

Resettlement Plan

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ARM: Sustainable Urban Development Investment Program –Tranche 2 Argavand - Shirak Road Link

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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 Argavand - Shirak Road Link

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
GoA	Government of Armenia
IA	Implementing Agency
IPSA	Initial Poverty and Social Assessment
IMA	Independent Monitoring Agency
LAR	Land Acquisition and Resettlement
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement 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 that in the SPS-2009, this is how it is understood and officially used in Armenia, and practically 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 – Payment in cash 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 the entire Project 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.

Host population - Community residing near the area where the Project beneficiaries propose to voluntarily resettle as part of the Project.

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 A building that is not cadastral unit, according to procedure established by the RA legislation, but is liable to receive a legal status. 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). As of 2007, Armenia includes 915 communities (49

urban and 866 rural). 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, the replacement cost of houses and structures (current market price of building materials and labour 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 per cent 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 is financed by the Asian Development Bank (ADB) under a Multi Tranche Financial Facility (MFF). It is implemented by the RA Ministry of Economy, as the Executing Agency (EA), and the Municipality of Yerevan (YM), as the Implementing Agency (IA). The main objective of the Project is to complete missing road connections in the western urban ring road link in the city of Yerevan.
2. The Project includes the following 3 Subprojects: (i) Argavand-Shirak Road Link, (ii) Davitashen-Ashtarak Road Link and (iii) Babajanyan-Ashtarak Road Link.
3. The Project requires substantial land acquisition and resettlement (LAR) with more than 200 affected persons (AP). This has been classified as Category A Project according to ADB guidelines.
4. To facilitate the implementation of the LARP for the entire Project, the Project area was divided into the following 4 parts for which separate LARPs will be prepared. There will be 2 LARPs under subproject Babajanyan-Ashtarak Road Link which is divided into sections. One LARP includes section 6 and 7, the second LARP includes section 8 (see Figure 1-2 Project Location Map). Remaining 2 LARPs refer to Argavand-Shirak Road Link and Davtashen-Ashtarak Road Link.
 - (i) LARP for Argavand-Shirak Road Link;
 - (ii) LARP for Davitashen-Ashtarak Road Link;
 - (iii) LARP for Babajanyan-Old Silikyan
 - (iv) LARP for Old Silikyan - Ashtarak Roan Link.
5. This LARP addresses the LAR impact which foresees construction of a link between Argavand Highway and Shirak Street t of length approximately 1.3km. The LARP is based on the final detailed engineering design.

II. Land Acquisition and Resettlement Plan Objective and Scope

6. The main objective of this LARP is to identify persons affected by the Argavand-Shirak Road Link Subproject and to assist them to restore their livelihoods. LARP complies with Armenian law and the ADB Safeguard Policy Statement (SPS).
7. The scope of LARP includes: (i) the profile of the APs, (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

8. AH/AP Census Survey and DMS of all affected assets was carried out from December 2012 to March 2013 and Census of 2 AHs was conducted in April 2015.
9. LARP identifies 29 affected land plots. From which
 - (i) 9 are privately owned by 8 AHs,
 - (ii) 1 land plot is leased by 1 AHs from Argavand community,
 - (iii) 1 land plot has a Community Right to Build and used by 2 AHs

- (iv) 12 land plots owned by YM and 1 by Argavand community are illegally used by 12 AHs
- (v) 1 land plot owned by Getapnya and 2 land plots owned by Argavand community are directly used by the communities.
- (vi) 2 land plots are owned by the Republic of Armenia (RA)

10. In total 16 buildings and structures (393.05 m²) will be demolished and all of the structures are non-residential. Additionally affected 2 structures will be renovated (39.03m²) and 1 movable structure (1.94m²) will be relocated. In total 1,007.96 m² of improvements will be affected as well as 265.55lm and 21.25 m² fences /walls.

11. 25 m² of crops, 53 fruit trees as well as 56 wood and 79 decorative trees will be affected. Five businesses will be affected, of which 4 permanently 1 temporary. There will be 3 affected employees.

12. The Census identified 26² families, including owners, renters and users of the lands/buildings, business owners and employees with a total of 105 members. 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 AFs/APs, presented at the end of this section. In total, the Subproject 1 will impact land plots of 22 families, buildings and structures of 12 AHs, trees/crops of 6, businesses of 5, and employment of 3 persons from 3 AHs. Out of 26 AH 3 AHs are severely affected losing 10% or more of agricultural income and 2 are vulnerable AHs.

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

Impact Category	Total				Remarks
	No of units	No of AHs	No of AHs (without double counting)	No of APs	
A. Impact on Land					
A1. Agriculture	3	3	3	12	
A2. Commercial	18	15	15	58	2 AHs have 5 commercial lands
A3. Other land	6	4	4	17	3 land plots are directly used by community. Two AHs have 1 land plot.
A4. Special land (river, channel, other Government land)	2	0	0	0	
B. Impact on Buildings					
B1. Commercial	16	9	0	0	All AHs (40 APs) are included in A2
C. Impact on Trees and Crops					
C1. Fruit Trees	53	3	0	0	1 AHs is included in A1 (7 APs) and 2 AHs are included in A2 (11 APs)
C2. Wood/ decorative trees	56	2	0	0	All AHs are included in A1 (6 APs)
C3. Crops	25	1	0	0	1 AH is included in A2 (6 APs)
D. Impact on Business					
D1. Loss of business	5	5	1	3	4 AHs (19 APs) are included in A2
D2. Loss of employment	3	3	3	15	
Total	-	-	26	105	

13. A socio-economic survey (SES) of affected families was conducted from 14 April 2013 to 20 April 2013. Due to minor changes in design, the Census and the LARP were updated in April and May 2015. 23 of a total of 26 households were surveyed. SES covered 88.5% of the project AHs. There are 2 vulnerable female-headed households. The PIU conducted consultation with new 2 APs from Argavand on 30 March 2015, and informed them about the project, entitlements, grievance

² Because of the adding of the right turn 2 new AHs became affected in Argavand. 3 AHs which were affected before came out of the corridor of impact in Shirak street because of narrowing of the sidewalk. So, 27+2-3=26

redress mechanism and gave other project related information. On May 6, 2015 PIU organised a working discussion with the AP's from Shirak street.

IV. Compensation Policies and Rehabilitation Measures

14. According to the adopted Land Acquisition and Resettlement Framework (LARF), which is based on Armenian laws and ADB 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. Entitlement Matrix, relevant to impact of this Subproject is provided below.

15. Compensation eligibility is limited by a cut-off date set for this Project on April 30, 2015, 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)³

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	Illegal Users	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).
		Leaseholder (community/state)	AH 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%.
		Illegal Users	These APs will receive a rehabilitation allowance equal to 25% of the affected land market or cadastral value (whichever the highest)
3. Non-residential buildings/assets	AHs losing non residential structures	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.
4. 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.
5. 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.

³ As 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
6. Business loss	Business	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; (ii) (temporary impact) cash indemnity of net income for months of business stoppage up to 1 year. 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 number of months of business stoppage up to 1 year. The maximum nontaxable salary is equal to minimum salary.
7. Employment losses	Temporary employment loss	Employees that were registered in the affected business 2 months prior cut-off date	Indemnity equal to: temporary loss minimum monthly salary for the number of months of job loss up to 6 months.
8. Allowances for Severe Impacts	AH with >10% agricultural income loss	All severely affected AHs	1 additional crop compensation covering 1 year yield for APs affected by severe agricultural income losses
9. Relocation allowances	Transport costs	All AH	Provision of funds to cover transport costs
10. Vulnerable People Allowances		AHs below poverty line or headed by Women or elderly people	Allowance equivalent to 6 months of minimum salary and employment priority in Project-related jobs

V. Institutional Setup for the Project

16. 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 RA Prime Minister. The main objective of the Consultant'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 Prime Minister of the RA. According to RA Government N 273 Decree dated March 7, 2012, Project Governing Council is entitled to examine/review the grievances addressed by AP's and to resolve those under its jurisdiction as another link for APs before they apply to the RA judicial bodies.

18. The Detailed Engineering and Supervision Consultant (DESC) has prepared the LARP for the project and will assist PIU during implementation through participation in public consultations and verification of compensation budgets as well as give feedbacks/answers to the claims raised by during LARP implementation and/or review/change description protocols and/or valuation reports if applicable.

19. ADB will periodically supervise the Project, review all LARPs and provide clearance to contract awards, and initiation of civil works.

VI. Land Acquisition and Resettlement Plan Implementation

20. 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. PIU will sign property alienation contracts in line with 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 line*⁴ with RA legislation for the real estate owned, possessed and

⁴ According to RA legislation non-titleholders are not eligible for compensation. PIU will sign compensation

used without ownership right and for the allowances. The APs will not be required to relocate before 30 days have passed from the delivery of full compensation.

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

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

Task/Activity	Responsibility	Start	Finish
LARP PREPARATION TASKS (PPTA stage)			
Social and DMS surveys for Draft LARPs	PPTA Consultant	01/02/2010	01/04/2010
Public consultation	PPTA Consultant	01/02/2010	01/04/2010
Initial land valuation	PPTA Consultant	01/02/2010	01/04/2010
Preparation of Draft LARPs	PPTA Consultant	01/03/2010	01/04/2010
ADB and Government approve Draft LARP	ADB and GoA	10/04/2015	
Disclosure	PPTA Consultant/ PIU/ADB	01/05/2010	
Project appraisal	ADB	01/05/2010	
Loan approval	ADB	01/06/2010	
LARP FINALIZATION			
Hiring the Supervision Consultant	PIU		01/09/2012
Finalization of road alignment	DESC	01/10/2012	01/02/2013
New DMS, Census and Valuation based on the final alignment and amended LARF of July 2012	DESC	01/12/2012	01/03/2012
Establishment of a complaints and grievances mechanism	PIU	01/12/2012	
Consultations, presenting valuation methodology and average rates for the affected properties	PIU/DESC	Dec.2012	01/03/2013
Collection of required information from different ministries	PIU	01/01/2013	01/08/2013
Notification to the APs on impacts and compensation entitlements	PIU	01/04/2013	01/07/2013
LARP preparation and documentation	DESC	03/12/2012	15/08/2013
Submission of Draft LARP to ADB for comments	PIU	16/08/2013	
ADB review and comments	ADB	16/08/2013	03/09/2013
Finalizing LARP according to ADB comments	DESC	11/09.2013	30/09/2013
Submission of finalized LARP to ADB for approval	PIU	20/11/2013	
ADB approves LARP	ADB	09/01/2014	
LARP UPDATE			
Finalization of Design	DESC	19/01/2015	19/01/2015
New DMS, Census and Valuation based on the final Design	DESC	25/03/2015	03/04/2015
LARP preparation	DESC	04/04/2015	12/05/2015
Submission of Draft LARP to ADB for comments	PIU	13/05/2015	13/05/2015
ADB review and comments	ADB	14/05/2015	01/06/2015
Finalizing LARP according to ADB comments	DESC	02/06/2015	17/06/2015
Submission of finalized LARP to ADB for approval	PIU	18/06/2015	18/06/2015

agreements with those APs, who will receive allowances which are not envisaged by the RA legislation.

ADB approves LARP	ADB	23/06/2015	
RA Government approves LARP	GoA	23/07/2015	
RA Government approves LAR Budget	GoA	23/07/2015	
Posting approved LARP document on ADB and YM websites	ADB and PIU	23/07/2015	
Preparation of the disclosure information pamphlet	DESC/PIU	25/06/2015	23/07/2015
Distribution of the disclosure information pamphlet	DESC/PIU	25/07/2015	27/07/2015
LARP IMPLEMENTATION			
Allocation of LAR budget to YM	MoF	23/07/2015	
Identification of potential expropriation cases	PIU	01/04/2013	17/11/2015
Draft contracts sent to APs	PIU	02/08/2015	12/08/2015
Signing contracts	PIU	03/08/2015	10/11/2015
Disbursement of compensation	PIU	13/08/2015	20/11/2015
Finalization of expropriation, provision of expropriation injunctions	PIU	17/11/2015	16/01/2016
Preparation of LARP Compliance Report	IMA	02/08/2015	30/11/2015
Submission the LARP draft Compliance Report to ADB	PIU	01/12/2015	01/12/2015
ADB reviews the LARP Compliance Report	ADB	01/12/2015	16/12/2015
Submitting the LARP final Compliance Report to ADB	PIU	17/12/2015	27/12/2015
ADB approves the LARP Compliance Report	ADB	01/01/2016	01/01/2016
Handing over of the site to the Contractor	PIU	02/01/2016	02/01/2016
Commencement of civil works	Contractor	03/01/2016	
Monitoring	IMA/ADB	-	-
Grievances redress	PIU	-	-

VII. Public Consultation and Information Disclosure

22. A first round of public consultations was held in 2010 and 2012 PPTA stage. LARP further consultations were held in May 2013 for affected persons. The consultations included presentations of the entitlements matrix, redress mechanisms, valuation methodology, and measurement survey, project map with actual measurement and AP's names, as well as various specific cases, discussed with APs. APs representing 14 households (54% of the total number of AHs) participated in public consultations. The PIU conducted consultation with new 2 APs from Argavand on 30 March 2015, and informed them about the project, entitlements, grievance redress mechanism and gave other project related information. Another working discussion was conducted with APs from Shirak street on 06.05.2015. The aim of the meeting was to present APs the procedure of LARP implementation, especially contract signing process informing them about their legal rights. APs have been also informed about the right to present the complaints within 10 days after notification of signed protocol, as the notification of signed description protocols were sent to them on 30.04.2015 by PIU.

23. Implementation ready LARP will be uploaded on the ADB and YM websites after approval. Project Information Pamphlet will be disclosed to APs as soon as LARP is approved by RA GoA and ADB.

VIII. Budget Summary

24. The total implementation cost of LARP, including compensation, rehabilitation allowances as well as administrative costs for LARP implementation and contingency amounts to 350,365,228.50 AMD, which is equivalent to US\$ 729,927.56. Budget will be allocated from 3 sources: (i) land

compensation and other land acquisition expenses, including taxes, duties, fees, and transaction costs for the land located in Yerevan will be paid from the YM budget; (ii) land compensation and other land acquisition expenses, including taxes, duties, fees, and transaction costs for the land located in Argavand and Getapnya communities, as well as all taxes, fees, and transaction costs related to losses other than land, including transaction costs related to allowances, 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 loan. After approval of the LARP by the Government of the Republic of Armenia (GoA), YM and the RA Ministry of Finance will ensure timely allocation of funds stipulated in LARP budget from the means envisaged for the Project within Yerevan community and RA State budget. In case of necessity, article distribution of budget means may be applied.

