possession of property or the possibility of obtaining the property rights directly arise from or are defined by the RA legislation. The legalization issues of typical in nature are:

- (i) Issues related to absentee APs.
- (ii) Issues related to inheritance.
- (iii) Issues related to certificate of registration of rights
- (iv) Issues related to properties with encumbrance

Absentee APs from Armenia

214. There are 5 APs who are living outside Armenia. 4 of them have provided the necessary documents (passports, certificates of right registration etc.). Only the passport copy (and the required documents) of 1 AP who is living in Spain could not be obtained. As passport is an important document to initiate the acquisition process, verification of right individual payment of compensation, it is necessary that all the relevant documents are available for IA. Further, AP's presence is required for acquisition of their property. However, the Armenian law provides a mechanism to acquire private property in case the owners cannot be present or found for the said purpose. In order to address the issue of absentee landowners, who cannot make themselves available, the following procedure will be initiated:

- (i) Contact details and other possible information about absentee owners will be collected from the community authority, relatives and friends.
- (ii) APs will be informed/notified about the acquisition of their land/property (sending of draft contracts) and measures undertaken requesting their participation.
- (iii) If AP still expresses her/his inability to be present, s/he will be advised to send a power of attorney in the name of a representative, who will act on her/his behalf in signing the contract.
- (iv) In case of non-signature of the contract from the owner or her/his representative, then the property will be legally expropriated through the Court process and the compensation will be transferred to the court deposit account. The Court will pay this compensation to any person who establishes his/her legal entitlement to receive it by presenting the relevant legal documents.

Problems related to inheritance

215. There is one case where the family members or the inheritors of the AP have to change the ownership right after the death of his/her ancestor. According to the Cadaster data the mentioned AP is the owner. But that part of the land plot and the structures on it, which is affected by the Project, is illegally used by the other AP. The reregistration of the property inquires identification of real inheritors and after acknowledging of property right, the property should be separated between 2 different users/owners.

216. In order to address the issue of inheritance, the following steps to be undertaken:

- (i) The LARP implementation team will approach the community authority, relatives and friends to get information on the deceased owners' heirs, their place of residence, actual possession of property;
- (ii) Based on the information collected, the LARP implementation team will prepare a list of documents required for the acceptance of inheritance. The legal heirs will be asked to

prepare the documentation for legacy acceptance and if required, necessary support will be provided by the LARP implementation team in compiling the documents for legal heir acceptance.

- (iii) Once the documents for legacy acceptance are compiled, the APs will be asked to apply to the notary office. If anyone of the heirs is out of the Republic of Armenia, then he/she will have to send the notarized power of attorney (with apostils) stating that s/he accept his/her share of inheritance for the registration of rights. The power of attorney shall be translated into Armenian and approved by the notary.

217. The LARP implementation team will provide the required assistance to the APs as and when necessary to register their rights of inheritance.

218. If there is a conflict between the heirs with respect to the ownership or the deadline of intended 6 months for the acceptance of inheritance is expired, then the issues related to the inheritance are regulated by the court. If the heirs do not object to the essential terms of the property acquisition contract, but there are legal obstacles for the notary in accepting the inheritance, a three months window period available to resolve the same and initiate the acquisition process.

Issues related to certificate of state registration of rights

219. There are 2 cases where issues are related to certificate of registration of rights of APs. For all 3 cases the certificate of state registration of rights is not available, particularly in one of the cases the legal document that confirms the property right is the Yerevan Master Plan, but the ownership right is not registered in SCREC by ownership certificate, for the other case the ownership status was confirmed by the data provided by SCREC, as well as the technical passport of the property is available, that confirms the property right, however, for this case also the ownership right is not registered in SCREC by ownership certificate.

220. For both cases, the legalization procedure should be initiated by the APs with assistance of LARP implementation team, namely: the LARP implementation team will assist APs to collect all necessary documents needed for the state registration of their rights in SCREC and get the ownership certificate. DESC will prepare the relevant layouts needed for this procedure in the format defined by SCREC.

