

Resettlement Planning Document

Resettlement Plan

Project Number: 42417

Yerevan West Bypass Highways Project 1: Shirak St. – Argavand Section

September 2010

Armenia: Sustainable Urban Development Investment Program

The resettlement plan is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

**Urban Infrastructure and Sustainable City
Development Program
Tranche 1**

Land Acquisition and Resettlement Plan (LARP)
Yerevan West Bypass Highways Project 1:
Shirak St. – Argavand Section

July 27 2010

Yerevan Municipality



Fw: ARM Yerevan Sustainable Urban Transport MFF
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09/14/2010 09:07 AM

FYI

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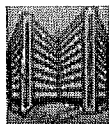
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Dear Arno,

I would like to confirm that LARF, LARPs and EARF have been approved by the ministerial committee chaired by the PM, and will be approved next Thursday. Therefore, we are in the schedule agreed during the teleconference.


I also would like to suggest the you discuss with Mushegh Tumasyan the Municipality co financing and project governance issues via phone.

Best regards,



Nerses Yeritsyan | Minister

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Abbreviations

ADB	Asian Development Bank
AF	Affected Family
AP	Affected Person
ARD	Armenian Roads Directorate
YCCI PIU	Yerevan City Construction Investment Project Implementation Unit
DMS	Detailed Measurement Survey
EA	Executing Agency
EM	Ethnic Minority
GDP	Gross Domestic Product
GoA	Government of Armenia
IA	Implementing Agency
IMA	Independent Monitoring Agency
IP	Indigenous People
IPSA	Initial Poverty and Social Assessment
LAR	Land Acquisition and Resettlement
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
LARU	Land Acquisition and Resettlement Unit
MFF	Multi Tranche Financial Facility
MOY	Municipality of Yerevan
MOTC	Ministry of Transport and Communications
NGO	Non-Governmental Organization
OM	Operations Manual
PFR	Periodical Financial Request
PGCC	Project Governing and Coordinating Council
PIU	Project Implementation Unit
PPTA	Project Preparatory Technical Assistance
PRSP	Poverty Reduction Strategy Paper
PSA	Poverty and Social Assessment
RA	Republic of Armenia
SDP	Sustainable Development Program
SES	Socioeconomic Survey
SRS	Social and Resettlement Specialists
YCCI PIU	Yerevan City Construction Investment Project Implementation Unit

Definitions of LAR Terms

Affected Person/People - Any person (individual) affected by Project-related changes in use of land, water, natural resources, or income losses.

Affected Family - All members of a household residing under one roof and operating as a single economic unit, who are adversely affected by the Project, or any of its components. It may consist of a single nuclear family or an extended family group.

Compensation - Payment in cash or in kind of the replacement cost of the acquired assets.

Cut-off Date - Date after which people will not be considered eligible for compensation i.e. they are not included in the list of APs as defined by the census.

Entitlement - Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation which are due to affected people, depending on the nature of their losses, to restore their economic and social 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, etc.) and crops/plants planted by the person, household, institution, or organization.

Land Acquisition - The process whereby a person is compelled by a government agency to alienate all or part of the land a person owns or possesses to the ownership and possession of the government agency for public purpose in return for a consideration.

Marz - Armenia is divided into 10 provinces (marz). The province chief executive is the governor (marz) 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.

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.

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.

Vulnerable People - Distinct groups of people who might suffer disproportionately from resettlement effects. They are the households below poverty line or will become below poverty line as result of loss to assets and/or livelihoods, female headed households, or disabled persons.

Executive Summary

Introduction and Background

1. This Summary Land Acquisition and Resettlement Plan (LARP) has been prepared to specify the compensation, resettlement and rehabilitation requirements and arrangements for Highways Project 1 of the Urban Infrastructure and Sustainable City Development Program (the Program). The Asian Development Bank (ADB) has agreed to provide the Armenian Government with a \$400 million Multi-tranche Financial Facility (MFF) to finance Tranche 1 of the Program which includes sub-projects to construct missing road links to complete the Yerevan west bypass. One such project is the construction of the Shirak St. to Argavand Highway section, otherwise known as Project 1. The Project 1 area is located proximately 6 km south-west of the centre of the capital city of Yerevan in the Shengavit district of Yerevan and the Malatia-Sebastia district of Argavand. The project design envisages the construction of a new 6-lane divided road over a length of approximately 1.2km. This includes 1.5km of road linking Argavand Highway to Shirak Street.
2. This Summary LARP identifies a) the extent of losses; b) the policy and framework for compensation payments and relocation; (c) institutional framework for participation and implementation; and d) responsibilities for monitoring the implementation measures. The approval of Project 1 is conditional upon a) approval of this LARP by the ADB and the Government; b) disclosure of this LARP to the affected peoples (APs); c) updating of this LARP to ensure that it reflects final design and current unit compensation prices, and; full implementation of the compensation programme described in this LARP including full delivery of compensation to APs.

Impacts Assessment and AF/AP Census

3. In order to accurately assess the extent of the project's LAR impacts a detailed measurement survey (DMS) has been undertaken to measure the spatial area and locations of impacts; and, an affected families/peoples (AF/AP) census has been undertaken to measure the numbers and characteristics of AF/APs. These surveys have revealed that an area of 2,504 m² of privately owned land is to be affected by the project and all of the 11 affected plots are on land categorised by the government as being for residential and commercial use. In reality, no one lives on the affected land parcels and most are used for businesses. All plots are legally owned by 11 different AFs. The project will not affect any agricultural land or commercial or subsistence crops but it will affect 14 privately owned fruit trees. A total of 14 commercial structures and 11 different businesses (the affected commercial structures and businesses exclude the gas station under construction) of which all 11 affected businesses will have to relocate. This LARP will be updated and made implementation ready on completion of the IA surveys.
4. 9 AFs and 44 APs are considered to be 'severely affected' as they will need to relocate, with loss of housing a major impact whereas 1 AF is considered to be 'vulnerable' because they are women-headed households, there are no indigenous people affected. Of the total number of APs 22 (41%) of these are male and 32 (59%) are female.

Socio-economic Census

5. The 100% sample of AF/AP's shows that of the total of 54 APs and 11 AF, 22 are men and 32 are women. All are of Armenian ethnicity (100%). 10 APs (19%) are illiterate and 22 APs (61%) have completed secondary education. 6 (11%) of APs are employed and of those, most work in the industrial sector.

6. There is 1 female headed household (HH) of which none are single parents. None of the female HH will be affected though loss of their business and none through loss of employment. The EA/IA is committed to ensuring that that affected women participate equally with men in the implementation of this LARP. No APs are below the poverty line.