IX. Grievance Redress Mechanism

25. Several parties will be involved in grievance redress mechanism: (i) PIU, (ii) YM, and (iii) PGC. To make the process accessible to APs, PIU established a field office for the weekly meetings with APs during LARP preparation. Latter will operate during the LARP implementation stage. Regardless of the set grievance mechanism and procedures, the APs will have the right to submit their cases to the court of law at any point in time during the grievance process.

X. Monitoring and Evaluation

26. 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 Independent Monitoring Agency hired by PIU and approved by ADB. IMA will monitor 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 4 separate LARPs will be provided for 3 Subprojects. Under the subproject 3, Babajanyan-Ashtarak Road Link, 2 LARPs will be prepared:

- (i) **Subproject 1:** Argavand - Shirak Road Link
- (ii) **Subproject 2:** Davitashen-Ashtarak Road Link;
- (iii) **Subproject 3:** Babajanyan-Ashtarak Road Link.

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 Argavand-Shirak Road Link.

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. Project starts in Argavand and Getapnya rural communities of Ararat Marz; then, it stretches from Yerevan's Malatia-Sebastia district at south-west and districts of Davtashen and Ajapniak located at north-east from the Centre of Yerevan. (Approximately 6km south-west of the City center of Armenia's capital).

Figure 1-1 Location of Republic of Armenia and Yerevan



Source: Yerevan Municipality Master Plan, 2004

1.3 Project Description

32. The Project is divided into three subprojects:

- (i) Argavand-Shirak road link (Section 5); 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; (Section 9) of 3.1 km.
- (iii) Babajanyan-Ashtarak highway, 6.5 km long divided into three sections: Sections 6 of 1.9 km, Section 7 of 2.0km and Section 8 of around 2.6 km); and

33. In order to facilitate communication between parties, the area for Project1 and Project2 (Tranche1 and Tranche2) 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	1 280 m
	S2	New Shirak	3 200 m
	S3	Artashat	
	S4	North South Corridor IC	
Project2/Tranche2	S5	Argavand	1 350 m
	S6	Babajanyan-Tichina	2 220 m
	S7	Tichina-Old Silikyan	2 060 m
	S8	Old Silikyan - Ashtarak Highway	2 570 m
	S9	Davitashen - Ashtarak Highway	2 240 m

34. All Subprojects will provide dual two or dual three lane carriageways.

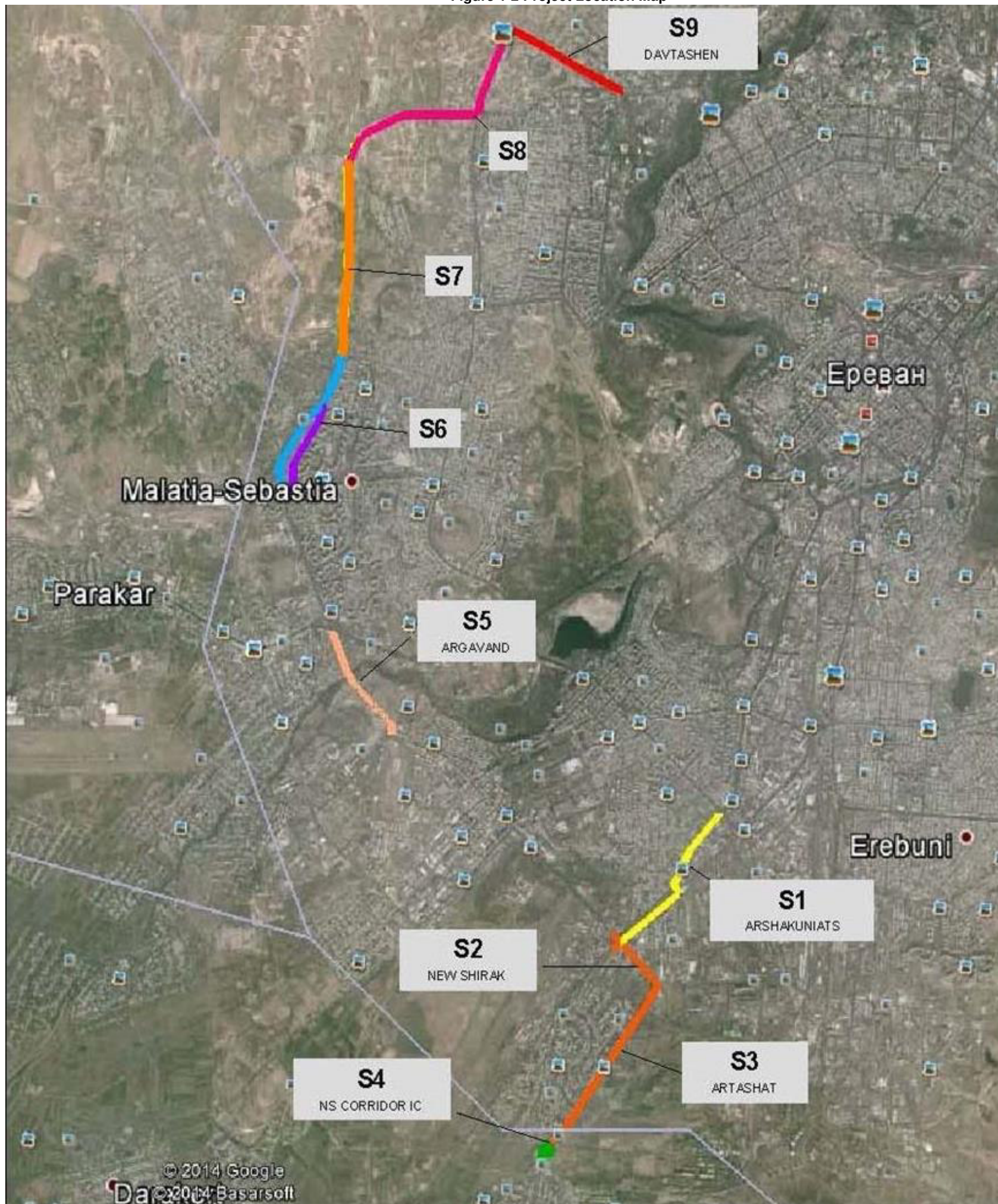
35. It is a new dual 3x3 lanes road connecting Argavand Highway (Admiral Isakov street) to Shirak Street. This section will provide a link between the Admiral Isakov street intersection and Shirak Street which will form part of the Yerevan western bypass.

36. The section 5 comprises the following main components: (i) the construction of a new 6-lane divided road, (ii) the construction of a new dual three lane carriageway bridge over the River Hrazdan

of 280m length, (iii) the connection to an existing interchange at Argavand Highway (Admiral Isakov Street) by the creation of additional slip roads; and (iv) the construction of a round-about at Shirak Street.

37. From the Argavand interchange the section alignment goes to the south toward the Hrazdan river valley which is crossed by a bridge over Hrazdan River. It then continues in a South Easterly direction passing at the southern edge of the Karmir Blur Archeological site. Connection to Shirak Street is via at grade roundabout.

Figure 1-2 Project Location Map



1.4 Subproject 1: Argavand Highway to Shirak Street Road Link

1.4.1 Location and Description

38. This LARP document covers the whole length of Sub Project 1
39. The site is located in Yerevan's Malatia-Sebastia district (approximately 6km south-west of the City centre of Armenia's capital) as well as in Argavand and Getapnya rural communities of Ararat Marz. It is a new dual 3x3 lanes road connecting Argavand Highway to Shirak Street. This section will provide a link between the Admiral Isakov street intersection and Shirak Street which will form part of the Yerevan western bypass.
40. The Sub Project 1 comprises the main following components as illustrated in

41. **Figure 1-3:** (i) the construction of a new 6-lane divided road, (ii) the construction of a new dual three lane carriageway bridge over the River Hrazdan of 280m length, (iii) the connection to an existing interchange at Argavand Highway (Admiral Isakov Street) by the creation of additional slip roads ; and (iv) the construction of a round-about at Shirak Street

42. From the Argavand interchange the section alignment continues to the south to the Hrazdan river valley which is crossed by main bridge over Hrazdan River. It then continues in a South Easterly direction passing at the southern edge of the Karmir Blur Archeological site. Connection to Shirak Street is via an at grade roundabout

1.4.2 Sub-Project Implementation Timeline

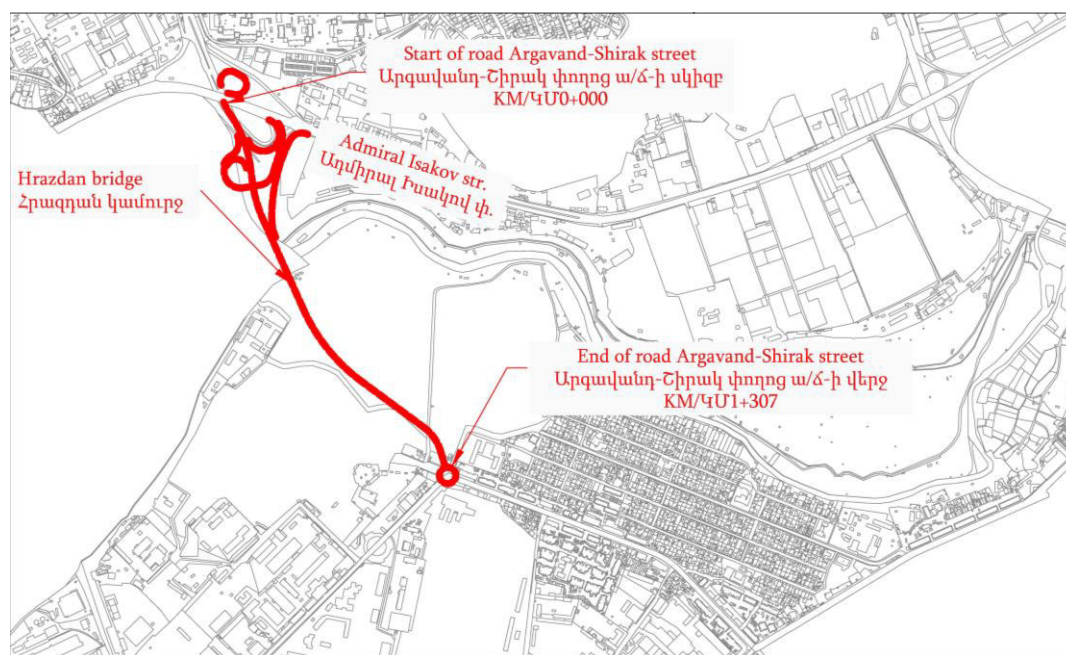
43. Commencement of LARP implementation will start at the end of July 2015 and will be fully completed by the middle of November 2015. Handing over of the Site to the Contractor is planned for January 2016.

1.5 Land Acquisition and Resettlement Plan Preparation

44. LARP for Argavand-Shirak road link was prepared under Project 1 and was approved by ADB on 09 January 2014. Because of shortage of funds the Argavand-Shirak road link was removed from Project 1 to Project 2. Due to minor changes in design, the LARP was updated in April and May 2015. Because of adding right turn in detailed design of Argavand part 2 new AP's were additionally affected and impact size of 5 AP's were changed. New DMS and census for 2 new AP's were conducted and the impacts of 5 AP's were updated accordingly. 3 AP's from Shirak street were removed from the LARP. This implementation-ready LARP is prepared for Subproject 1. See

45. **Figure 1-3.**

Figure 1-3 Argavand Highway and Shirak Street Road



1.6 Scope and Status of Land Acquisition and Resettlement Plan

46. LARP is based on the detailed design for Subproject 1. 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 85 % sample;
- (iv) Completion of the consultations with APs;
- (v) Preparation of a detailed compensation budget for all types of losses.

1.7 Objectives of Land Acquisition and Resettlement Plan

47. The main objective of LARP is to identify persons affected by the Subproject 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. LARP assesses the land acquisition and resettlement impact of the Subproject on APs, in accordance with Armenian law ADB SPS and LARF (RA Government Decree N 273-N, 7.03.2012).

48. 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.

1.8 Land Acquisition and Resettlement–Related Project Implementation Conditions

49. 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 a 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 Independent Monitoring Agency.
- (iv) **Commencement of Civil Works:** conditional to: full implementation of LARP to be vouched by a compliance report prepared by the IMA, accepted to ADB.

1.9 Document Disclosure

50. 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.

1.10 Project Cut-Off Date

51. The cut-off date for the Project is set as April 30, 2015 when signing of land, buildings and business description protocols for the Final LARP started. Formats of protocols are presented in Appendix 13,14,15.

2 IMPACT ASSESSMENT AND CENSUS OF AFFECTED HOUSEHOLDS

2.1 Background

52. One of the key principles adopted for the preparation of this LARP is that all compensation payments and livelihood restoration assistance related to Subproject 1 must be based on a detailed understanding of the impacts of the Project on affected people. For this LARP, the data was updated between December 2012, March 2013 as well as in March-April 2015. 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, families and business owners as well as access to public services, perceptions of compensation and Project impact on their livelihood.

2.2 Survey Methodology

53. 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 irrespective 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.

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

- (i) Land (agricultural, residential, industrial and commercial plots), including improvements on those plots
- (ii) Buildings/structures (residential and business structures, including classification by building category and construction type)
- (iii) Legal status of the AP land 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.

55. 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 the relevant ADB policy documents and Annex 1 of Decree 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 measurement⁵. 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 AP. (Details are provided in Appendix 2)

2.3 Impact on Land

2.3.1 Land Classification by the Armenian Land Code

56. The Land Code of the RA (May 2001) classifies land into the following nine categories: (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, (7) Forested, (8) Water and (9) State Reserve lands. Each target significance land, based on its type of usage, is classified by category or functional significance.

57. The Project is mainly located in an urban setting as well as in 2 rural communities. 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: agricultural, other, commercial, for water.

(i) **Agricultural Land**, which is used to grow some fruit or wood/ decorative trees and bushes.

(ii) **Other Land**, which is empty land without any usage.