Properties under the encumbrance

221. According to the RA legislation, the properties can be under the following encumbrances: (i) mortgage/pledge, (ii) arrest and (iii) hypothecated. Based on the analysis of the data received from SCREC. 5 cases (land plots) are under encumbrances. 1 of which is under the pledge and is under the arrest simultaneously. 3 are under the pledge and 1 is in the Court. Prior to the signing of acquisition contract, the property to be acquired under arrest should be discharged; otherwise, the expropriation procedure will be initiated for such cases. The following actions are to be performed to have the freezing order discharged for the property to be acquired under freeze:

- (i) Identify the lender; understand the reasons for putting the property under freeze, and process to unfreeze (ex. request the SCREC adjunct to the RA government and The Ministry of Justice Service for Compulsory Enforcement of Judicial Orders).
- (ii) Ask the debtor (property owner) to negotiate with the lender and take actions for discharging the property under freeze (ex. to sign the settlement and submit it for the court's approval).
- (iii) Support the debtor (property owner) to prepare the above mentioned and other related documentation.
- (iv) Support the debtor (in case of the latter's disagreement support the lender) to apply to the court to discharge the property under freeze, in case of settlement between the lender and the debtor is not reaches.
- (v) Other needed actions can be initiated to assist the AP to solve the issue with encumbrances.

222. In all legalization cases, the APs will have to initiate a correction process as described above. Where necessary, the LARP implementation team will support in guiding the APs in submitting the required supporting documents to the relevant authority. As defined by LARF, the legalization expenses can be paid from the compensation amount allocated by the RA/YM, if it is acceptable for AP.

10.4.2 Cases related to the cadastral corrections

223. As a result of analysis of Cadastral map and data, as well as implemented DMS (actual measurement) there were revealed cases, when the impacts identified by DMS per actual coordinates of affected land plots and the coordinates of affected land plots per Cadastral map/data are not corresponds to each other. in particular:

- (i) Four properties are actually affected, but the coordinates of affected land plots should be corrected in the cadastral map and data based on the actual measurement coordinates.
- (ii) Five properties in G3 district which are actually not affected can be removed from the LARP after the correction of their cadastral coordinates.

224. During the LARP preparation, the details of all these cases have been presented to the SCREC with relevant layouts for correction, which is now in process.

225. The legalization and correction cases will be implemented by the Aps, including the required expenses (needed layouts for cadastral corrections which have been prepared by DESC and submitted to SCREC). However, all described legalization and correction cases can be assisted by the PIU only if APs agree to initiate such procedures as described above. The list of legalization and correction cases with details and AHs involved is presented in Table 10-1.

Table 10-1 List of Cases for Legalization and Cadastral Correction

No	Cadastral Lot-Codes	Description of issue
Legalization cases		
1	0149-0020	<i>Issue related to certificate of registration of rights:</i> The legal document that confirms the property right is the Yerevan Master Plan. The property should be registered in the SCREC defined by the ownership Certificate.
2	0149-0005 0149-1201	<i>Issues related to inheritance and certificate of registration of rights:</i> The owner of the lot-code 0149-0005 is deceased according to the data provided by the SCREC. The legal document that confirms the property right is the technical passport of the property; the ownership state certificate is not available. The part of the land plot and the structures on it, which is affected by the Project, is illegally used by the other AP. They have the separate entrances from the different streets. The property should be reregistered and separated between 2 different users/owners in order to identify the real AP under the Project.
3	0148-0006	The owner is out of RA.
4	0317-0010	The owner is out of RA.
5	0147-0025	The owner is out of RA.
6	0149-0014	The owner is out of RA. The passport copy and the required documents could not be obtained.
7	0149-0051	The owner is out of RA.