Legal and Policy Framework and Entitlements

7. In Armenia Land acquisition and compensation issues are discussed in the Land Code Article 102, 104, the Civil Code (1998), Articles 218 to 221 and in the Law of RA *"On the Alienation of the Private Property for Public and State Needs"* (hereafter referred to as the Compulsory Purchase Law) adopted on 27 November 2006. The consideration for the land/property being acquired is established by agreement between IA 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. Assessment of the real estate or the real estate rights shall be made in accordance with the procedure defined in the Law of the Republic of Armenia on Assessment of Real Estate in Armenia adopted in October 4, 2005.
8. The ADB Policy on Involuntary Resettlement includes the following principles: a) involuntary resettlement is to be avoided or at least minimized; b) compensation/ rehabilitation provisions will ensure the maintenance of the APs' pre-project standards of living; c) APs should be fully informed and consulted on LAR compensation options; d) APs' socio-cultural institutions should be supported/used as much as possible; e) compensation will be carried out with equal consideration of women and men; f) lack of legal title should not be a bar to compensation and/or rehabilitation; g) particular attention should be paid to households headed by women and other vulnerable groups; h) 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; i) compensation and resettlement subsidies will be fully provided prior to clearance of right of way/ground levelling and demolition.
9. In general, there are few basic differences between the Armenian legislation and ADB policies regarding land acquisition and resettlement. To reconcile the gaps between them, IA has drafted Land Acquisition and Resettlement Framework (LARF) principles and entitlements to be applied across the Program. Based on Armenian laws and ADB's Resettlement requirements as contained within the ADB Safeguards Policy Statement (SPS, 2010), core involuntary resettlement principles are developed for this Program which are as follows:
 - Land acquisition, and other involuntary resettlement impacts will be avoided or minimized exploring all viable alternative project designs;
 - 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;
 - 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;
 - Vulnerable and severely affected APs will be provided special assistance;
 - 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;
 - Legalizable APs will be legalized and fully compensated for land losses;
 - Provision of income restoration and rehabilitation;
 - The LARP will be disclosed to the APs in the local language;

- 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;
 - Appropriate redresses mechanisms to solve APs grievances are established.
10. APs entitled to compensation or at least rehabilitation provisions under the Project include: a) all APs losing land and assets including those covered by legal title/traditional land rights, those without legal title but who are 'legalizable' or those or are without legal status; b) tenants and sharecroppers whether registered or not; owners of buildings, crops, plants, or other objects attached to the land; and c) APs losing business, income, and salaries. Compensation eligibility is limited by the cut-off date which was established as the conclusion of the DMS, namely 14th April 2010. LAR tasks under the Project will be implemented according to a compensation eligibility and entitlements framework as presented in Table S.2 below.

Public Consultation, Participation and Documents Disclosure

11. According to ADB policy and the LARF, the APs will be fully consulted and provided with opportunities to participate in the planning and implementation of land acquisition and resettlement. They also will be informed in an appropriate and timely manner of the outcomes of the planning process, as well as the schedules and procedures for implementation of this LARP. A Public information and consultation campaign is being carried out by the LARU during all stages of the land acquisition and resettlement process. In addition, the LARU is organising public information meetings, full disclosure of the Resettlement Plan (RP) and informing the APs about the procedures for payments of compensation and relocation.
12. Following the official announcement of the Project on 27/04/10, a community meeting was held between 12.00 and 14.00 on 07/05/10 at a Shengavit district school located near to the project community. The purpose of this meeting was to disclose information about the project and the LARP to APs, to discuss impacts and verify the findings of this LARP and to commence the process of ongoing stakeholder engagement that will continue throughout the implementation of the LARP. During the different stages of the Project (planning, implementation, and monitoring) the following information disclosure actions are planned: a) preparation and distribution of Public Information Brochure in Armenian (as presented in Appendix C of the LARP); b) placement of copies of the LARP in Armenian in regional and community offices; and c) uploading of the LARP on the ADB resettlement website.
13. A grievance mechanism is available to allow an AP appealing any disagreeable decision, practice or activity arising from land or other assets compensation. Care will be taken to prevent grievances rather than going through a redress process by careful implementation, by ensuring full participation and consultation with the APs and by establishing extensive communication and coordination between the affected communities, the LARU, the PIU and IA. All efforts will be made to settle the issues at the LARU/PIU level through community consultation. If this is not possible, attempts will be made to resolve the issues at the PGCC level to avoid the judiciary to minimize litigation as much as possible. All complaints and resolutions will be properly documented by the LARU/PIU and be available for review, monitoring and evaluation purposes.

Institutional Arrangements

14. The compensation/rehabilitation tasks described in this LARP involve distinct processes and dynamics by the following different actors:
- a. **IA/ PIU:** IA has overall responsibility for the Project. This includes preparation, implementation and financing of all LAR tasks and cross-agency coordination. IA will exercise its functions

through LARU under the PIU. The LARU will have Social and Resettlement Specialists (SRS) who will be responsible directly to the PIU head for the general management of the planning and implementation of all LAR tasks. A Project Governing and Coordinating Council (PGCC) made up of representatives from the heads of different departments and institutions of IA has been established to make high level decisions, including resolving high profile AP grievances.

- b. **Consultants:** including: a) PPTA Consultants who have carried out all the field-surveys to prepare this LARP; b) Design Consultants who will update the LARP to make it implementation ready; c) Supervision Consultants assisting in LARP Implementation; d) Independent Monitoring Agency (IMA) hired to conduct the external monitoring and evaluation of the implementation of this LARP, and; e) Independent Asset Valuers who are accredited private firms who have been hired by PPTA to evaluate the affected assets.
- c. **Other Agencies and Institutions:** including a) Ministry of Finance who will provide the budgets for implementation; b) State Committee of Real Estate Cadastre of the Government of the Republic of Armenia is responsible for providing information about the status of real estate ownership, and is in charge of the state registration of ownership; c) Local Courts which in the case of expropriation issues will have to review the cases, carry out a hearing and decide whether the land can be expropriated and at what price.
- d. **ADB:** Besides periodically supervising the Project, ADB will review this LARP and provide clearance to contract awards and signing/initiation of civil works to the Project.

Implementation Schedule

- 15. All land acquisition, resettlement and compensation activities will be completed before the start of civil works. A timeline for LARP preparation, implementation and post implementation has been prepared in accordance with different steps covered under this LARP and presented in Table S.5.