(iii) **Commercial Land**, which is used for businesses such as shops, car repair stations, petrol stations.

(iv) **Land for water/river**, is officially reserved for river and belongs to Government.

2.3.2 Land Losses

58. Affected Lands are concentrated in Yerevan and Ararat Marz (Argavand and Getapnya communities). In total, there are 29 land plots covering a total surface area of 12,759.9 m². Three land plots (1,912.49 m²) are in Getapnya Rural Community, 11 (8,100.5 m²) in Argavand Rural Community and 15⁶ (2,747.35m²) in Yerevan Community. The land plot in Getapnya community (695.79 m²) is categorized by Cadaster as other land, the land-plot is empty and not used for any purposes. Overall, 22 households will have some land impact.

5 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. If not so, the property owner was informed about it. If the owner wanted, a new layout was prepared for submission to the SCREC. After a corresponding correction in the ownership certificate was made, a final layout was prepared for submission to the SCREC for the real estate re-registration and prior to signing an asset acquisition contract.

6 DMS identified several discrepancies between actual and registered in Cadaster size of land plots. During the Public Consultations, the APs were given an opportunity to change their Cadastral certificate with the PIU assistance in the process of re-registration. There were 9 cases identified. All Aps are being attended by the PIU and issues will be finally resolved by the approval of this LARP.

59. In this LARP, the affected land plots are grouped into the following three types, based on their legal status:

(i) **Private-titled land** - a total of 9 plots belongs to persons having a legal title over the affected land parcels;

(ii) **Community land**⁷ – this is the land that belongs to communities. The survey found that 18 plots of such land are either used directly or formally leased or used by informal tenants without any legal title. Out of these 18 land plots, 13 are illegally used, 1 is leased, **but not used at all**, 1 is used by community right to build and 3 are directly used by the Community. The leased land-plot is empty (no crops or trees, no improvement and structures) and the AP will be compensated for the remaining amount of lease. Out of 13 illegally used land plots, 7 are the lands with outdated lease agreement, 5 APs have private properties behind the affected illegal plots and 1 is illegally cultivated orchard which is partly affected.

(iii) **Government land**- 2 land plots affected belong to RA.

60. All categories of affected land (except community directly used land owned by the YM) will be compensated. The land impacts data are summarized in the following table.

⁷ In case of Yerevan, the owner of the community lands is YM and the YM itself did not receive any compensation. The compensation is calculated just for AP's lease holding and illegal usage because of land. The head of the Argavand and Getapnya rural communities receive compensation on behalf of the community. The compensation for lease holding, illegal usage etc. is calculated separately.

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

Type of Land		Commercial			Agricultural			Other land			For water (river, channel)		Total		
		No of AH	No of land-plots	m2	No of AH	No of land-plots	m2	No of AH	No of land-plots	m2	No of land-plots	m2	No of AH	No of land-plots	m2
Getapnya															
Government Land		-	-	-	-	-	-	-	-	-	2	1,216.70	-	2	1,216.70
Directly Used		-	-	-	-	-	-	-	1	695.79	-	-	-	1	695.79
Argavand															
Private		5	5	2,567.18	-	-	-	1	1	211.72	-	-	6	6	2,778.90
Community land	Directly used	-	-	-	-	-	-	-	2	2,314.18	-	-	-	2	2,314.18
	Leased	-	-	-	-	-	-	1	1	2,248.60	-	-	1	1	2,248.60
	Illegally used	-	-	-	1	1	733.22	-	-	-	-	-	1	1	733.22
	Community right to build	-	-	-	-	-	-	2	1	25,15	-	-	2	1	25.15
Yerevan															
Private		2	3	1,045.38	-	-	-	-	-	-	-	-	2	3	1,045.38
Illegally Used Community land		9	10	928.52	2	2	773.45	-	-	-	-	-	11	12	1,701.97
Summary															
Government Land		-	-	-	-	-	-	-	-	-	2	1,216.70	-	2	1,216.70
Private		7	8	3,612.56	-	-	-	1	1	211.72	-	-	8	9	3,824.28
Community land	Directly used	-	-	-	-	-	-	-	3	3,009.97	-	-	-	3	3,009.97
	Leased	-	-	-	-	-	-	1	1	2,248.60	-	-	1	1	2,248.60
	Illegally used	9	10	925.52	3	3	1,506.67	-	-	-	-	-	12	13	2,435.19
	Community right to build	-	-	-	-	-	-	2	1	25.15	-	-	2	1	25.15
Grand total		15*	18	4,541.08	3	3	1,506.67	4	6	5,495.44	2	1,216.70	22* (23)	29	12,759.9
* (1 DH has both private and illegal land)															

2.4 Crops

61. There are no crops planted on the affected land plots, which belong to the rural communities. The only affected plot of 25 m² is a plot planted with flowers and is located in Yerevan.

Table 2-2 Impact on Crops

Type of crop	Annual productivity	Affected area	Total loss	Land plots	AH (AP)
	kg/ m ²	m ²	Kg	No	No
Flowers	-	25	-	1	1 AH (6 AP)

2.5 Trees

62. Under this Subproject, 16 seedlings and 37 productive fruit trees will be cut down. Most of the affected trees are sweet cherry seedlings and apricot as well as sweet cherry fully grown productive trees. Other types of fruit grown in the affected area are apples and grapes. Three households, one in Argavand and two in Yerevan, will be affected by impact on fruit trees grown on three land plots. The owners will receive full compensation for the affected trees. A summary of information on the affected fruit and other trees is presented in the following tables.

Table 2-3 Impact on Fruit Trees

Type of tree	Seedling	Not yet productive	Productive	Total	Land plots	AH/ AP
	No	No	No	No	No	No
Grapes	-	-	3	3	3	3 AH (17 AP)
Apple	-	-	2	2		
Apricot	-	-	27	27		
Sweet Cherry	16	-	5	21		
Total	16	-	37	53		

63. There will be 56 timber/wood trees affected by the Subproject. Of the affected timber wood trees, the most affected are poplar (53). Of all affected trees, 67.86 % are fully grown trees. Only one household in Yerevan will be affected by impact on timber/wood trees. The owner of affected trees will be compensated without deductions for the value of the wood/timber that can be obtained from the affected trees.

Table 2-4 Impact on Wood Trees

Type of tree	Seedling	Medium growth	Full growth	Total	Land plots	AH/AP
	No	No	No	No	No	No
Poplar	2	16	35	53	2	1 AH(5 AP) and 1 land plot belongs to the LLC company
Ash tree	-	-	3	3		
Total	2	16	38	56		

64. The Subproject will also impact 79 decorative trees and bushes. As shown in the following table, of the total number of such trees, 31.6% are rose noble, followed by lilac and wild grapes. Around 81% of affected decorative trees/bushes are large trees/bushes. All of the affected decorative trees and bushes are located on four land plots in Yerevan community and belong to three households.

Table 2-5 Impact on Decorative Trees and Bushes

Type of tree	Medium	Large	Total	Land plots	AH
	No	No	No	No	No
Rose noble	12	9	21	4	3 AH (12 AP)
Fir Tree	1	1	2		
Climbing Rose	-	3	3		
Wild Grapes	-	17	17		
Cypros	-	14	14		
Forsicia	-	9	9		
Jasmine	1	8	9		
Box Tree	1	3	4		
Total	15	64	79		

2.6 Impact on Buildings and Structures

2.6.1 Permanent and Movable Structures

65. In total, the subproject will affect 19 buildings and structures. All the structures are **non-residential**. 16 structures are fixed/permanent buildings and structures, 2 buildings will be repaired and 1 structure is movable. In total, the impact on all buildings and structures will affect 12 households. (Tables 2.6, 2.7 and 2.8)

66. The area of affected buildings amounts to 393.05m². Out of this, 258.51m² are legal⁸ and 134.54 m² illegal⁹ structures. Only 2 buildings are located on the legally used land plots. All other affected structures and buildings are located on illegally used land plots. The affected buildings are mainly made of stone or concrete. There are some steel/metal structures including a movable kiosk of 9.40 m². (Tables 2.6, 2.7 and 2.8)

Table 2-6 Impact on Permanent Buildings and Structures

Type of affected structure	Type of usage	Construction type	Buildings	Affected surface			Land plots		AH
				Legal	Illegal	Total	No	Usage type	No
			No	m ²	m ²	m ²			
Kiosk	Not functioning	Stone	1	-	43.32	43.32	1	Illegal use	1
Tavern	Not functioning	Stone	3	25.54	62.96	88.5	2	Illegal use	
Shed	Food shop	Metal	1	-	4.91	4.91	1	Illegal use	1
Shop		Stone	1	-	15.76	15.76			
Shed	Food shop	Metal	1	0.9	-	0.9	1	owned	1
Shop		Stone	1	30.59	-	30.59			
Vehicle servicing with a hole inside	1 functioning and 1 non functioning car repair station	Stone	2	106.5	-	106.5	2	Illegal use	2
		Stone	2 (holes)	-	6.79	6.79 (holes)			
Vehicle servicing	Not functioning-used as garage/storage	Stone	3	72.02	0.8	72.82	3	Illegal use	3

⁸ Legal structures are structures registered in State Cadastre and the owner has the Ownership Certificate.

⁹ Illegal structures are structures that were built by APs without any permission and are not registered in State Cadastre.

Type of affected structure	Type of usage	Construction type	Buildings	Affected surface			Land plots		AH
				Legal	Illegal	Total			
			No	m ²	m ²	m ²	No	Usage type	No
Vehicle servicing	Repairing cars	Stone	1	22.96	-	22.96	1	Illegal use	1
Total		-	16	258.51	134.54	393.05	11	-	9

67. There are 2 structures with minor damages or damages which do not affect business operation for extended period of time and could be easily repaired. The APs expressed their wish to keep the structure and be compensated for the repair/renovation. (Table 2.7)

Table 2-7 Structures to be Repaired

Name	Material	Rehabilitation needed	No	Land plot		AH(AP)
				No	Usage type	
Shed	Metal	Minor repair	1	1	Private	2 AH (8AP)
Vehicle servicing	Stone masonry	0.8 m stone wall should be moved back and its gates need to be moved from front to the back side of the wall	1	1	Illegal use	
Total			2	2	-	

68. One movable structure (non-functioning kiosk) will be affected. Transportation costs will be provide to AP to relocate the structure.

Table 2-8 Impact on Movable Structures

Type of affected structures	Construction type	Buildings	Affected surface	Land plot		AHs
		No	m ²	No	Usage type	No
Kiosk	Metal	1	9.40	1	Legally used	1(6 AP)

2.6.2 Fences and Improvements

69. A total of 265.55 linear m. of fences and 21.25 m² stone wall/fences on 5 land plots will be affected by the subproject. Of this total length, 265.55 linear m of fences are different type of metal fences, while 21.25 m² are made of stone 'tuf' (a local type of volcanic stone).

70. The APs have made some improvements on 9 land plots that are measured and calculated for compensation. There are concrete, bitumen surfaces made by APs on the affected lands. The most affected are concrete and bitumen working surfaces. A total of 1,007.96m² of improvements are affected and will be compensated.

Table 2-9 Impact on Fences and Walls

Material	Total			
	Length	Area	Land plots	AP(AH)
	M	m ²	No	No
Metal A	117.55	-	5	5AH (29AP)
Metal B	148.00	-		
Tuf/stone	0.00	21.25		
Total	265.55	21.25		

Table 2-10 Impact on Improvements

Type	Material	Land plots	Area	AH (AP)
		No	m ²	No

Type	Material	Land plots	Area	AH (AP)
		No	m ²	No
Working surface	Bitumen	6	978.0	6 AH(28 AP)
Working surface	Concrete	3	29.96	2AH (7 AP)
Total	-	9	1,007.96	8AH (35 AP)

2.6.3 Buildings Impacts and Relocation Strategy

71. Based on the LARF, all buildings partly or completely affected, will be entirely compensated, regardless of whether the AH, who lives or works in the building, relocates or not. However, if a partly-affected AH wishes to stay on the remaining plot and renovate the building to avoid relocation that is the APs' choice. 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 legal structures, owners will receive replacement cost plus 15%. In case of illegal structures on the illegally used land plots, APs will receive replacement cost minus legalization expenses, but not more, then 20% of the total compensation amount.

72. Under this LARP there is no residential relocation. From 16 permanently affected non-residential structures 7 structures belong to 4 businesses. As a result 4 AHs will relocate their businesses. Other 9 structures belong to 5 AH are non-functioning former businesses or garages used as storage for goods or/and car parking. These 5 AHs will be able to buy/rebuild similar buildings with provided compensation.

73. Some structures will be repaired and as a result businesses will not be relocated. As structures are partially affected business owners prefer receiving compensation for renovation of the structures in order not to close the businesses.

74. 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 2-11 Relocation Impact

Relocation impact	Land plots	AH
	No	No
Businesses relocation (permanently affected)	4	4

2.7 Impact on Businesses and Income

75. Based on the nature and scope of the affected business, the following two types of business losses are identified and considered in this LARP: permanent and temporary business losses.

76. **Permanent Business Losses** include losses to businesses occurred due to demolition of the building or permanent displacement of the structure where business operates. The APs will receive a cash indemnity of 1 year net income.

77. **Temporary Business Losses** include losses due to the short-term/temporary impact of the Subproject on businesses, when the business operation will stop for a short time. The impact could occur when, due to construction works:

- (i) Access to a business is going to be temporarily blocked;
- (ii) If there is possibility to move business away from the construction area during the construction works;

- (iii) The business is interrupted for a short time due to re-construction of the affected structures on the remaining land.