No	Cadastral Lot-Codes	Description of issue
8	0051-0034	<i>Issues related to properties with encumbrance:</i> According to the SCREC the property is under the pledge from 04.05.2007 in the name of "ArmEconom Bank" OJSC.
9	0148-0007	<i>Issues related to properties with encumbrance:</i> According to the SCREC the property is under the pledge from 08.05.2015 in the name of "Anelik Bank" CJSC.
10	0069-0030	<i>Issues related to properties with encumbrance:</i> According to the SCREC there is an issue with the property which is now in the court from 04.11.2014. The case has entered the judicial proceedings (ԵԱԴԴ 0095/04/15).
11	0149-0007	<i>Issues related to properties with encumbrance:</i> According to the SCREC the property is under the pledge from 23.12.21013 in the name of "Ararat Bank" OJSC.
12	0149-0044	<i>Issues related to properties with encumbrance:</i> According to the SCREC the property is under arrest by CES as a pledge in the name of "Artsakh Bank" CJSC.
Cadastral correction cases		
13	0148-0003	<i>Cadastral issue:</i> There is a discrepancy between the actual measurement and the Yerevan Master Plan. According to the actual measurement the total sqm of the land plot is 701.45 sqm and based on the Master Plan it is 624.3 sqm. The AP has applied to the topography department of the YM for additional measurement and correction. Affected sqm can be identified accurately only after getting the new Master Plan from the YM based on which the property should be registered in the SCREC defined by the ownership Certificate.
14	0050-0023	<i>Cadastral issue:</i> The actual limits of both private land plots overlap with the adjacent land plot. The surface area (sqm) of the land plot identified by actual measurement and defined by the ownership certificate corresponds to each other. The affected sqm can be identified correctly only after correction of land limits in the Cadaster map of SCREC.
15	0050-0022	
16	0141-0002	<i>Cadastral issue:</i> The affected sqm can be identified accurately only after correction of land limits by SCREC. At the request of the MY/PIU the SCREC should change the coordinates of this land plot to avoid any impact on it.
17	0109-0029	<i>Cadastral issue:</i> The land plot is affected according to the Cadaster map and is not affected according to the actual measurement. Currently the Administration of Architecture and Urban Planning of YM is adjusting the coordinates after which the SCREC will correct the Cadaster map.
18	0103-0094	<i>Cadastral issue (G3 district-potentially removable properties):</i> As a result of excavation along actual boundaries of land plot 0103-0120 of Ajapnyak community it turned out that in Cadaster map this property is located about 9 m ahead towards Ashtarak highway. Since the limits of the land plots 0103-0118. 0103-0119. 0103-0094. 0103-0095 of the same Cadaster district has not been actually staked they are affected according to the Cadaster map and are continuation of the land plot 0103-0120 (the latter is not actually affected). According to the official reply of the RA SCREC, the indicated land plots cannot be possibly corrected because in order to correct them it will be required to correct G3
19	0103-0095	
20	0103-0118	
21	0103-0119	

No	Cadastral Lot-Codes	Description of issue
		district completely. In correcting district G3 some properties overlap with those of "Vahagni District". Also some properties built in G3 district do not correspond to the design layout of the district.
22	0103-0120	Currently the Administration of Architecture and Urban Planning of the YM is adjusting the coordinates, after which the Cadaster Committee will correct the Cadaster map. After the correction, the mentioned lands can be removed from the LARP as now they are affected only per Cadastral map/data.
23	0149-0028	<i>Cadastral issue:</i> According to the Cadaster data this is a leased land plot (the date of the lease agreement is expired) with ice cream kiosk on it. According to the DMS data such kind of structures were not identified in the field. There are not any signs of usage of that land plot in the nature.

226. All changes made in impact and compensation during the LARP implementation will be monitored and presented in the Semi-annual Social Safeguards Monitoring Reports (SSMR). Quarterly Progress Reports (QPR) and Compliance Report.