Table S.1. Eligibility and Entitlements Framework

Type of Loss	Application	Definition of APs	Compensation Entitlements
1. Agricultural land Loss	AF losing agricultural land regardless of impact severity	Owner with full registration	Compensation at market rate +15% either in cash or through replacement plots acceptable to the AP.
		Legalizable Owner	Same compensation as above after APs legalization
		Leaseholder	When possible these AF 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 value of the affected land + 15% in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
		AFs without title or lease	AP to be legalized and provided compensation as above. If legalization is impossible a rehabilitation allowance equal to the affected land cadastral value.
2. Non-Agricultural Land loss	AF losing their commercial/ residential land	Owner with full registration	Compensation at market rate +15% either in cash or through replacement plots acceptable to the APs.
		Legalizable Owner	Same compensation as above after APs legalization
		Renter/Leaseholder	When possible these AF 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 value of the affected land + 15% in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
		AFs without title or lease	AP to be legalized and provided compensation as above. If legalization is impossible they will be given a rehabilitation allowance equal to the affected land cadastral value
3. Residential buildings		All AF regardless of legal status.	Cash compensation + 15% for loss of building at full replacement cost free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs.
		Relocated Renters	Relocation and severe impact allowance as entitlement 9 and 10 below
4. Non-residential buildings/assets		AFs with valid registration	Cash compensation + 15% for loss of building at full replacement cost free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs.
		AFs without title or lease	As above but after building is legalized/registered
		Relocated Renters	Relocation and severe impact allowance as entitlement 9 and 10 below
5. Common property Loss	Community/Public Assets	Community/Government	Reconstruction of lost structure in consultation with community and restoration of their functions
6. Crop Losses	Standing crops affected	All AF regardless of legal status	Crop compensation in cash at market rate by default at gross crop value of expected harvest.
7. Tree Losses	Trees affected	All AF regardless of legal status.	Cash compensation at market rate based on type, age and productive value of the trees.
8. Business losses	Business	All AF regardless of legal status.	Owner: (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. Mobile business will receive 1 month's net income. Assessment to be based on tax declaration. In absence of tax declaration the AF 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.
Employment Losses			Permanent Worker/Employees: Indemnity equal to: (i) Permanent job loss 6 months of minimum salary; (ii) Temporary loss minimum monthly salary x the number of months of job loss up to 6 months.
9. Allowances for Severe Impacts	AF with >10% agricultural income loss or to be relocated	All severely affected AFs including informal settlers and relocated renters	i) 1 additional crop compensation covering 1 year yield for APs affected by severe agricultural income losses
			ii) a rehabilitation allowance of 6 months at minimum salary for relocated AFs.
10. Relocation allowances	Transport/transition costs	All relocated AF including relocated renters	Provision of funds to cover transport costs and livelihood expenses for 1 month – this is estimated to be 140,000 AMD.
11 Vulnerable People Allowances		AFs below poverty line or headed by Women	Allowance equivalent to 6 months of minimum salary and employment priority in project-related jobs
12. Temporary impacts		All AFs	Due rent and rehabilitation for temporarily affected assets will be provided.
13. Unforeseen impacts, if any			IA will consider the unforeseen resettlement impact during project and will compensate them based on the above provisions.

16. Entitlement provisions for APs losing land, houses, and income and rehabilitation subsidies will 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:
- a. **Agricultural land impacts:** will be compensated at market rates in: (i) cash at current market rates plus a 15% allowance, or (ii) through replacement land equal in value/productivity to the plot lost acceptable to the AP. Non-directly affected sections of a plot which become inaccessible or unviable for cultivation or any use after the impact will be included in the affected land. When >10% of an AP agricultural land 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. Transaction taxes and fees will be paid by the EA/IA or waived. Legalizable APs will be legalized and paid as titled owners. Non-legalizable APs will be compensated with one time self-relocation allowances in cash equal to the cadastral value of the affected land. Leaseholders 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 value of the affected land + a 15% allowance in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
 - b. **Non agricultural land (Residential/commercial land):** Legal/legalizable settlers will be compensated at replacement rate either (i) in form cash at current market rates plus a 15% allowance, or (ii) in form of a replacement plot acceptable to the AP. Non-directly affected sections of a plot which become inaccessible or unviable for cultivation or any use after the impact will be included in the affected land. Legalizable APs will be legalized and paid as titled owners. Non-legalizable APs will be compensated with one time self-relocation allowances in cash equal to the cadastral value of the affected land. Leaseholders 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 value of the affected land + 15% in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
 - c. **Residential Buildings:** will be compensated to all APs irrespective of the house registration status in cash at replacement cost plus a 15% allowance. However house owners without registration will have to be legalized in order to obtain this provision. Compensation will be free of deductions for depreciation, transaction costs and salvageable materials. In case of partial impacts and unwillingness of the owner to relocate, building impacts will 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).
 - d. **Non-Residential Buildings** will be compensated in the same fashion as residential buildings (see above). However APs without registration in order to be legalized will have to pay all relevant registration fees. Relocated renters will be given all relocation and severe impacts allowances (see below).
 - e. **Crops:** Cash compensation at current market rates for gross value of 1 year's harvest by default. Crop compensation will be paid both to landowners and tenants based on their sharecropping agreements.
 - f. **Trees:** Cash compensation at market rate based on type, age and productivity of trees.
 - g. **Businesses:** Permanent loss (up to 1 year) will be compensated in cash equal to a 1-year net income based on tax declaration; temporary losses will be compensated in cash equal to the monthly income based on tax declaration x the number of months of business stoppage (for this item it is assumed that the impact will last 3 months). Mobile business will receive 1 months of

business allowance. In absence of tax declaration the AP will be compensated as above but based on the maximum non-taxable salary (minimum salary).

- h. **Permanent business workers and employees:** Indemnity for lost wages for the period of business interruption up to a maximum of 6 months.
- i. **Relocation subsidy:** APs forced to relocate (including renters) will receive a relocation subsidy sufficient to cover transport costs and living expenses for 1 month.
- j. **Community Structures and Public Utilities:** Will be fully replaced or rehabilitated so as to satisfy their pre-project functions.
- k. **Severe impacts allowances:** These will be given to AF losing >10% of agricultural income (see above) or to relocated AF (including renters).
- l. **Vulnerable people's livelihood:** Vulnerable people (APs below poverty line and widow or elder headed households) will be given a rehabilitation allowance equal to 6 months at minimum salary and priority in employment in project-related jobs.

Assessment of Unit Values

17. The unit values for the allowances provided under the project are presented in Table 8.1, Table S.3 and Table S.4 below.

Table S.2: Allowance Unit Rate Values

Allowance Category	Impact / AP characteristic Triggering Impact	Unit	Rate Determinant	Rate Value AMD / month
Severe impact allowance	Relocation of property renters	6 months Minimum salary	Minimum monthly salary as of 21.04.10	30,000
Relocation allowance	Relocation of property renters	1 Month	Estimate of transport costs and livelihood expenses	140,000
Vulnerable People Allowance	Relocation of AH (including renters) that are below the poverty line and widow or elder headed households	6 months Minimum salary	Minimum monthly salary as of 21.04.10	30,000

Table S.3: Land Unit Rates

Type of use	Unit rate, AMD / m ²
Commercial land type 1	44,570
Commercial land type 2	18,430

Table S.4: Buildings and Structures Unit Rates

Building types	Materials	Unit rate, AMD / m ²
Car workshops	Stone constructions with cement mortar and metal roof	120,000
Café	Stone constructions with cement mortar and metal roof	120,000
Kiosk	Stone constructions with cement mortar and metal roof	120,000
Un-used buildings	Stone constructions with cement mortar and metal roof	120,000

Table S.5: LARP Implementation Schedule

No.	Activity	Responsibility	Date
A) LARP Preparation			
1	Surveys/consultation/valuation	Consultant	Feb–Apr '10
2	LARP drafting	Consultant	Apr '10
3	ADB review	ADB	Apr '10
4	ADB and Government approve LARP	ADB/ EA/IA	End July '10
5	Disclosure	Consultant/ LARU / PIU / ADB	Aug '10
6	Project appraisal	ADB	End Aug '10
7	Loan approval	ADB	Sep '10
B) LARP review/update			
1	Supervision consultants hired	ADB	End Sep '10
2	Review surveys	Consultant	Oct '10
3	Legalization	PIU	Oct - Nov '10
4	Review of valuation	Consultant	Dec '10
5	Final definition of entitlements	Consultant	Jan '11
6	LARP update	Consultant	Jan '11
7	Allocation of LAR funds	EA/IA	Feb '11
8	Approval of updated LARP	ADB	Feb '11
9	Disclosure of updated LARP	Consultant/ LARU/ PIU/ ADB	Mar '11
10	Hiring of IMA	ADB	Mar '11
11	Contract Awards signing	ADB/ PIU	Mar '11
C) LARP Implementation			
1	LARP implementation plan	Consultant / ADB	End Mar '11
2	Compensation delivery	LARU / IA	Apr-May '11
3	Monitoring	IMA /ADB	June - Aug '11
4	Preparation of compliance report	IMA	July '11
5	Start of civil works	Construction Contractor	Aug onwards.