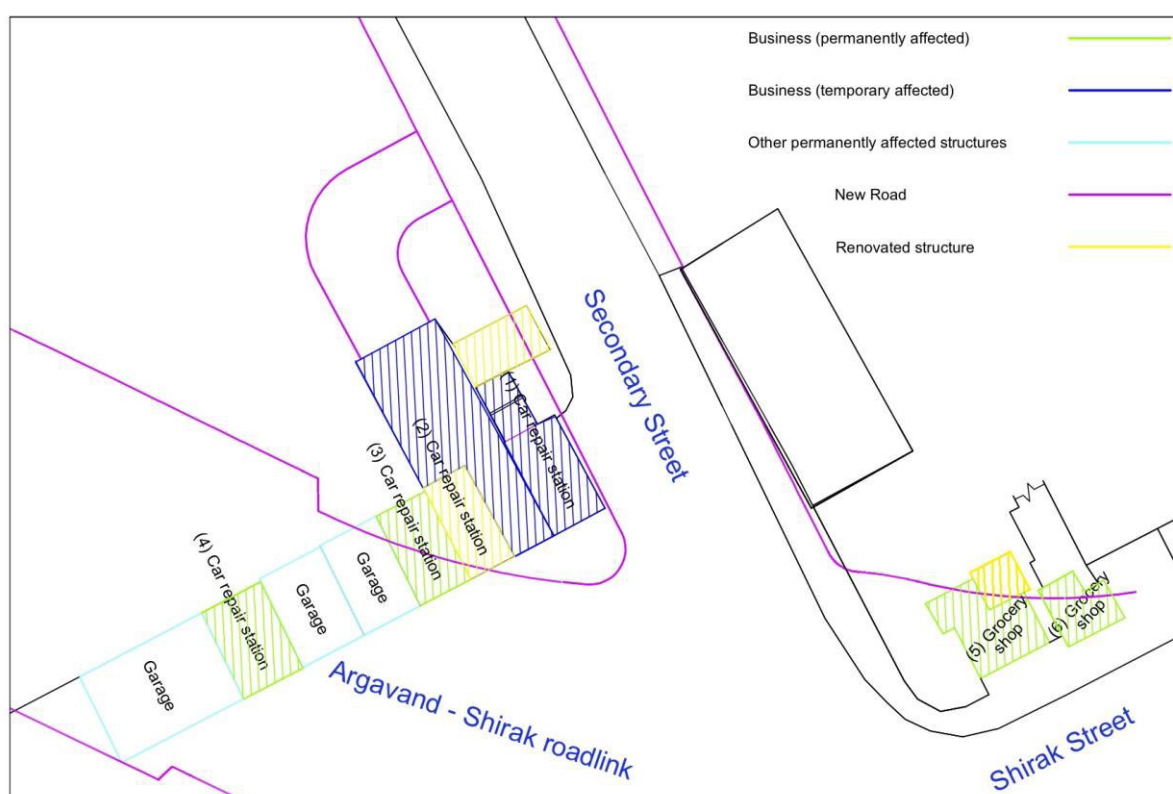
78. In all cases, the business operation will stop for a short time. In case of affected access, the Works Contractor will either:

- (i) Organize construction works in a way which will not block the access or
- (ii) Provide APs with alternative access during the construction

79. In case where the affected structures are going to be reconstructed on the remaining part of the plot, the consultations with engineers indicate that for these particular structures APs will need a maximum period of 1 month to re-build it.

80. If neither of the described solutions is feasible, or the access is blocked longer than the envisaged period, the impact will be assessed and APs will receive the compensation for the number of months (up to 1 year) that business was interrupted and in accordance to the set entitlements.

Figure 2-1 Impact on Businesses



81. There are a total of 5 affected businesses in this Sub Project area. Out of these, 4 will be permanently affected, while 1 business (vehicle servicing) will be closed temporarily due to repair/renovation of partially affected buildings. 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	Total	
		With tax declaration	Without tax declaration
		No	No
1	Grocery	1	-
2	Grocery	1	-
3	Vehicle servicing	1	-

No	Description	Total	
		With tax declaration	Without tax declaration
		No	No
4	Vehicle servicing	-	1
Total		3	1

Table 2-13 Temporary Impact on Business

No	Description	With tax declaration
		No
1	Vehicle servicing	1
Total		1

2.8 Impact on Employment

82. There are no registered employees in the permanently affected businesses. Due to the temporary business closure, 3 employees will temporarily lose their employment.

2.9 Summary of Affected Households and Affected Persons

83. The Census identified 26 affected families with a total of 105 members. Out of these, four households whose business buildings will be demolished are considered as permanently affected. They need to relocate and re-establish their businesses. Impact on other non-residential buildings, which are no longer used for business, (such as non-functioning vehicle service stations, car repair holes, kiosks, taverns etc.) is considered as temporary impact on households as it does not involve relocation nor it affects APs' livelihood. 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 Subproject will impact the land plots of 22 AHs, buildings and structures of 12 AHs, trees and crops of 6 AHs, businesses of 5 AHs, and employments of 3 AHs.

Table 2-14 Summary of Affected Households/ Persons by Category of Impact

Impact Category	Total				Remarks
	No of units	No of AHs	No of AHs (without double counting)	No of APs	
A. Impact on Land					
A1. Agriculture	3	3	3	12	
A2. Commercial	18	15	15	58	2 AHs have 5 commercial lands
A3. Other land	6	4	4	17	3 land plots are directly used by community. Two AHs have 1 land plot.
A4. Special land (river, channel, other Government land)	2	0	0	0	
B. Impact on Buildings					
B1. Commercial	16	9	0	0	All AHs (40 APs) are included in A2
C. Impact on Trees and Crops					
C1. Fruit Trees	53	3	0	0	1 AHs is included in A1 (7 APs) and 2 AHs are included in A2 (11 APs)

Impact Category	Total				Remarks
	No of units	No of AHs	No of AHs (without double counting)	No of APs	
C2. Wood/ decorative trees	56	2	0	0	All AHs are included in A1 (6 APs)
C3. Crops	25	1	0	0	1 AH is included in A2 (6 APs)
D. Impact on Business					
D1. Loss of business	5	5	1	3	4 AHs (19 APs) are included in A2
D2. Loss of employment	3	3	3	15	
Total	-	-	26	105	

2.9.1 Severely Affected Households

84. 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 3 AHs will be compensated as severely affected as they will lose 10%, or more agricultural income from lost fruit trees and crops from the affected land plots. Each of AHs will receive an additional crop compensation covering 1-year yield for severe agricultural income losses. Details on impact and income restoration are presented in Chapter 7 “Compensation, Relocation and Income Restoration”.

85. There is no any family that will be relocated from their place of residence.

Table 2-15 Severity of Impact

Degree of Impact	Total
	AH
	No
(a) AHs losing more than 10% of agricultural income	3

2.9.2 Impact on Poor and Vulnerable Groups

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

‘Persons registered in the family benefit system (FBS) 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’. Under this LARP, there is no AH registered in FS¹⁰. Two AH are headed by woman and elderly APs. They will be compensated as vulnerable families and will receive a rehabilitation allowance amounting to 6 minimum monthly salaries. Such families will also have a priority in receiving employment in Project related activities.

Table 2-16 Impact on Poor and Vulnerable Affected Households

Type	Total	
	AH	AP
	No	No
Woman headed AHs	2	2
Elderly headed AHs	1	1

¹⁰ The Republic of Armenia has a social welfare program that provides benefits for the poor called the Family Benefits System (FBS). In order to receive this benefit, a family needs to apply and meet basic criteria, which are assessed in relation to household size and composition, vulnerability and income.

Type	Total	
	AH	AP
	No	No
Total Vulnerable AHs without double counting	2	2

2.9.3 Gender and Ethnicity of APs

87. The Census data shows that the number of female APs is 50 (49%) of the total number of APs and male 53 (51%).

Table 2-17 Gender Profile of Affected Persons

Gender	AH Members	
	No	% of the total
Male	53	51
Female	50	49
Total	103	100

88. Out of 103 APs, 91 are Armenians (88%), 6 are Yazids (6%), 5 are Arabians (5%) and 1 Russian (1%).

Table 2-18 Ethnic Profile of Affected Persons

Ethnicity	AH Members	
	No	% of the total
Armenian	91	88
Yazidi	6	6
Russian	1	1
Arabian	5	5
Total	103	100

3 SOCIOECONOMIC INFORMATION AND PROFILE

3.1 Background

89. This Chapter presents the findings on the major socio-economic features of the affected population and community prepared from available secondary data and data collected through socio-economic surveys and census undertaken in Project affected communities in the area covered by 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

90. The socio-economic survey (SES) of affected families was conducted in March 2013 and Census survey of 2 newly affected households was conducted in March-April 2015. All affected APs, including owners, renters 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 Appendixes 3, 4, 5, 6). Each questionnaire took 30-40 minutes to complete. The collected data was processed using the SPSS 13 statistical package. There are 26 affected households in the area, of which 23 households are surveyed. This amounts to 88.4 % of the sample. The members of 2 AHs did not want to participate at the SES.

3.3 Socio-economic Profile of Affected Households and Affected Persons

3.3.1 Family Composition and Socio-economic Classification

91. The Census identified 26 affected families with a total of 105 members. Overall, there are 103 persons living in 23 surveyed AHs. On average, there are 4.95 persons per affected household. Out of 103 APs, 66% of the head of households and 37% of other household members are married, while 4% of head of households and 29% of other family members are single. Percentages of divorced head of households (4%) and other household members (1%) are negligible.

Table 3-1 Marital Status of Heads and Members of Affected Households

Marital status	AH head		AH members	
	Number	%	Number	%
Married	15	66	31	37
Single	1	4	25	29
Widowed	6	26	3	4
Divorced	1	4	1	1
Not applicable /minors	-	-	29	29
Total	23	100	85	100

92. The SES data show that the number of female APs is 50 (49%) of the total number of APs and male 53 (51%).

3.3.2 Gender

93. 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.

94. Details on AH composition in terms of gender are presented in Table 2-17 Gender Profile of Affected Persons. Information on woman headed households is presented in Table 2-18

3.3.3 Age

95. The age distribution of the surveyed population for LARP, shows the 18-35 age group was most represented (31%, refer to the below Table). 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. Only around 6% are older than 65 years. The head of household age distribution indicates two statistical models in the age categories, 46-55 and 56-65.

Table 3-2 Age Distribution of Heads and Members of Affected Households

Age	AH head		Other AH members		All AH members	
	Number	%	Number	%	Number	%
0 - 17	-	-	26	31	26	24
18 - 35	3	13	31	36	34	31
36 - 45	3	13	11	13	14	13
46 - 55	9	39	10	12	19	18
56 - 65	5	22	4	5	9	8
66 or more	3	13	3	3	6	6
Total	23	100	85	100	108	100

3.3.4 Education

96. The following table shows that around 87% of household heads have a minimum of a secondary level of education. A high level of literacy (74% having a minimum of secondary education) is recorded among family members too. Around 26% of the heads of households have a university degree, whereas among family members, the percentage of university education is considerably lower (14%). Only a small percentage of the family members (1%) are illiterate.

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

Education status	AH Head		Other AH Members		All AH Members	
	Number	%	Number	%	Number	%
Illiterate	-	-	1	1	1	1
Elementary	1	4	5	6	6	6
Post-primary	2	9	9	11	11	10
Secondary (10 years)	9	39	19	22	28	26
High school (12 years)	-	-	5	6	5	4
Secondary professional	3	13	13	15	16	15
University student (Full time)	-	-	11	13	11	10

Education status	AH Head		Other AH Members		All AH Members	
	Number	%	Number	%	Number	%
University student (Distance)	1	4	3	4	4	4
University degree	6	27	12	14	18	17
Post-graduate	-	-	-	-	-	-
Incomplete higher education	1	4	-	-	1	1
Non applicable	-	-	7	8	7	6
Total	23	100	85	100	108	100

3.3.5 Employment and Income Sources

97. During the SES, the data from one AH were collected by the legal representative who could not give concerned APs information on employment, income and expenses. Another 2 AH refused to answer questions on employment and income. In conclusion, the employment and income data are collected from 20 AHs and information is self-reported.

98. More than two thirds (55%) of the heads of households are employed in comparison to only 23% of other household members. However, 2% of household members who are unemployed but not looking for work. The employment data for the affected households is shown in the following Tables.

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

Employment status	AH Head		Other AH Members		All AH Members	
	Number	%	Number	%	Number	%
Employed	11	55	13	23	24	32
Pensioner	6	30	5	9	11	14
Student, pupil	0	0	6	11	6	8
Unemployed and not looking for a job	2	10	0	0	2	2
Unemployed and looking for a job	1	5	9	16	10	13
Army servant	0	-	8	14	8	11
Disabled	0	-	7	13	7	9
In prison	0	-	8	14	8	11
Not applicable less than 6 years old	0	-	0	0	0	0
Total	20(18)	100	56	100	76	100

Table 3-5 Type of Employment

Type of employment	AH Head		Other AH Members		All AH Members	
	Number	%	Number	%	Number	%
Civil servant	-	-	4	27	4	13
Employee in private sector	5	31	7	47	12	39
Self-employed, entrepreneur	1	6	-	-	1	3
Employer	10	63	3	20	13	42
Self-employed in agriculture	-	-	1	7	1	3
Total	16	100	15	100	31	100
NOTE: One AH head has 2 statuses, One AH member has 2 statuses						

99. The above table shows, that more than half (63 %) of the head of households and almost one third of the other family members (20%) are employers. The most prevalent employment among family members is employment in private sector. There is no head of household working as a

civil servant; however, there are just 27% of other household members having this type of employment

3.3.6 Income and Expenditure

100. The data on average monthly income exclude 1 AHs who lives by selling gold and a few that have a high remittance from Armenia. If these sums were included, the mean income will be as twice as high and it would distort the whole profile of the APS.

101. Income and expenses were self-reported by the interviewed families. The mean monthly family income in the area was 558,725 AMD or around USD 1,365 at the time of the study. The main income providers in the affected households are the heads of the families (67% employed and further 19% are pensioners). While the head of household are the main bread winners, more than half of other household members do not have any income (students, unemployed, in prison, minors).

Table 3-6 Income Sources of Affected Households

Type of Income	Mean income
	AMD/ month
Salary	416,615
Age pension	36,833
Other type of pension	24,166
Remittance from abroad	81,111
Total	558,725

102. The average monthly expenditure for families was around 445,925 AMD (1088\$) with a largest portion (26.1%) spent on food and drink. The next major expenses are transport, education and utility charges contributing to the monthly expenses 13.4 %, 10.6% and 9.4% respectively. There are no major differences in spending on clothing and healthcare or social obligations. On each of these items, people spend between 4.4 and 7.5% of the monthly income. The monthly expenditure data are summarized in the following table.