10.4.3 Impacts during the construction period

227. In cases if during the construction period any impacts emerge due to the Contractors activities, particularly if the business is affected due to temporarily blocked access or any improvements of APs (crop, tree etc.) are damaged the compensation of APs will be covered by the Contractor's own account with the following procedure: (1) the impact will be assessed and protocolled by the Contractor and signed with Aps, (2) the compensation to APs will be assessed in accordance to the set entitlements of LARF and valuation methodology defined by this LARP, (3) the AP will be properly informed about this, (4) compensation agreement will be signed with AP. All actions carried out will be reported to the Employer and DESC providing the copy of signed protocol and agreement.

10.5 Land Acquisition and Resettlement Plan Implementation Schedule

228. The timeline presented in the following table shows the distinct stages of LARP preparation, finalization and implementation.

Table 10-2 Timeline for Land Acquisition and Resettlement Plan Preparation. Finalization and Implementation

Methodology Tasks	Task Name	Responsibility	Start	Finish
IMPLEMENTATION READY LARP PREPARATION TASKS				
PRELIMINARY STUDY			17/11/2014	25/08/2015
Milestone 1	Step_01 Acquiring Cadastral map and Data		17/11/2014	19/03/2015
Task 4	Submission of Draft Detailed Design to Cadaster Committee for getting information about affected properties (lot-codes)	PIU	17/11/2014	17/11/2014
	Answer of Cadaster Committee/YM	PIU/Cadaster Committee	03/03/2015	18/03/2015
	Preparation of Final List of affected properties for GoA Decree for Preliminary Study	PIU/DESC	18/03/2015	19/03/2015
	Step_02GoA Decree for Preliminary Study		16/03/2015	25/06/2015
Task 3	Provision of revised description protocol format	PIU	16/03/2015	09/04/2015

Methodology Tasks	Task Name	Responsibility	Start	Finish
IMPLEMENTATION READY LARP PREPARATION TASKS				
	Confirmation of applying the current LARF/or provision of revised version	PIU	26/03/2015	26/03/2015
Task 4	Preparing by PIU of the package for Preliminary Study GoA Decree	PIU	30/03/2015	20/05/2015
	Approval of GoA Decree for Preliminary Study (Assumption : 45 days between the submission of the request and the approval)	GoA	17/06/2015	21/05/2015
Task 5	Public Consultation (including preparation)	PIU/DESC	19/03/2015	25/06/2015
	Step_03 Social and DMS surveys		29/06/2015	08/08/2015
Task 6	Detailed Measurements of Assets	DESC	29/06/2015	27/07/2015
	Inventory of Assets	DESC	29/06/2015	27/07/2015
	Preparing the draft Maps (plans)		09/07/2015	25/08/2015
	Collection of documents of APs	DESC	04/07/2015	19/07/2015
	Conducting of Census and SES	DESC	06/07/2015	23/02/2016
Task 8	Valuation of Assets	DESC	14/07/2015	29/08/2015
	Entering data in the Data Base	DESC	03/08/2015	25/08/2015
	FINAL LARP PREPARATION TASKS		04/07/2015	10/09/2016
	Step_01 Eminent Domain Decree		04/07/2015	21/12/2015
Task 7	Finalization of Final Detailed Design (EDD)	DESC	04/07/2015	26/08/2015
	Preparation Final list of affected properties for EDD	DESC	09/07/2015	27/08/2015
	Initiation of GoA Decree Eminent Domain by PIU	PIU	28/09/2015	08/10/2015
	Approval of Eminent Domain Decree by GoA	GoA	3/12/2015	21/12/2015
Milestone 2	Step_02 Preparation and submission final maps to APs		12/12/2015	18/02/2016
Task 1	Public Consultation presenting valuation methodology and Design	PIU/DESC	04/12/2015	19/12/2015
	Updating/verification of Detailed measurements of Assets	DESC	11/12/2015	30/12/2015
	Preparing of Maps (plans) and description protocols	DESC	12/12/2015	22/12/2015
	Submission of Maps to APs for notification about affected/not affected part	PIU	19/12/2015	22/12/2015
	Obtaining of Missing references to be approved or refused by head of the district	PIU/Head of the district	20/10/2015	17/03/2016
	Obtaining of Clarification from MoF	PIU/MoF	21/03/2016	11/04/2016
	Resolving Cadastral issues	PIU/Cadastral Committee	24/11/2015	ongoing
	Obtaining limitations of Private Properties from Cadastral Committee	PIU/Cadastral Committee	22/01/2016	15/02/2016
	APs request on acquiring the non-affected part of their property	PIU	21/12/2015	19/02/2016
Task 3	Signing of description protocols with APs	DESC	08/01/2016	23/03/2016
Task 4	Valuation of assets/calculation of allowances	DESC	13/01/2016	24/03/2016
	Entering data in the Data Base	DESC	08/01/2016	24/03/2016
	Step_03 LARP Finalization		11/01/2016	10/09/2016
Task 3	Submission of signed protocols to PIU	DESC	11/01/2016	23/03/2016
	Notification of signed protocols to APs	PIU	21/01/2016	01/04/2016