Resettlement Financing and Budget

18. All LARP preparation and implementation costs, including cost of compensation and LAR administration, will be considered an integral part of Project cost and will be given by the GoA or IA. Costs for external monitoring tasks and for the preparation of surveys can be allocated under the loan. Being the project owner, IA is responsible for the timely allocation of the funds needed to implement the LARP. Allocations will be reviewed twice a year based on the budget requirements indicated by the LARP. As per the LAR finances flow the budget for compensation and rehabilitation will be directly disbursed by IA to the AP.
19. Assessment of the real estate or the real estate rights have been made in accordance with the procedure defined in the Law of the Republic of Armenia on Assessment of Real Estate in Armenia. The unit compensation rates have been assessed by a certified Independent Evaluator based on clear and transparent methodologies (outlined in the LARP) that are acceptable to the ADB.
20. The total cost of rehabilitation allowances for vulnerable AFs will be 3.02 million AMD as summarised below in S.6 below.

Table S.6: Allowances Budget

Type of allowance	Unit rate determinant	Unit rate	Number of AF	Total:
Relocation	1 month estimate of transport costs and livelihood expenses	140,000	9	1,260,000
Severe impacts	6 months minimum salary 30,000 per month	180,000	9	1,620,000
Vulnerable AF	1 month estimate of transport costs and livelihood expenses	140,000	1	140,000.00
		Total:	19	3,020,000

21. The total cost of compensation and allowances is 136.80 million AMD or 0.35 million USD. When the costs for the External Monitoring Agency, Administration and contingencies is factored in, the final LARP budget stands at 350.35 million AMD or 0.98 million USD. The LARP Budget is summarised in Table 8.9 below.

Table S.7: Summary Budget

ITEM	TOTAL	
	AMD	USD
Land	57,388,920	145,288 ¹
Buildings and structures	73,560,000	186,228
Trees	854,000	2,162
Businesses	1,980,000	5,013
Sub-Total	133,782,920	338,691
Allowances	3,020,000	7,646
Sub-Total (Compensation):	136,802,920	346,337
External Monitoring Agency	126,400,000	320,000
Administration Costs	55,300,000	140,000
Total Compensation, Management and Monitoring Costs:	318,502,920	806,337
Contingency 10%	31,850,292	80,634
Total Land Acquisition and Resettlement Budget:	350,353,212	886,970

¹ Land compensation value indicated for calculated affected land take, compensation value does not factor overall land plot

Monitoring and Evaluation

22. LAR under the Project will be subjected to both internal and external monitoring. Internal monitoring will be conducted by LARU. External monitoring will be assigned to an Independent Monitoring Agency to be hired by IA and approved by ADB. The IMA will be selected among Non-Governmental Organization (NGOs), academic Institutions, or consulting firms. ADB will advise IA on the IMA's terms of reference once Project implementation has begun.

1. Introduction

1.1 General

1. The Asian Development Bank (ADB) has agreed to provide the Armenian Government with a \$400 million Multi-tranche Financial Facility (MFF) to finance the Urban Infrastructure and Sustainable City Development Program (the Program). The Program is to be implemented over a period of 10 years with Ministry of Economy (MOE) as the Executing Agency (EA) and different implementing agencies (IA), Yerevan Municipality being the Implementing Agency (IA) for Tranche 1. IA will cover three tranches each including various projects involving the rehabilitation and the construction of roads and highways within urban areas. Tranche 1 of the Program includes two sub-projects entailing the construction of the missing road links to complete the Yerevan west bypass and each of these has resettlement impacts that require individual LARPS. The sub-projects with resettlement impacts and LARPs are:
 - Sub-Project 1: Construction of the 1.5 km of the long the Shirak St. – Argavand Highway section, including the construction of a bridge;
 - Sub-project 2: Construction of 2.8 km of the Shirak St. – Artashat highway; and
2. This Land Acquisition and Resettlement Plan (LARP) for Sub-Project 1 (Shirak St. – Argavand Highway section) has been prepared by the IA as part of the sub-project feasibility study. It is based on the Project's Land Acquisition and Resettlement Framework (LARF) already approved by IA and ADB and on the requirements of the ADB IR requirements reflected in the SPS.
3. The objective of this document is to satisfy the requirements of the requirements for Involuntary Resettlement of the Asian Development Bank. It details impacts, compensation entitlements, costs, organizational set-up and provides an action plan related to the implementation of Land Acquisition and Resettlement (LAR) impacts and rehabilitation for the Project and is fully endorsed by the IA.
4. Before Project appraisal this LARP will be translated into Armenian and disclosed on the YMC website. The LARP in English will be posted on the ADB website.

1.2 State of Design of the LARP

5. This LARP was prepared based on detailed design. LARP preparation has entailed the execution of a detailed measurement survey (DMS) of all impacts, a full census of all affected families (AF) and affected peoples (AP), and a preliminary assessment of compensation and allowance costs based on detailed asset valuation surveys. Throughout the preparation process a thorough information and consultation campaign was carried out with all affected communities.
6. In co-ordination with the MOR compensation/rehabilitation program and assessment, prior to the implementation of the ADB LARP and prior to signing contract awards the following action is to be taken to finalize the preparation of an implementation-ready LARP:
 - DMS and AF census will be reviewed and if necessary revised by the supervision consultants to ensure that all impacts and AF are properly recorded in the LARP;
 - Unit compensation rates and the final valuation of affected items will be revised based on a detailed assessment by an independent assessor and the final LARP budget adjusted as needed;
 - The list of the legalizable AP will be reviewed, if necessary updated and then confirmed by the PIU and other relevant authorities which will distribute the necessary papers to the relevant APs;
 - The lists of affected business owners with and without tax declaration will be revised; and

- The Government will allocate the LARP budget.

1.3 LAR-Related Program Processing Requirements

- Based on MFF procedures of the ADB, the approval of Program/Tranche 1 sub-projects such as Project 1, contract awards and related civil works implementation will be subjected to the following LAR-related conditions:
 - **Approval of MFF and this sub-project:** Conditional to: a.) approval of this LARP by ADB and Government; and b.) disclosure to the public of this LARP and of the information pamphlet as detailed in Chapter 5.
 - **Contract awards signing:** a) Review and update of this LARP as an implementation-ready document; b) approval by government and ADB of the final draft; c) disclosure to the public of the implementation-ready document and relative pamphlet as detailed in chapter 5; d) Hiring of the Independent Monitoring Agency (IMA); and e) allocation of LARP finances.
 - **Provision of notice to proceed to contractors along road sections with LAR impacts:** Conditional to the full implementation of this LARP (full delivery of compensation and rehabilitation) for the relevant project to be documented by a compliance report prepared by the IMA. Such a condition will be clearly spelled out in the text of the civil works contract.