Table 3-7 Average Monthly Expenses of Affected Households

Self reported monthly expenses	%	AMD
Food and drink	26	116,389
Private transport /including petrol/	11	48,444
Public transport	2.4	10,778
Cloths	7.5	33,556
Healthcare (medicines, service)	4.4	19,556
Education (payment for education, stationary)	10.6	47,206
Mobile phone charges	3	12,861
Land line charges	0.5	2,433
Social activities/obligations	6.2	27,667
Electricity, gas, internet and other utilities bills	9.4	42,056
Home equipment (telephone, computer, TV, etc.)	2.6	11,444
Other/current expenses	16.4	73,536
Total	100	445,926

3.3.7 Poor and Extremely Poor Households

103. The Census has not identified any household that could be described as being poor. All AHs have monthly income per person higher than 50,000 AMD which is by Armenian law and policies considered as the poverty line. However, in accordance to the LARF the list of all APs is submitted

for cross- checking and validation to the RA Ministry of Labour and Social Affairs. The verification of the AHs eligibility (if any) will be provided before the finalization and approval of this LARP 2 and included in the budget.

3.3.8 Perceptions of Living Conditions

104. There were 6¹¹ AHs who gave their perceptions on their housing conditions and the surrounding area. The most cited was lack of space in current residence (33%), conditions of door, walls and floors (33%) and humidity of walls and foundations (33%). Furthermore, leaking roofs and lack of heating are concerns to 17% and 17% of AHs. **(Table 3-8)**. When asked about downside of living in their suburb, 33% of the APs stated traffic noise and noise from businesses. 17% stated negative characteristic of the suburb were noise from neighbours, waste problem and crime in the area. **(Table 3-9)**

Table 3-8 Housing Conditions

Housing conditions (self-reported)	No of AHs	Percentage
Lack of space	2	33
Lack of light	1	17
Lack of heating	1	17
Leaking roof	1	17
Humidity	2	33
Worn out windows, doors, floor	2	33
Total AHs answered	6	100

Table 3-9 AHs Perceptions of the Suburb

Neighbourhood conditions (self-reported)	No of AHs	Percentage
Noise/neighbours	2	33
Other noise (traffic, business)	1	17
Waste problem	1	17
Crime	1	17
Total AHs answered	6	100

3.3.9 Landholding of AHs

105. Most of the AHs have private and/or rented properties. All 6 responded AHs have several land plots. Six (6) AHs owned 8 and rented 5 land plots with total area of 18,340 sq.m. One AH illegally uses one land plot. Landholding is very active: in general 2.3 land plots (3,078 sq.m.) per AH. Most of the land plots (12) are not used: only one land plot is used as an orchard and the other one is used for business. Landholding of AHs is summarized in the table below.

Table 3-10 Landholding of AHs

Type	No	Sq.M
Private land	8	14,080
Rented land	5	4,260
Illegal land	1	130

¹¹ Only 6 AHs answered on the questions regarding housing conditions and landholding.

Type	No	Sq.M
Total	14	18,470
Landholding per AH	2.3	3,078

3.3.10 Perception of the Project

106. All interviewed AHs already heard about the Project (100%). Twenty (20) % of respondents think that the Project will result in negative environmental impact. This is followed by decrease in APs income (18%), loss of community territories (14%) and traffic interruption (10%) and worse road safety with increased risk of traffic accident (10%). Commercialization as a negative effect was stated as a negative impact by 8% and loss of social networks by 7 % of the respondents.

107. Easier access to other districts and better appearance of the public places are the most cited positive effects of the Project (23 and 21% respectively). Flow in of new inhabitants is seen as a positive effect by 15% of the APs.

Table 3-11 Affected Households' Perception of the Project

Type of impact	Yes		No	
	Number	%	Number	%
Disadvantages of the Project				
Resettlement	5	7	10	13
Decrease in income	13	18	5	6
Traffic interruption	7	10	11	14
Worse road safety, increase risk of traffic accident	7	10	10	13
Increase in prices for real estate	4	6	12	15
Environmental impact	14	20	3	4
Commercialization	6	8	9	12
Loss of social network	5	7	13	17
Loss of community territories	10	14	5	6
Total	71	100	78	100
Benefits of the Project				
Opportunities for new workplaces	10	16	6	16
Opportunities for business	10	16	7	18
Increase of real estate prices in the area /region	5	8	11	29
Better appearance of the public places	13	21	4	11
Flow in of new inhabitants	9	15	7	18
Easier access to other districts of town	14	23	3	8
Total	61	100	38	100

4 PUBLIC CONSULTATIONS, PARTICIPATION AND DOCUMENTS DISCLOSURE

4.1 Background

108. 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 IA during all stages of the LAR process. The IA must also organize disclosure of the Resettlement Plan. Furthermore, it must inform the APs about the payment procedures for compensation and relocation.

109. 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

110. In view of the design and road alignment changes made in 2012 and 2013, and the revision of the LARF in July 2012, the LARP required new consultations. For these reasons, fresh consultations were held on 06 May, 2013 for Argavand, Getapnya communities and APs in affected by the project in Yerevan. The consultations were organized in School No. 75 in Shegnavit District. All APs were notified by phone calls about the date and place of the consultation. Public consultations were held by the PIU with the assistance of DESC consultants. The team leader of the valuation company presented the DMS and Valuation Methodology. A representative of the Independent Monitoring Agency held a presentation on the monitoring that will occur during the implementation process.

111. The number of participants per section as well as dates of LARP consultations is summarized in table 4.1 and the attendance records are presented in Appendix 9. A total of 14 APs (representatives of their HH) participated in public consultations for both Sections, which is 54% of the total number of AHs. There was 1 woman at the consultations, which represents 7% of the participants

112. On 17 October 2014, following the publication of new GoA Decree in the Eminent Domain (N-1018-Ն, dated on 11.09.2014), official notification letters were sent to all affected owners and renters included in the Eminent Domain list.

113. Due to minor changes in design, the LARP was updated in April and May 2015. A working discussion with AP's from Shirak street including 3 APs (previously impacted) that will not have any impact due to design changes, was held on May 6, 2015. The aim of the discussion was to present APs the procedure of LARP implementation, especially contract signing process informing them about their legal rights. APs have been also informed about the right to present the complaints within 10 days after the notification of signed protocols, as the PIU sent the notification of signed description protocols on April 30, 2015. Another working discussion will be conducted with the AP's from Argavand after getting an authorisation letter from the administrative leader of Ararat marz.

114. The main stages of the resettlement processes were presented in the meetings including the entitlements matrix, redress mechanisms, valuation methodology, measurement survey as well as various specific cases, which were discussed with APs. In addition, a map with marked land plots, buildings and structures with names of APs for each land plot and its assets, were shown to all present APs. Generally, the APs who participated were satisfied with the consultation process. The key questions and answers as well as key issues and concerns discussed are presented in the following tables.

Table 4-1 Questions and Answers – Argavand

Questions	Answers
It was announced that DMS works are finished and one of the APs stated that his land plot was not measured as yet.	The DMS survey is finished. It was explained, that during the DMS survey, the AP was asked several times to be present during the measurement. However, the AP did not allow measuring the land plot. It was explained to the AP that, based on the Eminent Domain Law of RA, it is possible to prepare land description protocol based on the observation and official documents, if the owner does not allow the DMS team to enter the property. However, DMS team leader suggested to the AP to go and to measure the land, if he wants.
What part of the property will be affected?	APs were informed, that they will get protocols with descriptions of assets and maps with measured land plots and marked the part which will be affected.
Is it possible to give land for land compensation?	APs were informed, that there is only monetary compensation in the framework of this Project as there is no free land available in the area.
Will I be able to buy the same kind of land in the community?	Valuation was done based on the market value of the land. In case of legal owners, 15 % will be added to the market value of the land. So, it will be possible to buy a similar land-plot in the same area.

4.3 Information Disclosure

115. During the Census and SES, a printed Entitlement Matrix in the Armenian was distributed to all APs. During the public consultations, the PIU distributed the following brochures in the Armenian language, copies of which are presented in Appendix 7, 8.

- (i) Valuation Methodology Brochure, which included average rates for the land and structures by type;
- (ii) Updated Project Information Brochure with the Entitlement Matrix in which the Project description, grievance redress mechanism, entitlements and compensations as well as answers to frequently asked questions were presented.

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

- (i) Establishing a field office in the affected area for prompt and effective grievance resolution and information sharing where the PIU Resettlement specialist will work on determined days;
- (ii) Establishing and publishing a dedicated email address aimed at fostering effective communication with the AP;
- (iii) Publishing the PIU address for face-to face meetings with APs and PIU contact telephone numbers;
- (iv) Uploading of the English version of LARP on the ADB resettlement website;
- (v) Distribution of copies of the LARP in Armenian in Shengavit Local Community Authorities offices;
- (vi) Developing a PIU website for disclosure of LARP in Armenian and all LARP related documents, and

- (vii) A final Project Information Pamphlet providing a summary of the impacts, implementation arrangements and of the LARP compensation policy will be sent to all APs immediately after the final approval of the LARP (Appendix 1).

5 GRIEVANCE REDRESS MECHANISM

5.1 Background

117. LARP 2 includes in its scope the establishment of a responsive, readily accessible and culturally appropriate grievances 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 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, 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.

118. 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 grievance 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 delay 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.

119. 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 2, 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

120. 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 APs to air their grievances, the following mechanisms have been set up. Several parties and avenues will be involved in this formal grievance redress mechanism, such as YM, PIU, and PGC. Attempts will be made to resolve complaints at the local level. Costs incurred in addressing complaints and grievances by the vulnerable AHs will be covered by the Project. Complaints and grievances received during the resettlement phase will be addressed through the following steps and actions:

Step 1

121. The PIU Resettlement Specialist (RS) will accept the complaints at first instance. 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. If the RS cannot resolve the matter or the APs is not satisfied with the settlement offer, the case will be forwarded to the PIU other specialists for revision and possible resolution.

122. The PIU will issue a formal response no later than 30 days after the Field RS received the complaint. This response will either be an offer for compensation to the complainant, an invitation to discuss the issue further at a private meeting or an explanation for the dismissal of the complaint. If the complaint cannot be resolved at this level, or the AP is not satisfied with the resolution, the complaint should be lodged to the YM.

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 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 15 days. If no solution has been reached the YM must transfer the case to PGC for their decision. The PGC must discuss the complaint in a session. Its decision must be in compliance with the LARF provisions.

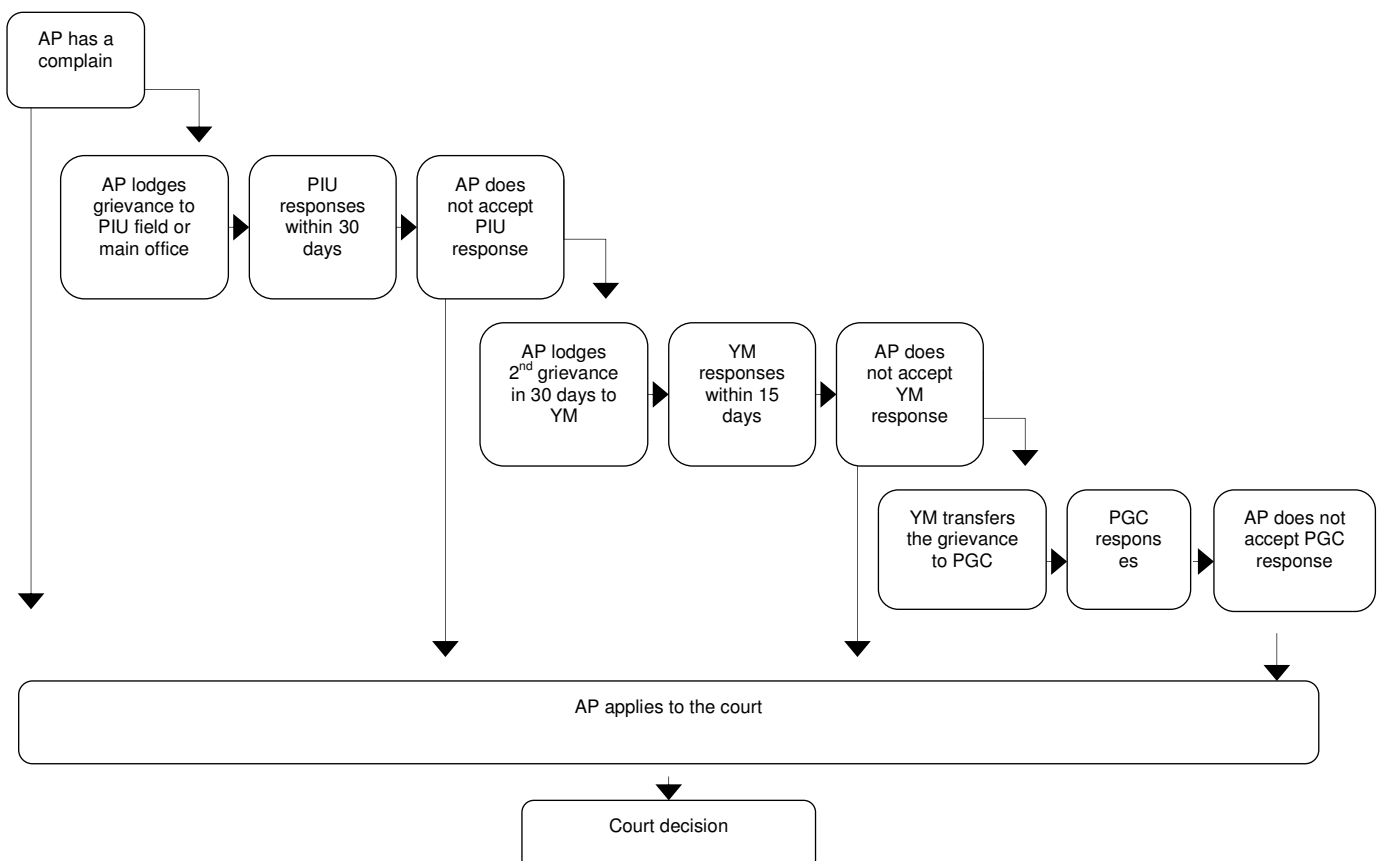
Step 3

124. If the complainant is not satisfied with the decision of the PGC and the person is willing to continue with the process, he/she can register/file their case in a court of law, whose decision will be final.

125. 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 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/PGC 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. The grievance resolution process is summarized in the following figure.

126. All complaints received and addressed will be documented regardless of the outcome. A template for recording grievance has been developed and is available to the APs when they lodge the complaint.