Methodology Tasks	Task Name	Responsibility	Start	Finish
IMPLEMENTATION READY LARP PREPARATION TASKS				
Task 4	Data checking and analysis	DESC	29/01/2016	04/04/2016
	Preparation of Final LARP documents	DESC	04/04/2016	14/04/2016
	Submission of Final LARP to PIU for comments	DESC	15/04/2016	15/04/2016
	Submission of Final LARP to ADB for comments	PIU	22/04/2016	22/04/2016
	Finalizing LARP according to ADB comments	DESC	07/05/2016	19/05/2016
	Submission of finalized LARP to ADB for approval	PIU	20/05/2016	20/05/2016
	ADB approves LARP	ADB	21/05/2016	09/06/2016
Task 4	Armenian version of LARP	DESC	10/06/2016	19/06/2016
	RA Government approves LARP	GoA	20/07/2016	20/08/2016
	RA Government approves LAR Budget	GoA	20/07/2016	20/08/2016
Task 3	Preparation of Valuation reports for All assets	DESC	20/08/2016	19/09/2016
	Posting approved LARP document on ADB and YM websites	ADB and PIU	25/08/2016	25/08/2016
	Disclosure of LARP information pamphlet to APs	PIU	02/09/2016	10/09/2016
LARP IMPLEMENTATION⁴⁶			20/8/2016	7/4/2017
	Allocation of LAR budget to YM	MoF	20/8/2016	
	Identification of potential expropriation cases	PIU	21/1/2016	17/1/2017
	Draft contracts sent to APs	PIU	9/10/2016	19/10/2016
	Signing contracts	PIU	10/10/2016	17/1/2017
	Disbursement of compensation	PIU	11/10/2016	27/1/2017
	Finalization of expropriation. provision of expropriation injunctions	PIU	17/1/2017	17/4/2017
	Preparation of LARP Compliance Report	EMA	9/10/2016	16/2/2017
	Submission the LARP draft Compliance Report to ADB	PIU	20/2/2017	25/2/2017
	ADB reviews the LARP Compliance Report	ADB	5/3/2017	20/3/2017
	Submitting the LARP final Compliance Report to ADB	PIU	25/3/2017	30/3/2017
	ADB approves the LARP Compliance Report	ADB	30/3/2017	5/4/2017
	Handing over of the site to the Contractor	PIU	6/4/2017	6/4/2017
	Commencement of civil works	Contractor	7/4/2017	7/4/2017
	Monitoring	PIU/EMA/	ongoing	
	Grievances redress	PIU	ongoing	

⁴⁶The provision of LARP implementation in compliance with the presented schedule is closely related to the success of the legalization process, as well as to the number and resolution of initiated expropriation cases, thus the presented schedule can be changed based on the LARP implementation progress.

11 MONITORING AND EVALUATION

11.1 Background

229. The implementation of LARP will be subjected to both internal and external monitoring. Internal monitoring will be conducted by the PIU. External monitoring is assigned to an external monitoring agency (EMA) to be hired by YM and approved by the ADB.