1.4 Location and Description of the Project

- The project area is located in the north east of Yerevan, the capital city of the Republic of Armenia (RoA). RoA is a landlocked country between the Black and the Caspian Seas, bordered on the north by Georgia, to the east by Azerbaijan, on the south by Iran, and to the west by Turkey as shown in Figure 1.1 below

Figure 1.1: Location of Armenia and Yerevan

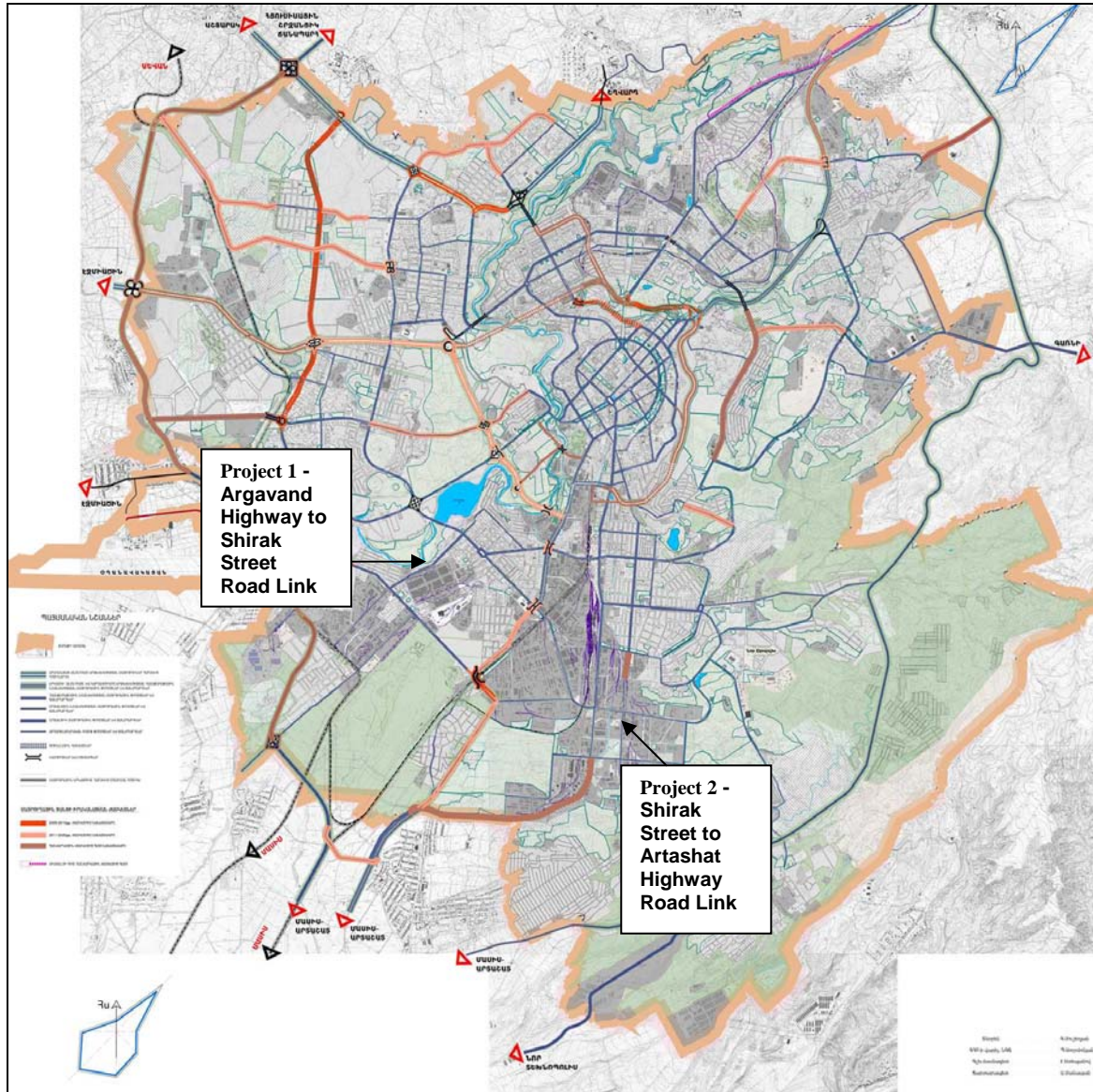


Source: Municipality of Yerevan Master plan (2004)

- Yerevan covers an area of 260 km² extending 18km north-south and 16km east-west with the centre and the south of the City at a lower elevation. The locations of the four sub-projects of the Program are presented in Figure 1.2.
- Project 1 is located in the Shengavit district of Armenia's capital of Yerevan and the Malatia-Sebastia district of Argavand. The alignment connects Argavand Highway to Shirak Street approximately 6 km south-west of the centre of the city of Yerevan. The approximately 1.2km alignment is confined within a previously established right-of-way ('red lines') as indicated on the Yerevan Masterplan (2004). This land is owned by the IA. The alignment runs adjacent to a Municipality cemetery and an

archaeological site known locally as 'Karmir Blur' (Red Hill), then over the Hrazdan River. The location of Project 1 is depicted in Figure 1.3 below.