Figure 5-1 Grievance Resolution Process Scheme



5.3 Access to Information and Grievance Resolution Services

127. 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:

PIU Filed Office

128. To become more accessible for APs field office was established by PIU in one of the local schools in Yerevan during LARP preparation stage. APs were informed about the field office operation during Public Consultations. Meetings with APs once a week have been organized starting from LARP preparation.

129. Part of the project is located in Argavand and Getapnya communities. However, in Getapnya community only state and community owned lands are affected. At the same time, all the APs from Argavand community actually live in Yerevan besides 2 AHs. Therefore, it was decided, that field office would operate in Argavand Community on Fridays as per request of affected persons. Meeting request by APs will be transmitted to PIU through local self-governing bodies.

A PIU Website

130. A website was established and run by the PIU. Project related documents are available on the web and are updated regularly. Stakeholders, PAPS 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

131. In order to make Project information accessible to the wider community and 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)¹². 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

132. 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

133. 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

134. Information on all available avenues will be 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.

¹² "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 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.

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 of Real Estate in Armenia adopted in October 4, 2005.

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 Policy¹³

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 value
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 legislation envisages mechanisms for the APs 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 requirement of the "RA Law on Alienation of Property for	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

¹³ The first six rows refer to the LARF GAP analysis table, the last row is added manually.

<p>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 independent external party. These conditions are fully guaranteed by the use of an independent monitoring agency and by the Armenian Government practice of engaging independent land assessors 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, where the data of implemented census, DMS and impact assessment are recorded namely 30th April 2015. 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. 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, up to a maximum of 20% of 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 50,000 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 (50,000 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 relocated 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 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.
 - Wood trees were valued based on age category (a. seedling; b. medium growth and c. full growth) and wood value and volume;
 - 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 Subproject. 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).¹⁴The 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 of the Yerevan Municipality to the legalization issue 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;
- (iii) In case of legalizable affected non-titled land, APs will be legalized and paid as titled owners;

¹⁴ See Land Code of the Republic of Armenia (2nd of May, 2001) article 60

- (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.

154. There were no cases involving the legalization of illegal properties in the area covered by this LARP 2. After actual measurement during the DMS, two of the APs had inconsistencies between measurement data for buildings and the data in the cadastral certificate. The PIU developed a set of documents needed to start the cadastre re-registration process. The APs applied to the State Cadastre and changed their cadastral certificate in order to be compensated for the actual size of the property.

7 COMPENSATION, RELOCATION AND INCOME RESTORATION

7.1 Background

155. In order to explore additional assistance to the affected households necessary for their livelihood restoration, the PMU 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.

156. APs think that a two week relocation period is far too short and that they will need at least one month notice to vacate the property. The YM/PIU extended the time for relocation to 1 month. A continuous flow of information and consultations with APs during all phases of the Project, particularly during the implementation phase is required. Their opinions and suggestions on livelihood restoration are summarized and presented in the Appendix 10.

157. The census identified 26 affected households in the area covered by 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 Subproject in terms of income will be on the small scale businesses. There are no cases of residential relocations under this LARP. The details on applicable entitlements related to this Subproject is presented in the following table:

Table 7-1 Details on Impacts and Applicable Entitlements

Type of loss	Application	Definition of APs	Compensation entitlements	Impact	No of Ahs
1. Agricultural land loss	AH losing agricultural land regardless of impact severity	Illegal Users	These APs will receive a rehabilitation allowance equal to 25% of the affected land market or cadastral value (whichever the highest)	3 land plots, 1,506.67 sq.m	3AHs
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).	9 private land plots, 3,824.28 sq.m, 2 community owned land plots, 1,216.7 sq.m.	8 AHs
		Leaseholder (community/state)	AH 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%.	1 land plot, 2,248.60 sq.m.	1 AHs
		Illegal Users	These APs will receive a rehabilitation allowance equal to 25% of the affected land market or cadastral value (whichever the highest)	13 land plots, 2,435.19sq.m.	12 AHs

Type of loss	Application	Definition of APs	Compensation entitlements	Impact	No of Ahs
3. Non-residential buildings/assets	AHs losing non-residential structures	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).	8 str, 258.51 s.qm fence 7.85 sq.m. 2 structures to be repaired	9 AHs losing structures and fences, 2 AHs whose structures will be repaired
		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.	Fence 13.4 sq.m., 16 l.m.	
		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.	8 str, 134.54 s.qm Fence 249.55 l.m.	
4. 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.	1 land plot, 25 sq.m	1 AH
5. 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.	Fruit Trees: 53	3AH
				Decorative Trees: 79	4AH
				Wood Trees: 56	1AH
6. Business loss	Business	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; (ii) (temporary impact) cash indemnity of net income for months of business stoppage up to 1 year. Assessment to be 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 number of months of business stoppage up to 1 year. The maximum non-taxable salary is equal to minimum salary.	5 businesses	5 AHs
7. Employment losses	Temporary employment loss	Employees that were registered in the affected business 2 months prior cut-off date	Indemnity equal to: minimum monthly salary for the number of months of job loss up to 6 months.	3 employees	3AHs
8. Allowances for Severe Impacts	AH with >10% agricultural income loss	All severely affected AHs	1 additional crop compensation covering 1 year yield for APs affected by severe agricultural income losses	3 AHs	
9. Relocation allowances	Transport costs	All AH	Provision of funds to cover transport costs	10 AHs	
10. Vulnerable People Allowances		AHs below poverty line or headed by women or elderly people	Allowance equivalent to 6 months of minimum salary and employment priority in Project-related jobs	2 AHs	

7.2 Affected Agricultural Income

158. There are only three AHs who will lose more than 10% of agricultural income from the affected land plots. Two AHs lose several fruit trees and 25m² of flowers on the commercial land plots in Yerevan and one AP loses part of the orchard in Argavand. Agriculture is not a main source of income. Two APs have their businesses and fruit trees are located on the commercial land next to their businesses; therefore, these losses will not affect APs livelihood. The AP who will lose a small part of the orchard, will receive a replacement¹⁵ cost for the affected trees and will be able to plant new ones on the remaining land.

Table 7-2 Compensation and Assistance for Affected Persons Losing Income

No of AHs	Description of loss	Compensation details	Assistance provided
3	Agricultural income loss (including for self-consumption)	Compensation for all affected trees at replacement cost based on asset affected	Rehabilitation allowance in amount of 25% of land market value in case of illegally used land
		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

159. In total 5 businesses will be affected by the Project. Out of which 4 will be permanently affected due to the demolition of the main buildings and 1 business will be temporary affected due to the renovation of the partially affected structures. The following table summarizes the impact on businesses to be permanently relocated, and APs preferences.

Table 7-3 Detailed Impact on Businesses to be Relocated

No	Type of business	No of AH/APs	Employees	Land impact			Building impact				Improvements, fences Impact	APs preferences
				Type of land, usage	Total area (m2)	Affected area (m2)	Building type	Legal status	Surface, m2	Remaining		
1	Grocery (with tax declaration)	1 AH (6)	0	Commercial, private	210.7 m2	95.79 m2	Metal shed	private	0.9	0	2.84 m2 concrete surface. 7.85 m2 stone fence (private) and 13.40 m2 fence (illegal). Shed (10.30 m2) will be repaired as the AP required	Will re-built new shop on the remaining 114.91 m2 part of the land
				Commercial, illegal	6.59 m2	6.59 m2	Shop, stone masonry	private	30.59			
2	Grocery (with tax declaration)	1 AH (1)	0	Commercial, illegal	41.84 m2	41.84 m2	Shop, stone masonry	illegal structure	15.76		20.53 m2 concrete surface	Did not decide yet
							Metal shed	illegal structure	4.91			
3	Car service (without tax declaration)	1 AH (4)	0	Commercial, illegal	123.58 m2	123.58 m2	Vehicle repair, stone masonry	private	34.1		163 m2 asphalt surface	Will try to find new land for rent or to buy and re-build the car repair station
							Inspection pit/hole, stone masonry	illegal structure	2.56			

¹⁵ Replacement cost for fruit trees is based on income from trees that AP would receive for years needed to grow new productive tree.

No	Type of business	No of AH/APs	Employees	Land impact			Building impact				Improvements, fences Impact	APs preferences
				Type of land, usage	Total area (m2)	Affected area (m2)	Building type	Legal status	Surface, m2	Remaining		
4	Car service (with tax declaration)	1 AH (8)	0	Commercial, illegal	81.50 m2	81.50 m2	Vehicle repair, stone masonry	private	23		163 m2 asphalt surface	Will try to find new land for rent or to buy and re-build the car repair station

160. Two grocery shops and two vehicle-servicing stations will be permanently affected (Table 7.3).

1. One of the grocery shop owners will build a new shop on the remaining land plot with the provided compensation. AP will be able to improve his business, as he will receive 115% of the replacement cost of the affected assets.
2. The second grocery shop is illegal structure on the illegal land, and will receive allowance in the amount of replacement cost for all the affected assets minus legalization cost. AP did not decide yet about business restoration. However, real estate market preliminary analysis shows¹⁶, that AP will be able to buy other legal grocery shop with the equal sq.m in the same area. This is applicable to the legal shops located on the first floor of the multistoried buildings.
3. Two vehicle-servicing stations are in the same situation. The rent agreement with Municipality expired and land usage has become illegal. However, the structures are registered in the State Cadaster as private buildings and APs will receive 115% of replacement cost for the last. Owners stated that they would look for new land plots to rent or purchase in order to rebuild their businesses. The information on sale of similar business in the area shows that the APs who have affected businesses on illegal land will be able to purchase with compensation amount a similar legal business on legal land plot, which is located in a quieter street in the project area¹⁷.

161. All households losing their businesses, regardless of legal status, will be assisted to restore the affected business. The owners of the businesses 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. In the case of temporarily affected businesses, a cash indemnity of net income for the months of business termination will be provided. In addition to the compensation for the affected assets, and all allowances which should help restoration of losses, these APs will be assisted with fast registration of new businesses and linked with relocation and real estate agencies in the area as well as with training centers for business administration and management if required. Details are presented in the table 7.4.

Table 7-4 Compensation and Assistance for Businesses

No of AHs	Description of loss	Compensation details	Assistance provided	Additional assistance	Time of relocation
Permanently Affected Businesses					
3 with tax declaration	Business loss	Compensation for all affected assets at replacement cost based on asset affected	Annual net income compensation Business registration costs Relocation allowance covering transport costs	1. Fast track to register new business 2. Link to local relocation agencies for transport of affected assets 3. Link to local real-estate agencies for possible purchasing / renting of new business location in the area 4. Link to centers for business administration and	Within 30 days of signing of contract
1 without tax declaration	Business loss	Compensation for all affected assets at replacement cost based on asset	Allowance for income loss in amount of 12x of minimum salary		

¹⁶ Official announcements for real estate market supply were analysed in respect of grocery shops

¹⁷ Non-official announcements of real estate market supply were analysed in respect of vehicle servicing stations.

No of AHs	Description n of loss	Compensation details	Assistance provided	Additional assistance	Time of relocation
		affected	Relocation allowance covering transport costs	management trainings	
			Rehabilitation allowance for illegally used land in the amount of 25% of land market value		
Temporary Affected Business					
1 with tax declaratio n	Temporary business income loss	Compensation for renovation of the partially affected structures	Rehabilitation allowance for the months of stoppage for renovation of the partially affected structures.	No additional assistance is envisaged. AHs will be able to restore their businesses in a month after the repairing of the affected structures. New access will be provided to one of the businesses.	N/A
			Rehabilitation allowance for illegally used land in the amount of 25% of land market value		

7.4 Employment loss

162. There are no registered employees in the permanently affected businesses. Due to the temporary business closure, 3 employees will temporarily lose their employment and will be compensated in the amount of their average salary for the months of business stoppage. They will be able to restart their work after re-establishment of the business.

7.5 Non Functioning Businesses and Other Impacts

163. As it is shown in Table 2.6 of the Impact Chapter, 9 AHs will be affected from demolition of the non-residential structures. Four of 9 AHs will be compensated and restored as affected businesses (subchapter 7.3). Other 5 AHs will lose structures that are non-functional businesses (vehicle servicing center, tavern) or supporting structures (garage). They will be compensated in accordance with the LARF and will be able to buy/re-built new similar property nearby.

8 RESETTLEMENT BUDGET

8.1 Background

164. 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 Subproject. 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 LARF budget is summarized at the end of the chapter

8.2 Sources and Allocation of Funds

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

- (i) For the land located in Yerevan compensation and other land acquisition expenses, including taxes, duties, fees, and transaction costs (Cadastre fees, fee for provision of common reference, State registration fee for remaining part, State sales contract registration for affected part, Fee for provision of address, Cadastre fees for the remaining part) as well as rehabilitation allowance for illegal usage of land that belongs to YM will be financed from the funds provided for this project within Yerevan Community budget.
- (ii) For the land located in Argavand and Getapnya communities compensation and other land acquisition expenses such as taxes, duties, fees, transaction (Cadastre fees, fee for provision of common reference, State registration fee for remaining part, State sales contract registration for affected part, Fee for provision of address, Cadastre fees for the remaining part) costs, rehabilitation allowance for illegal usage of community land as well as taxes, fees, and transaction costs related to non-land losses, including transaction costs related to allowances, 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 loan provided for this project.
- (iv) Other resettlement expenses associated with the project (including compensation for the remaining assets and allowances) will be covered by the ADB loan.¹⁸

166. The PIU should undertake measures to request funds from the relevant financing sources needed for implementation of LARF 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

167. 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.

¹⁸ Agreement between GoA and ADB has been reached and covenanted in the Loan Agreement (Loan number 2752-ARM(SF) 19.05.2011).

168. The principle of compensation for APs having other property rights (community right to build, right of servitude, mortgage, and usage) rather than land/property lease has not been set out in the LARP. According to the RA law, APs with legal titles are compensated from the compensation money allocated for the affected land/asset in accordance with the established law of the RA. However, the law does not specify calculation procedure of the mentioned compensation. Taking into account the fact that in accordance with the LARP, compensation for leaseholders and non-registered users is calculated separately, without any deduction from the compensation amount provided to the property owner, the calculation of compensation for the APs having other asset/property rights (in this case for stoppage of community right to build) in the same manner as leaseholders (*...Leaseholder will receive compensation equal to "the market or cadastral cost of affected land (whichever is the highest) + 15%" in the following proportions according to the length of the lease: i) < 1 year 5%; 2) < 15 years 14% ; 3) < 25 years 20%;4)>25 years -25%).*

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		

169. 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 method¹⁹ 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

170. The compensation to be paid to legal land owners was calculated at replacement value 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 115,166,662.38 AMD.