11.2 Internal Monitoring

230. Internal monitoring will be carried out routinely by PIU both directly and with the support of additional specialists hired for the LARP implementation. The results will be communicated to ADB through the quarterly Project implementation reports as well as through the semi-annual resettlement monitoring report(s). Indicators for the internal monitoring will be those related to processes immediate outputs and results which allow for the assessment of the progress and results of LARP implementation and the adjustment of the work program if necessary. Specific monitoring benchmarks will be:

- (iii) The information campaign and consultation with APs;
- (iv) Status of land acquisition and payments on land compensation;
- (v) Compensation for affected structures and other assets;
- (vi) Relocation of APs;
- (vii) Payments for loss of income;
- (viii) Selection and distribution of replacement land areas; and
- (ix) Income restoration activities.

231. The above information will be collected by PIU which is responsible for monitoring the day-to-day resettlement activities of the Project through the following instruments:

- (i) Review of census information for all APs;
- (ii) Consultation and informal interviews with APs;
- (iii) In-depth case studies;
- (iv) Sample survey of APs;
- (v) Key informant interviews; and
- (vi) Community consultation meetings.

11.3 External Monitoring

232. External monitoring will be carried out by the consulting company which is an External Monitoring Agency (EMA) to be selected by the YM and approved by ADB.

233. External Monitoring entails two types of activity: a) short term-monitoring and evaluation of LARP implementation and compensation delivery and b) a long-term evaluation of the rehabilitation effects of the LARP program.

11.3.1 Short term Monitoring and Evaluation of Land Acquisition and Resettlement Plan Implementation

234. This task will be carried out in parallel with the implementation of each LARP activity and will entail extensive field visits and communication with AP and IA. This task will result in a final Compliance Report indicating whether the compensation program has been carried out based on the provisions of the LARF and ADB policy and with the satisfaction of the APs. The Compliance report will be communicated to PIU/YM and ADB. Approval of Compliance report by ADB will be a condition to start civil works. The Compliance Report will include the following:

- (i) A verification of AH and AP numbers;
- (ii) A verification that the impacts assessment in the protocols fit actual impacts;
- (iii) A verification that the unit compensation rates used in the valuation reports, contracts and agreements fit LARP provisions;
- (iv) A verification that compensation was delivered to all AHs and in the amounts defined in the LARP;
- (v) An assessment of the way the compensation process was conducted/timed in relation to LARP provisions and effectiveness parameters;
- (vi) A review of grievance cases including an assessment of whether grievance resolution was carried out in accordance with LARP provisions and with AP satisfaction;
- (vii) An assessment of AP's satisfaction based on a survey based on a 25% sample of the AH;
- (viii) An assessment of the conducting and completion of expropriation cases;
- (ix) An assessment of the conducting of public consultation and IA-AP communication;
- (x) An assessment of the delivery of allowances to severely affected, vulnerable and resettled APs; and
- (xi) A final assessment of the appropriateness or not of LARP implementation. If LARP implementation is not satisfactory the final assessment will detail the necessary corrective measures.

11.3.2 Long-term Evaluation of the Rehabilitation Effects of the Land Acquisition and Resettlement Plan

235. This task will be carried out 1 year after the end of LARP implementation to find out if the LARP rehabilitation objectives have been attained or not. The SES data included in this LARP will provide the benchmarks to compare pre and post project conditions. The study will detail:

- (i) Socio-economic conditions of the APs in the post-resettlement period;
- (ii) Communications and reactions from APs on entitlements, compensation, options, alternative developments and relocation timetables etc.;
- (iii) Changes in housing and income levels;
- (iv) Valuation of property;
- (v) Grievance procedures;
- (vi) Disbursement of compensation;
- (vii) Level of satisfaction of APs in the post resettlement period;

- (viii) Level of restoration of the economic and social base of the affected people;
- (ix) Changes in living standards and livelihoods of the APs;
- (x) The long-term effectiveness, impact and sustainability of entitlements. and
- (xi) Need for further mitigation measures and lessons learned.