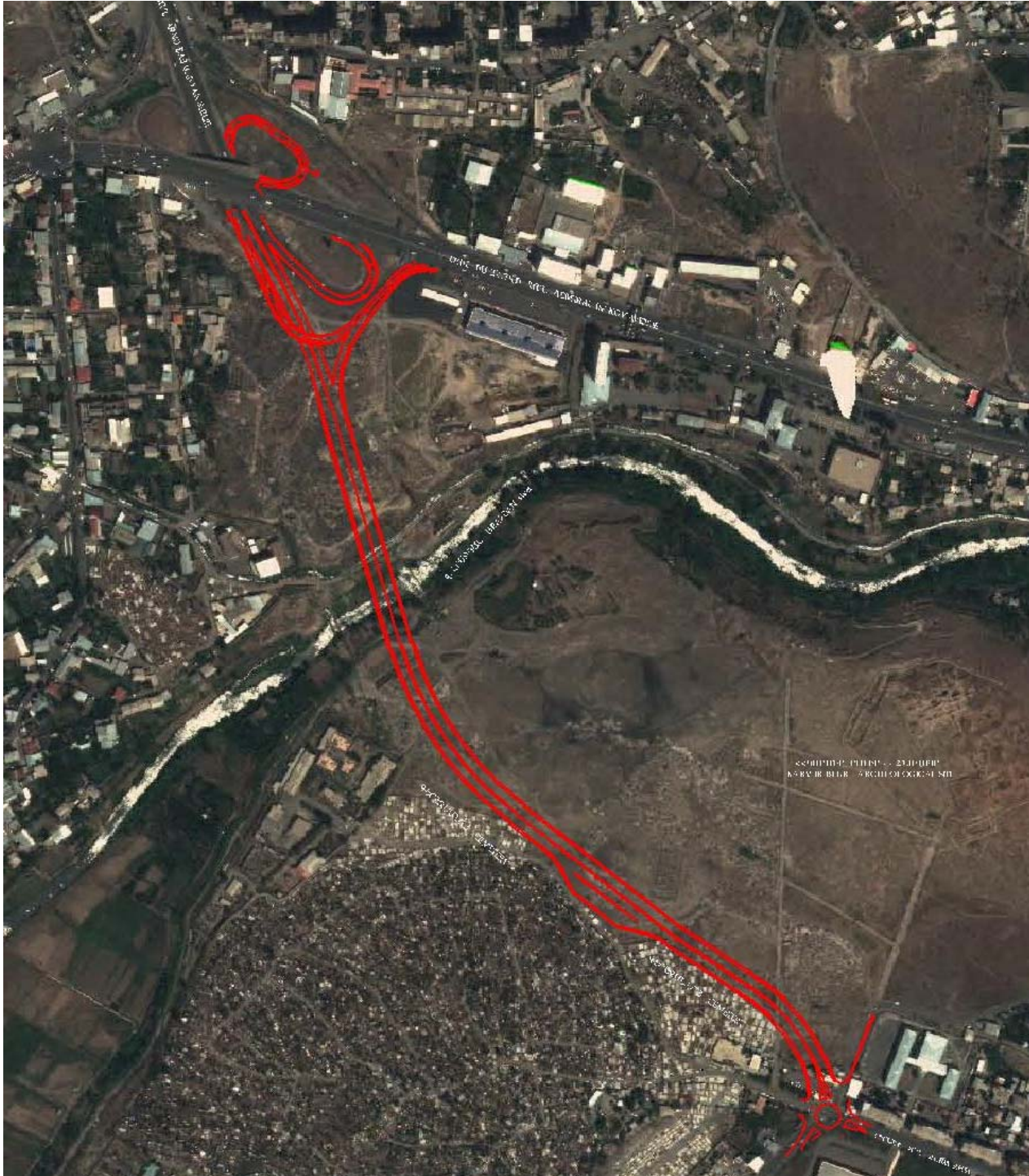
Figure 1.2: Map of Yerevan Showing Program Project Locations



Source: Municipality of Yerevan Master Plan (2004)

11. Project 1 includes the construction of a new 6-lane divided road over a length of approximately 1.2km. This includes 1.5km of road linking Argavand Highway to Shirak Street. The design includes an interchange at Argavand Highway and a roundabout at Shirak Street. A bridge will be constructed over the Hrazdan River.

Figure 1.3: Location of Highways Project 1



Source: Municipality of Yerevan (2010)

2. Impacts Assessment and AF/AP Census

2.1 Overview

12. Land acquisition and resettlement (LAR) compensation payments and livelihood restoration measures must be based on a detailed understanding of the impacts of the project on affected families and peoples (AF/APs). In order to accurately assess the extent of the project's LAR impacts the following impact surveys have been undertaken on behalf of the EA/IA:
- **Detailed Measurement Survey (DMS):** with the objective of measuring the spatial area of land, building space and number and types of private and communal assets to be affected; and
 - **AF/AP Census:** with the objective of identifying and evaluating the characteristics of the land, buildings and assets to be compensated and to collect (100% sample) socio-economic data on the affected individuals, families and business owners to be affected.
 - **Preliminary Evaluation of Compensation Rates:** with the objective of identifying the likely cost of compensation of lost assets, income and other livelihood sources and allowances paid to assist with relocation and rehabilitation in order to develop a preliminary budget for the LARP.
 - **Preliminary Identification of Legalizable AF/APs and Business Tax Records:** in order to identify the number and related costs of those AF/AP that require assistance with land ownership legalization as well as the businesses which require formalization through tax certification through implementation of the LARP.
13. This section presents the survey approach and methodologies as well as the findings on the type and extent of impacts including the number of AF/AP's affected for each category of impact.

2.2 Survey Activities and Methodology

14. The impact survey activities were based on Cadastral Survey data held by the IA. The PIU purchased cadastral data and maps from the State Committee of Real Estate Cadastre² with the objective of preliminarily identifying the owners and status of project affected land plots/constructions.

2.2.1 Detailed Measurement Survey (DMS)

15. A DMS of all affected land plots was undertaken between 28th February and 14th April 2010 (this last date has been set as the compensation eligibility cut-off date). The DMS was undertaken by two teams each containing two professionally qualified surveyors who measured the affected area to identify the characteristics affected land plots, structures and community resources and assets. The DMS covered both those identified in the Cadastral Survey which includes persons with title for compensation ('legal Affected Peoples' (AP's) and non titled persons ('non-legal AP's' such as tenants and squatters) who are not included in the cadastral data. The information collected was recorded in the spreadsheet in Appendix A indicating every affected family (AF) and asset with corresponding maps depicting the impacts.
16. The scope of the DMS included identification of the locations, characteristics and legal ownership status of the following affected areas and assets:

² Cadastral survey data is updated every 4-5 years by the State Committee of Real Estate Cadastre. The data collected for this project was updated on 26.01.2010.

- Area of residential and commercial plots;
- Area of residential and business structures by building category and construction type;
- Legal status of the AP land occupancy;
- Area and type of crops;
- Number and type of trees;
- Affected business and estimated losses;
- Legal status of businesses; and
- Number and area of affected common property, community or public assets, by type.

17. Detailed internal measurements of internal space of buildings were not undertaken. An estimate of the total affected area of buildings was determined from the external perimeter of the buildings. This area was then multiplied by the number of floors.

2.2.2 Affected Families/People's Census (AF/AP Census)

18. In order to understand and evaluate the impacts identified in the DMS on households and individuals an AF/AP Census was undertaken between 23rd March and 16th April 2010. In close consultation with the DMS team and drawing on the preliminary DMS findings, the AF/AP Census was undertaken by three teams each containing one professionally qualified property evaluator and two academically qualified sociological researchers. The teams were managed by the Director of "Valuators Association" CJSC who implemented a quality control system to ensure that every affected household was visited to interview AF/AP's and complete an AF/AP Census questionnaire.

19. The AF/AP Census questionnaire was designed and implemented in a culturally sensitive manner in order to make an assessment of AP/AF socio-economic characteristics and vulnerability. Affected families, individuals and businesses were asked questions about the following:

- Household composition and socio-economic characteristics (age, ethnicity, education, gender, etc.);
- Occupation and other income sources of households;
- Land owned/occupied and agricultural activities;
- Business activities including income, expenditures and profitability assessment; and
- Preferences for compensation and livelihood restoration assistance.

20. Appropriate and accurate completion of DMS and AF/AP Census activities was monitored by the PPTA Consultants and the PIU. The nature of impacts predicted according to the outcomes of the surveys are summarised and quantified below.