Table 8-2 Land Compensation for Private and Community Land

Land category	Type	Land plot	Affected area	Unit price	Total land cost	Total land compensation (including 15%)
		No	m²	AMD/ m²	AMD	AMD
Getapnya						
Other land	Community land	1	695.79	397	276,442	317,908
Argavand						
Other land	Community land	3	5,321.15	6,985	37,169,707	42,745,163
	Private	1	211.72	11,238	2,379,262	2,736,152
Commercial	Private	5	2,567.18	9,317.08	23,918,626	27,506,419
Sub total		9	8,100.05	-	63,467,595.29	72,987,734.38

¹⁹ RA Law on Real Property Assessment, Article 11

Land category	Type	Land plot	Affected area	Unit price	Total land cost	Total land compensation (including 15%)
		No	m²	AMD/ m²	AMD	AMD
Yerevan						
Commercial	Private	3	1,045.38	34,820.72	36,400,887	41,861,020
Total		13	9,841.22	-	100,144,924.3	115,166,662.38

8.3.3 Compensation to Land Leaseholders

171. 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 1 leaseholder is 3,599,559 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
Agricultural (Other land)	1	2,248.60	6,960	15,650,226	17,997,794	20	20	3,599,559

8.3.4 Compensation to Community Right to Build

172. The compensation for the APs having other asset/property rights²⁰: community right to build is calculated in the same manner as leaseholders. 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 persons having community right to build is 88.995 AMD.

Table 8-4 Compensation for Community right to build

Land category	Land plot	Affected area	Unit price	Market value of the land	Market value +15%	Community right to build remaining years	Applied coefficient	Total for compensation
	No.	m ²	AMD/ m ²	AMD	AMD	No.	%	AMD
Residential (Other land)	1	25.15	12,308	309,547	355,979	25	25.00	88,995

8.3.5 Rehabilitation Allowance for Illegally used Land

173. The rehabilitation allowance for illegally used land will amount to 25% of the market value of the land. In total 14,603,751.86 AMD for 2,435.19 m² will be paid to illegal users of Yerevan Municipality and Argavand community land as a rehabilitation allowance for their livelihood losses.

²⁰ The Argavand community receives compensation as owner and the persons who have a Community Right to Build receive compensation separately.

Table 8-5 Rehabilitation Allowance for Illegally Used Land

Land type	Land plot	Affected area	Average unit price	Total land cost	Total rehabilitation allowance (25% of total cost)
	No	m ²	AMD/ m ²	AMD	AMD
Argavand					
Agricultural	1	733.22	9,443.51	6,924,171.45	1,731,042.86
Yerevan					
Commercial	10	928.52	33,776.71	31,362,348.00	7,840,587.00
Agricultural	2	773.45	26,024.29	20,128,488	5,032,122
Subtotal	12	1,701.97	-	51,490,836.00	12,872,709.00
Total	13	2,435.19	-	58,415,007.45	14,603,751.86

8.4 Compensation for Buildings, Structures and Improvements

8.4.1 Valuation Approach

174. 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 8-6 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

175. 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 Non Residential Buildings

176. In total, 112,067,493.29AMD for 16 affected buildings and structures with an area of 393.05 m², will be paid to owners and non-legal users of buildings and structures as a result of land acquisition. In addition, an amount of AMD 1,679,305 will be paid for renovation/repair of three building/structures.

Table 8-7 Compensation for Non-residential Buildings

Type of Affected Structure	Type of Material	Buildings	Affected Surface			Unit Price	Total Cost	Total Compensation
			Legal	Illegal	Total			
		No	m ²	m ²	m ²	AMD/m ²	AMD	AMD
Hole	Stone/concrete	2	-	6.79	6.79	106,426	722,631.00	687,323.00
Kiosk	Stone	1	-	43.32	43.32	80,113	3,470,516.50	2,776,413.29
Non-functioning tavern	Stone	3	25.54	62.96	88.50	368,801	32,638,849	32,578,460

Type of Affected Structure	Type of Material	Buildings No	Affected Surface			Unit Price AMD/m2	Total Cost AMD	Total Compensation AMD
			Legal	Illegal	Total			
			m ²	m ²	m ²			
Shed	Metal	2	0.90	4.91	5.81	15,355	89,213.	76,208.00
Shop	Stone	2	30.59	15.76	46.35	405,365.16	18,788,675	20,279,909
Vehicle servicing	Stone	6	201.48	0.80	202.28	239,515.79	48,449,253.00	55,669,180.00
Total	-	16	258.51	134.54	393.05	-	104,105,137.50	112,067,493.29

Table 8-8 Compensation for Renovation Cost

Name	Material	No	Compensation
			AMD
Shed	Metal	1	79,079
Vehicle servicing	Stone masonry	1	1,600,226
Total		2	1,679,305.00

8.4.3 Fences and Improvements

177. All improvements done by APs, regardless of their status, are subject to compensation. In total 8,996,740 AMD will be paid for different types of improvements. Compensation for affected fences amounts to 1,320, 812.14AMD.

Table 8-9 Compensation for Improvements

Name	Material	Land plots	Area	Unit price	Compensation
		No	m ²	AMD	AMD
Working Surface	Bitumen	6	978.0	9,000	8.802.00
Working Surface	Concrete	3	29.96	6,500	194,740
Total		9	1,007.96	-	8,996.740

Table 8-10 Compensation for Fences

Material	Length	Area	Unit price	Market value	Compensation for legal (market value + 15%)	Compensation for illegal (market value minus legalization cost)	Total for compensation
	l.m.	m ²	AMD/m	AMD	AMD	AMD	AMD
Metal A	117.55	-	3,338.05	392,388.00	61,420.00	271,184.00	332,604.00
Metal B	148	-	6,676.12	988,066.44	-	790,453.00	790,453.00
Tuf/stone C	-	21.25	10,014.19	212,801.54	90,403.06	107,352.08	197,755.14
Total	265.55	21.25	-	1,593,255.98	151,823.06	1,168,989.08	1,320,812.14

8.5 Compensation for Crops and Trees

8.5.1 Crops

178. The only crop compensation applicable for this area is compensation for flowers. 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 the 2006-2014 periods. Total crop compensation is 25,000 AMD.

Table 8-11 Compensation for Crops

Type of crop	Affected area	Price	Sum
	m ²	AMD/m ²	AMD
Flowers	25	1,000	25,000.00

8.5.2 Fruit Trees

179. 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

180. In total 16 sweet cherry seedlings will be compensated in the amount of 24,000 AMD and for 37 affected fruit bearing trees, the APs will be paid 5,464,530.00 AMD. The particulars of compensation for the affected seedlings and fruit-bearing trees are summarized in the following tables.

Table 8-12 Compensation for Seedlings

Type	Seedling cost	Trees	Total compensation
	AMD/tree	No	AMD
Sweet Cherry	1,500	16	24,000

Table 8-13 Compensation for Fruit Bearing Trees

Type	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
Grapes	25	321.5	4	32,150	3	96,450.00
Apple	50	333.7	6	100,110	2	200,220.00
Apricot	80	374.75	6	179,880	27	4,856,760
Sweet Cherry	30	518.5	4	62,220	5	311,100.00
Total	-	-	-	-	37	5,464,530.00

8.5.3 Wood Trees

181. 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 12-36 cm diameter and fully grown trees as those with a diameter greater than 36cm.

- (iii) Wood trees compensation amounts to 4,620 AMD for seedlings, 36,960 AMD for medium growth trees, as well as 1,178,310 AMD for fully grown trees with an overall total compensation of 1,219,890 AMD, 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	Dia metr	Subt otal	No	Unit cost	Diam etr	Subto tal	No	Unit cost	Diam etr	Subtotal	No	AMD
		AMD	sm	AMD		AMD	sm	AMD		AMD	sm	AMD		
Poplar	2	2310	2	4,620	16	2310	12	36,960	25	33,810	35	845,250	43	886,830
									10	25,620	30	256,200	10	256,200
Ash Tree	-	-		-	-	-	-	-	3	25,620	32	76,860	3	76,860
Total	2	-		4,620	16	2310	-	36,960	38	85,050	-	1,178,310	56	1,219,890

8.5.4 Decorative Trees and Bushes

182. Compensation for decorative trees and bushes was calculated based on the replacement cost. In total 193,800 ADM will be compensated for the loss of 79 decorative trees.

Table 8-15 Compensation for Decorative Trees and Bushes

Type	Medium			Large			Total	
	Unit price	Trees	Compensation	Unit price	Trees	Compensation	Trees	Compensation
	AMD/ tree	No	AMD	AMD/ tree	No	AMD	No	AMD
Rose noble	600	12	7,200	900	9	8,100	21	15,300
Fir tree	1,500	1	1,500	2,500	1	2,500	2	4,000
Climbing	-	-	-	3,500	3	10,500	3	10,500
Wild grapes	-	-	-	1,500	17	25,500	17	25,500
Cypros	-	-	-	3,000	14	42,000	14	42,000
Forsicia	-	-	-	3,000	9	27,000	9	27,000
Jasmine	1,500	1	1,500	3,000	8	24,000	9	25,500
Box tree	8,000	1	8,000	12,000	3	36,000	4	44,000
Total	-	15	18,200	-	64	175,600	79	193,800

8.6 Compensation for Business and Income Losses

8.6.1 Business Losses

183. All the businesses will be permanently affected and all have the tax declarations. 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.

184. 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 RA tax services. In order to reflect any change occurred since the last impact assessment, the PIU initiated updates on business and employment losses which were done in May 2015. The compensation for businesses amounts to 9,749,285 AMD.

Table 8-16 Compensation for Business Losses

Type of Business	Business	Income months	Net monthly income	Net annual income	Total	Registration costs	Total compensation including registration costs
	No	No	AMD	AMD	AMD	AMD	AMD
Permanently Affected With Tax Declaration							
Business 1	1	12	n.a.	4,802,230	4,802,230	3,000	4,805,230
Business 2	1	12	n.a.	3,307,227	3,307,227	3,000	3,310,227
Business 3	1	12	n.a.	659,780	659,780	3,000	662,780
Permanently Affected Without Tax Declaration							
Business 1	1	12	50,000*	n.a	600,000	n.a	600,000
Temporarily Affected with Tax Declaration							
Business 1	1	1	371,048	4,452,576	371,048	-	371,048
Total	5	-	-		9,743,987	-	9,749,285
<i>* For Permanently affected businesses without tax declaration compensation is provided based on minimum salary</i>							

8.6.2 Income Losses

185. There are three temporary affected business employees working in the car repair stations. They will receive a rehabilitation allowance equivalent to a monthly average salary for the months of business stoppage. These businesses need approximately one month for renovation/repair of affected buildings after which, they will resume operation and affected employees start work.

Table 8-17 Compensation for Employment Loss

Loss	Number of employees affected	Months	Average unit cost*	Total/ AMD
Temporary Employment Loss	3	1	74,916.6	224,750 *
<i>*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

186. Under LARP 2, additional crop compensation covering 1-year's yield will be paid to severely affected households. A total of 3 AHs are severely affected losing more than 10% of the agricultural income and will be compensated accordingly. The total compensation for all severely impacted AHs amounts to 969,718AMD. 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	3	323,239.17 *	969,718.00
<i>* The allowance was calculated individually for each AH. The unit costs in this table represent the average amounts.</i>			

8.7.2 Allowances to Vulnerable Groups

187. Additional allowances are allocated for vulnerable groups, particularly for AHs headed by women. Such allowance amounts to the equivalent of 6 months minimum salary 50,000 AMD). In addition, the APs from such AHs will get employment priority for project-related jobs. The total allowance to be paid to vulnerable AHs amounts to 600,000AMD.

Table 8-19 Allowances to Socially Vulnerable People

Type	Number	Allowance amount	Total
a. Woman-headed AHHs	2	300,000	300,000
b. Elderly-headed AHHs (is also woman-headed AH mentioned in (a))	1	300,000	300,000
Total	2	-	600,000

8.7.3 Relocation Allowances

188. 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 362,850AMD will be paid for the relocation of the assets of AHs.

Table 8-20 Transportation Costs for Movable Assets/Structures

Type of allowance	Trips required	Unit rate	Total
	No	AMD	AMD
Transportation costs, small gabarites	2	22,800	45,600
Transportation costs, big gabarites	7	35,250	246,750
Transportation cost for metal containers	1	70,500	70,500
Transportation cost for metal kiosk	1	70,000	70,000
Total	11	-	432,850

8.8 Registration Costs

189. 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 a Armenian laws:

- (i) Fee for the state registration of rights to the real estate unit, changes in rights and delegation²¹;
- (ii) Fee for the provision of a common reference of a real estate unit²²;
- (iii) State duties for the registration of real estate²³ and of real estate alienation contracts²⁴;

²¹ State Registration Of Rights To The Property Act.

²² Ibid

²³ State Duties Act.

²⁴ Ibid.

- (iv) Notary service fee for the ratification of real estate division contracts and of real estate alienation contracts²⁵;
- (v) VAT²⁶ for the acquisition of industrial and commercial properties, including lands and buildings. The deals less than 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.

Table 8-21 Fees for Property Registration

Land/ building category per Cadastre Certificate	No	Cadastre fees	Fee for provision of common reference	State registra tion fee for remaini ng part	State sales contract registration for affected part	Fee for provis ion of addre ss	Cadastre fees for the remaining part	Total Registration
Yerevan Community								
Shed	1	25,000	10,000	1,000	20,000	15,000	25,000	96,000
Shop	1	25,000	10,000	-	20,000	-	-	55,000
Garage	1	25,000	10,000	1,000	20,000	15,000	25,000	96,000
Trade Salon	1	25,000	10,000	-	20,000	-	-	55,000
Vehicle Repairing	1	25,000	10,000	-	20,000	-	-	55,000
Vehicle Repairing	4	25,000	10,000	-	20,000	-	-	220,00
Getapnya Community								
Agricultural Land	1	2000	500	-	5,000	-	-	7,500
Argavand Community								
Residential Land	11	25,000	10,000	1,000	20,000	15,000	25,000	1,056,000
Total	21	-	-	-	-	-	-	1,640,500

8.9 Budget (Cost) Summary

190. The total implementation cost of LARP for the Project amounts to **350,365,228.50** AMD which is equivalent to USD **729,927.56** as shown in the following table. Out of the total amount of AMD 350,365,228.50 Yerevan Municipality and the GoA will allocate AMD 81,635,098.24 and AMD 85,839,480.98. 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.