2.3 Impacts on Land, Assets, Income

2.3.1 Land Acquisition

21. As shown by Table 2.1, an area of 2,504 m² of privately owned land is to be acquired by the project. These privately owned land plot belong to 11 AFs which cover a total area of 5,723 m². All of this land is categorised by the government of Armenia³ as land for 'Settlements' containing residential communities and local businesses servicing them. In reality, none of this land is used for residential purposes and only contains businesses. All of the affected plots containing businesses are legally

³ The Land Code of the Republic Armenia (2nd May 2001) categorises land according to the following nine categories: 'Agricultural'; 'Settlements'; 'Industrial' and Extractive'; 'Power, Transport and Communication'; 'Protected land for ecological and other purposes'; 'Defence'; 'Forested'; 'Water'; and 'State Reserve'. Each category has a number of sub-categories. A small amount of land is also categorised as "Red zones" which are areas that are officially reserved for specific public use such as military, education, or hospital areas or other areas that are not fit for settlement such as river beds, radioactive terrain or other dangerous of ecologically unfit lands.

owned (owner has a land certificate). The remainder of the project affected land is government owned public land totalling 55,286 m² (approximately 5.5 ha).

Table 2.1: Land Losses by Category and Legal Status

Land Type	Total plot area (m²)	Affected area (m²)
Privately owned land (legally titled):		
Commercial land plot 1	3,619	430
Commercial land plot 2	1,519	1,519
Commercial land plot 3	185	185
Commercial land plot 4	66	36
Commercial land plot 5	36	36
Commercial land plot 6	36	36
Commercial land plot 7	36	36
Commercial land plot 8	36	36
Commercial land plot 9	72	72
Commercial land plot 10	72	72
Commercial land plot 11	46	46
Commercial land sub-total:	5,723	2,504
Public land owned by GoA:		55,286
Affected Land Grand Total:		57,790

2.3.1.1 Legal Status of Land Plots

22. The owners of the majority of these plots claim that they are the legal owners. However, at the time of being surveyed, most AFs were unable to produce land ownership certificates. The legal ownership status of plots will be verified through review of land ownership certificates when this LARP is updated (see Chapter 1) to make it implementation ready. At this stage, land plots will be subdivided into 'titled/legal', 'non-legal' and 'legalizable'.
23. If any plots are found non-legal, it is expected that they can be legalized as none of the plots are located in a Red Zone⁴. The APs in the legalizable plots will initiate a legalization process based on pertinent regulations. The EA/IA will assist APs seeking legalization and will facilitate their cases and the cost of legalization process will be deducted from the compensation.

2.3.2 Impacts on Structures and Buildings

24. No residential buildings or structures are affected. A total of 14 commercial buildings and structures (excluding the gas station under construction, the building will not be affected by this project) will be affected by the Project covering an area of 613m² as summarised in Table 2.2. No government or community owned buildings will be affected. All of the affected buildings are permanently fixed 1 floor structures made from the volcanic rock 'tuff' with metal roofs. Apart from the gas station under construction all other buildings will need to be demolished to make way for the project.
25. The area of the buildings was calculated taking the area within the exterior perimeter and multiplying this by the number of floors in the building. When this LARP is finalised to make it implementation ready as specified in Chapter 7 a plot-by-plot detailed measurement of internal floor space will be required to give a more precise measurement of the area of buildings and structures lost.

⁴ The Government of Armenia categorises some land as "Red zones" which are areas that are officially reserved for specific public use such as military, education, or hospital areas or other areas that are not fit for settlement such as river beds, radioactive terrain or other dangerous or ecologically unfit lands.

Table 2.2: Buildings Impacts

Type of structure	No.	Area affected m ²	Comments
Car workshops	9	389	
Café	1	61	
Kiosk	1	30	
Un-used buildings	3	133	Three buildings (same plot) are former security 'watchboxes'
Total:	14	613	

2.3.2.1 Buildings Impacts Magnitude and Resettlement Strategy

26. Based on Armenian regulations all buildings whether partly or wholly affected will be entirely compensated regardless of whether the AF living or working in the building relocates or not. However, if after impact a partly-affected AF wishes to stay in a smaller plot or rebuild a smaller building and remain in the same location to avoid relocation that will be their option. The resettlement strategy adopted for the project is based on cash compensation at replacement cost (market value of building materials, labour and building materials transport cost) plus 15% plus provision of relocation assistance in cash. It will be the APs option to decide where they want to relocate and how they want to rebuild their buildings.
27. It is only the AFs whose functional business buildings are affected who are eligible for relocation assistance. There are 14 buildings affected by this project and 11 are businesses (the buildings and businesses affected exclude the gas station under construction which will not be affected) owned by 11 AFs. Of the total AFs, 1 AF owns the kiosk and a car workshop, 1 AF owns 2 car workshops, 1 AF owns the café, 1 AF owns 3 unused security watchboxex, 6 AFs own car workshops. 1 AF owns a gas station under construction which will not be affected by the Project except for a narrow strip of land. Of the total AFs affected 9 AFs have expressed a desire to relocate and will be relocated to build new structures to house their businesses elsewhere.

2.3.3 Crops & Trees

28. The project will not affect any agricultural land or commercial or subsistence crops but it will affect 14 privately owned fruit trees as detailed in Table 2.4 below. It will not affect any privately owned wood trees.

Table 2.3: Fruit Bearing Tree Losses

Tree Type	Quantity			Total
	Sapling	Not yet fruit-bearing	Fruit bearing	
Apple	0	0	1	1
Cherry	0	0	1	1
Mulberry	0	4	8	12
Total:	0	4	10	14

2.3.4 Impacts on Businesses and Income

29. Based on the nature and scope of business, two types of business losses have been identified as follows:

- **Temporary Business Losses:** These are temporary impacts on eligible mobile businesses whose premises can be relocated, or if the building is fixed the staff and operations can easily be relocated and re-start their activities nearby.
- **Permanent Business Losses:** These are impacts on eligible businesses located in affected permanent or non-movable structures/buildings.

30. No mobile businesses or businesses that can be easily relocated will be temporarily affected by the project. However the project will result in 11 permanent business losses, 1 gas station under construction will not be affected by this project as there is only a loss of land. Table 2.4 indicates the permanent businesses that will relocate.

Table 2.4: Impacts on businesses

Permanent Business Losses	No.	Comment
Car repair shop's	9	1 AF owns 2 repair shops.
Cigarette/ snack vending	1	1 AF owns the kiosk and a car repair shop.
Café	1	
Total:	11	

2.3.4.1 Impacts on Employees

31. Permanent workers of affected businesses will also be compensated according to the magnitude of the impact on them categorised according to:
- Those permanently losing their job; and
 - Those temporarily losing their job while their employer relocates the business or their services.
32. At the time of preparing this LARP it was not possible to ascertain impacts on employees because many are informal (illegal) and they refused to be surveyed. When this LARP is updated a detailed assessment of businesses and employees will be required on an individual basis according to tax returns.

2.4 AF/AP Census

2.4.1 Type of AF/AP

33. A total of 11 AFs and 54 APs consisting of land and business owners would be affected by land acquisition and resettlement resulting from this project. Impacts on employees will need to be determined when this LARP is updated and finalised. The detailed list of AFs and APs is presented in Appendix A.

2.4.2 AFs and APs Affected for Each Category of Impact

34. Table 2.5 below summarises the number of AFs and APs affected by various categories of impacts. Data is presented for total number of impacts, and net number of impacts on APs with no double counting.