191. 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.

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

²⁵ Study Of Services Of Notary Offices

²⁶ 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 industrial, earth interior and other production importance,) belonging to a person and subject of the entrepreneurial activity. Article 6, RA Law on VAT.

Table 8-22 Budget Summary

Item	Source of Finance	Total/AMD
I. Compensation Budget, Including Allowances		
Compensation for private land (Including 15% surcharge)	YM	51,824,998.07
Compensation for private land (Including 15% surcharge)	GoA	63,341,664.31
Compensation to Leaseholders	GoA	3,599,559.00
Compensation to Community Right to Build	GOA	88,995.00
Rehabilitation allowance for illegal land usage	YM	14,603,751.86
Compensation for Non-residential Buildings	ADB Loan	112,067,493.29
Compensation for Renovation Cost	ADB Loan	1,679,305.00
Compensation for Fences	ADB Loan	1,320,812.14
Compensation for Improvements	ADB Loan	8,996,740.00
Compensation for Crops	ADB Loan	25,000.00
Compensation for Seedlings	ADB Loan	24,000.00
Compensation for fruit bearing trees	ADB Loan	5,464,530.00
Compensation for wood trees	ADB Loan	1,219,890.00
Compensation for decorative trees	ADB Loan	193,800.00
Compensation for business losses	ADB Loan	9,749,285.00
Compensation for employment loss	ADB Loan	224,750.00
Allowances to severely affected households	ADB Loan	969,718.00
Allowances to socially vulnerable people	ADB Loan	600,000.00
Transportation costs	ADB Loan	362,850.00
Movable structures transportation costs	ADB Loan	70,000.00
Fees for registration services	GoA	1,640,500.00
Sub-Total		278,067,641.67
II. Administrative Costs		
Direct administration costs [5% of Sub-Total]	ADB Loan (83.33%)	11,585,688.29
	GoA(16.67%)	2,317,693.79
Total		291,971,023.75
Contingency 20%	ADB Loan	30,481,774.88
	YM	13,605,849.71
	GoA	14,306,580.16
Total LAR Budget (AMD)		350,365,228.50
Total LAR Budget (USD) 1USD=480 AMD		729,927.56
<i>Exchange rate on May 29 ,2015, Central Bank of the Republic of Armenia</i>		

Table 8-23 Budget Summary per Source of Financing

Source of Finance	AMD	USD
Yerevan Municipality	81,635,098.24	169,719.54
ADB loan	182,890,649.28	380,230.04

Source of Finance	AMD	USD
State Budget	85,839,480.98	178,460.46
Total	350,365,228.50	729,927.56

9 INSTITUTIONAL ARRANGEMENTS

9.1 Background

193. 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

194. 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

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

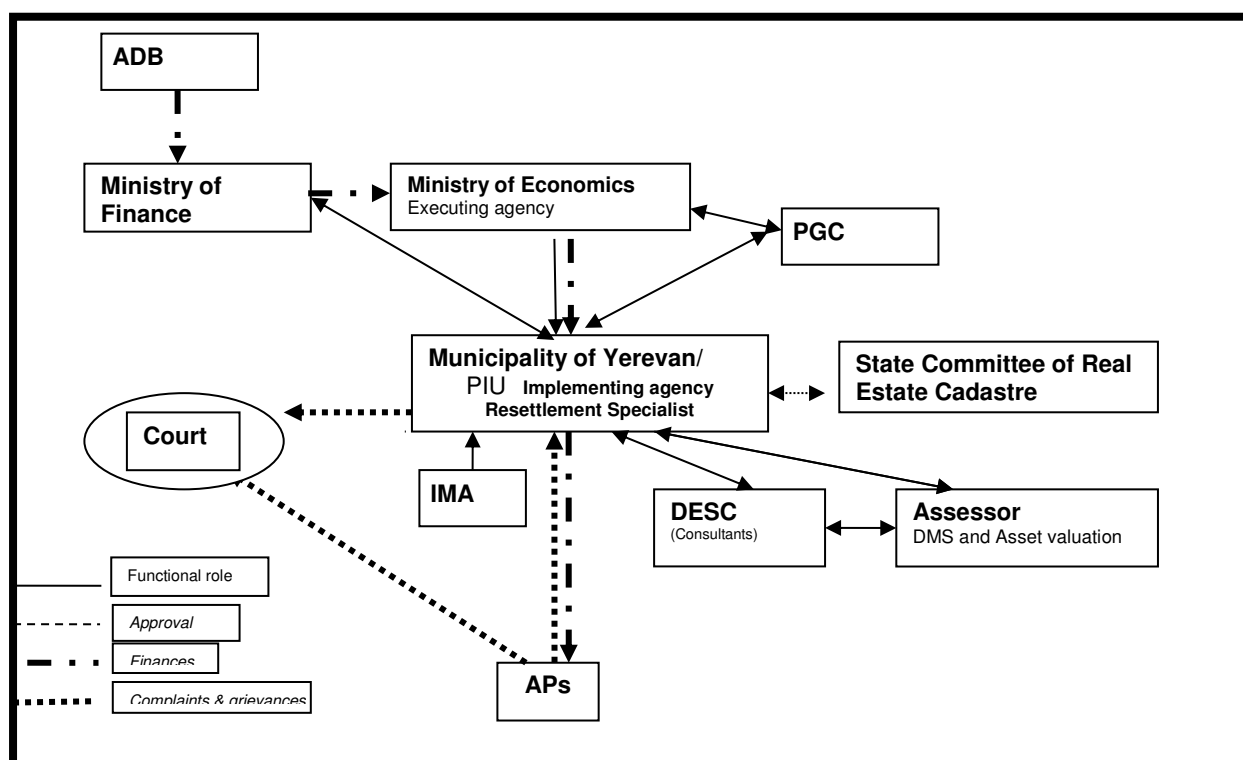
9.2.3 The Municipality of Yerevan and Project Implementation Unit

196. 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.

197. 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 SRS 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 PMIC and the DESC, YM, PGC, EA, the State Cadastre, 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 2 implementation, the PIU will engage more specialists when required.

198. A Project Governing Council (PGC) is made up of representatives from the YM, concerned ministries and chaired by PA 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, including resolving high profile AP grievances or serving as a final decision making body for AP grievances, short of their being referred to the Courts.

Figure 9-1 Land Acquisition and Resettlement Organogram and Actions



9.2.4 Consultants

199. Different consultants have been involved in the preparation and implementation of LARP 2:

- (i) **PPTA Consultants:** This included international and local LAR capacity and needed survey teams who carried out all the field-surveys and assisted the EA to prepare the Draft LARPs as part of the sub-Project feasibility study during 2010.
- (ii) **Detailed Engineering and Construction Supervision Consultant (DESC)** - includes international and local LAR capacity and survey teams which carried out activities necessary for updating/finalizing of this LARP. DESC will assist in the overall supervision of the Subprojects with respect to LAR activities.
- (iii) **Independent Monitoring Agency (IMA):** This consultant has already been selected and will conduct the external monitoring and evaluation of the implementation of this LARP. In the absence of a supervision consultant, the IMA is required to continue external monitoring and evaluation for all tranches.
- (iv) **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

200. 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) **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;

(iii) **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

199. The EA/PIU gained experience for LARP implementation during the previous tranche and has sufficient capacity now for 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

201. 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

202. 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 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) Publication of preliminary notification expressing intent to acquire land under eminent domain;
- (iii) Establishment of the official cut-off date as of 13th April, 2012;
- (iv) Revision and updates of impacts including the latest updates as of May 2015, AP numbers and costs data based on the latest LARF provisions;
- (v) Final public consultations;
- (vi) Disclosure of assets description protocols to all APs²⁷;
- (vii) Identification of potential expropriation cases;
- (viii) Legalization of legalizable APs;
- (ix) Appointing of Independent Monitoring Agency (IMA);
- (x) Endorsement of this LARP by the PIU and its submission to the ADB for approval in the form of this document.

10.3 Land Acquisition and Resettlement Plan Implementation Milestones

203. 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.

27. 8 APs did not sign the protocols. Per RA Eminent Domain Law, requirements IA will send protocols to APs. APs have write to go to the court during the period of 15 days after receiving the protocols to appeal the content of the protocol.

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

- a. **Sending of Draft Contracts:** As soon as LARP is approved by ADB and RA Government, IA will send the draft contracts to legal APs, including renters. APs should incorporate their bank account numbers in the draft contracts. IA should sign a final contract with AP within 3 months after dissemination of the draft contract.
 - (i) **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.
 - (ii) **Expropriation procedure:** If in the event of compensation dispute the final contract was not signed with AP within 3 months after dissemination of the draft contract, 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 such cases, no construction works on the particular plot will start until court decision is obtained and enters into force.
 - (iii) **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.
 - (iv) **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.
 - (v) **Absent APs:** If owner is not in Armenia, then the deal can be carried out by official representative of the AP based on a power of attorney. If no representative is appointed, then the property will be legally expropriated through a 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.

205. 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 Land Acquisition and Resettlement Plan Implementation Schedule

206. The timeline presented in the following table shows the distinct stages of LARP preparation, finalization and implementation. The same information is illustrated in the following Gant Chart.

Table 10-1 Timeline for Land Acquisition and Resettlement Plan Preparation, Finalisation and Implementation

Task/Activity	Responsibility	Start	Finish
LARP PREPARATION TASKS (PPTA stage)			
Social and DMS surveys for Draft LARPs	PPTA Consultant	01/02/2010	01/04/2010
Public consultation	PPTA Consultant	01/02/2010	01/04/2010
Initial land valuation	PPTA Consultant	01/02/2010	01/04/2010
Preparation of Draft LARPs	PPTA Consultant	01/03/2010	01/04/2010
ADB and Government approve Draft LARP	ADB and GoA	10/04/2015	

Task/Activity	Responsibility	Start	Finish
Disclosure	PPTA Consultant/ PIU/ADB	01/05/2010	
Project appraisal	ADB	01/05/2010	
Loan approval	ADB	01/06/2010	
LARP FINALIZATION			
Hiring the Supervision Consultant	PIU		01/09/2012
Finalization of road alignment	DESC	01/10/2012	01/02/2013
New DMS, Census and Valuation based on the final alignment and amended LARF of July 2012	DESC	01/12/2012	01/03/2012
Establishment of a complaints and grievances mechanism	PIU	01/12/2012	
Consultations, presenting valuation methodology and average rates for the affected properties	PIU/DESC	Dec.2012	01/03/2013
Collection of required information from different ministries	PIU	01/01/2013	01/08/2013
Notification to the APs on impacts and compensation entitlements	PIU	01/04/2013	01/07/2013
LARP preparation and documentation	DESC	03/12/2012	15/08/2013
Submission of Draft LARP to ADB for comments	PIU	16/08/2013	
ADB review and comments	ADB	16/08/2013	03/09/2013
Finalizing LARP according to ADB comments	DESC	11/09.2013	30/09/2013
Submission of finalized LARP to ADB for approval	PIU	20/11/2013	
ADB approves LARP	ADB	09/01/2014	
LARP UPDATE			
Finalization of Design	DESC	19/01/2015	19/01/2015
New DMS, Census and Valuation based on the final Design	DESC	25/03/2015	03/04/2015
LARP preparation	DESC	04/04/2015	12/05/2015
Submission of Draft LARP to ADB for comments	PIU	13/05/2015	13/05/2015
ADB review and comments	ADB	14/05/2015	01/06/2015
Finalizing LARP according to ADB comments	DESC	02/06/2015	17/06/2015
Submission of finalized LARP to ADB for approval	PIU	18/06/2015	18/06/2015
ADB approves LARP	ADB	23/06/2015	
RA Government approves LARP	GoA	23/07/2015	
RA Government approves LAR Budget	GoA	23/07/2015	
Posting approved LARP document on ADB and YM websites	ADB and PIU	23/07/2015	
Preparation of the disclosure information pamphlet	DESC/PIU	25/06/2015	23/07/2015
Distribution of the disclosure information pamphlet	DESC/PIU	25/07/2015	27/07/2015
LARP IMPLEMENTATION			
Allocation of LAR budget to YM	MoF	23/07/2015	
Identification of potential expropriation cases	PIU	01/04/2013	17/11/2015
Draft contracts sent to APs	PIU	02/08/2015	12/08/2015
Signing contracts	PIU	03/08/2015	10/11/2015
Disbursement of compensation	PIU	13/08/2015	20/11/2015

Task/Activity	Responsibility	Start	Finish
Finalization of expropriation, provision of expropriation injunctions	PIU	17/11/2015	16/01/2016
Preparation of LARP Compliance Report	IMA	02/08/2015	30/11/2015
Submission the LARP draft Compliance Report to ADB	PIU	01/12/2015	01/12/2015
ADB reviews the LARP Compliance Report	ADB	01/12/2015	16/12/2015
Submitting the LARP final Compliance Report to ADB	PIU	17/12/2015	27/12/2015
ADB approves the LARP Compliance Report	ADB	01/01/2016	01/01/2016
Handing over of the site to the Contractor	PIU	02/01/2016	02/01/2016
Commencement of civil works	Contractor	03/01/2016	
Monitoring	IMA/ADB	-	-
Grievances redress	PIU	-	-

11 MONITORING AND EVALUATION

11.1 Background

207. 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 independent monitoring agency (IMA) hired by YM and approved by the ADB.

11.2 Internal Monitoring

208. Internal monitoring will be carried out routinely by PIU both directly and with the support of additional specialists hired for LARP implementation. The results will be communicated to ADB through the quarterly Project implementation reports. 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:

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

209. 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:

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

11.3 External Monitoring

210. External monitoring will be carried out by the Consulting Company, an Independent Monitoring Agency (IMA) selected by YM.

211. 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

212. 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 EA. 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 PMU/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 measurements in the protocols fit actual impacts;
- (iii) A verification that the unit compensation rates used in the protocols 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

213. 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.