Table 2.5: AF/AP Affected (partial by category loss and absolute)

Impact category	Number AF's		Net AP Number per impact type	Remarks
	Per impact type	Net (no double counting)		
A. Commercial Land loss	11	11	54	
B. 1-floor 'tuff' (stone) structure loss	10	0	0	In row A.
C. Fruit tree losses	2	0	0	In row A.
D. Fixed business loss	9	0	0	In row A.
Total:	32	11	54	

2.4.3 Severely Affected AF

35. None of the AF will lose cultivable land or be forced to relocate their households, however 9 AFs will need to relocate their businesses and these are considered as severely affected.

2.4.4 Vulnerable AF

36. 1 AF is a female-headed household; it will receive a rehabilitation allowance equal to six months at minimum salary and priority in employment in project related jobs.
37. Armenia has no official urban poverty line but in the Decision Number 267 in 2000 the Prime Minister of Armenia initiated the development of the Poverty Reduction Strategy Paper (PRSP-1), headed by the Finance and Economy Minister and consisting of representatives from line ministries dealing with social and poverty issues, standing committees of the Armenian National Assembly, National Statistical Service, political parties, NGOs and the donor community. In 2008 the PRSP-1 recommended that the extreme poverty (food) line was 17,232 AMD per adult per month and the general poverty line was 25,188 AMD per adult per month.

2.4.5 AP by Gender

38. The number of AP by gender is as 22 men and 32 women (ratio of 1:1.3 respectively).

2.4.6 AP by Ethnicity

39. All of the APs are Armenian therefore the ADB Indigenous Peoples Policy will not be triggered by this project.

3. Socio-economic Census

3.1 Overview

40. This Chapter presents the findings of the socio-economic census activities undertaken in the local communities with the objective of understanding the existing socio-economic environment and the vulnerability affected peoples and families within it

3.2 General topics

3.2.1 Poverty

41. Over the period 2003–2007, real gross domestic product (GDP) in Armenia grew by 13.1% - more than twice as much as the Poverty Reduction Strategy Paper (PRSP-1) target. Despite this growth, in 2009 10.6% of the population lived on less than \$1.25 a day⁵ and 43.4% had a £2 dollar purchasing power parity (PPP)⁶
42. Table 3.1 shows that in 2008 23.5% of the population was living below the national poverty line and 3.1% were considered as ‘very poor’ and suffering serious food shortages (reduced from 34.6% and 6.4% respectively in 2004).

Table 3.1: National Poverty Level Indicators for 2008 Relative to those for 2004 (%)

Area	2004*		2008 [#]			2004/2008	
	Very poor* ¹	Poor* ²	Very poor* ¹	Poor* ²	% of national pop.	Very poor	Poor
Urban areas	7.5	36.4	3.9	23.8	64.9	-48.2	-34.5
Yerevan	6.1	29.2	3.2	19.7	33.9	-47.6	-32.5
Other Cities	9.2	43.9	4.6	28.3	31	-49.6	-35.5
Rural areas	4.4	31.7	1.7	22.9	35.1	-61	-27.8
Armenia	6.4	34.6	3.1	23.5	100	-51.2	-32.1

Data Source: 2008 Integrated Conditions Living Survey (ICLS) on behalf of The World Bank, the Millennium Challenge Corporation and the RA National Statistics Service

Note:

* Poverty indicators were calculated based on the use of minimum food basket recorded in 2004 and share of non-food goods evaluated in 2004.

*¹ 2004 extreme poverty (food) line was 12,467 AMD per adult equivalent per month

*² 2004 general poverty line was 19,373 AMD per adult equivalent per month

2008 poverty lines were adjusted for inflation.

#¹ 2008 extreme poverty (food) line was 17,232 AMD per adult equivalent per month

#² 2008 general poverty line was 25,188 AMD per adult equivalent per month

43. Poverty in Yerevan is not as high as in other urban areas⁷ within Armenia. Table 3.1 shows that the average urban poverty rate is close to the national poverty rate, but this masks a large difference between poverty in Yerevan and other cities; in 2008 approximately one in five people (20%) in Yerevan were below the national poverty line compared to almost one third (28%) in other urban areas.

⁵ ADB Key Indicators for Asia and the Pacific 2009, accessed from www.adb.org in April 2010.

⁶ ADB Armenia Factsheet 2009, accessed from www.adb.org in April 2010.

⁷ Max Spoor, 2009, The Political Economies of Rural Livelihoods in Transition Economies.

44. In recognition of ongoing poverty problems, the Government approved the Sustainable Development Program (SDP) in 2008, which is Armenia's second Poverty Reduction Strategy Paper (PRSP-2). The SDP is built on the considerable achievements of PRSP-1 and has three key goals covering the period 2009–2021 (with specific medium-term targets indicated in 2009–2015): reducing poverty, including the elimination of extreme poverty; ensuring human development; and deepening economic growth and accelerating development of lagging regions. The SDP concludes that the obsolete infrastructure assets continue to remain a major challenge for sustainable development and poverty elimination.
45. Increased economic development and foreign direct investment as a result of an improved transport infrastructure such as the completion of this Project and the West Bypass development is expected to indirectly contribute to social development and poverty reduction objectives at the macro level. The LAR activities of the project will contribute to poverty reduction at the household level by targeting benefits and rehabilitation assistance to APs who are considered vulnerable by being below the poverty line. They will receive an allowance equivalent to 6 months of minimum salary and employment priority in project-related jobs. This pro-poor assistance is expected to reduce poverty levels amongst the APs.

3.2.2 Gender

46. 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. Armenian legislation includes a number of articles relevant to the promotion of women and gender issues. In reality, these articles are rarely applied and they are little known among practicing lawyers. Equalities legislation is not widely enforced because the Ministry of Labour and Social Issues - which is designated to address gender issues - does not have the administrative and financial capacity for upholding the legislation.
47. One of the key gender benefits that the LAR activities of this project will be the formalization of legal ownership of female headed households. They will receive assistance in obtaining official registration of land and property ownership thus providing them and their families with greater financial security and a sense of empowerment and independence.
48. One of the most apparent areas of social life where gender disparities are currently highly apparent is in local labour force participation. By 2007 women's participation had fallen to 55.2% from 56.2% in 2000 (Men's participation was 65.5% in 2007) and by 2008 women comprised about 75.5% of the officially registered unemployed. This is despite the fact that by 2007 the number of female headed households in Armenia had increased to 35.9% from 28.9% in 2000.
49. Small-scale economic activities are an attractive income-generating option in Yerevan, particularly for women who may find themselves excluded from professional career opportunities. The LAR rehabilitation measures of this Project will contribute to labour participation and economic empowerment of previously marginalized women because female headed households (APs considered 'vulnerable') will receive an allowance equivalent to 6 months of minimum salary and employment priority in project-related jobs.

3.3 Socio-economic Profile of AF/AP

50. A socio-economic survey of the 11 AFs (business owners) was conducted in April 2010 and the results of this survey are illustrated below.

3.3.1 Family Composition and Socio-economic Classification

51. The total population of the 11 AFs is 54 persons including 22 male and 32 female (ratio of 1:1.3 respectively). The average family size of AF is 5 people with 2 males and 3 females. 23 (65%) of the adult APs are married whereas 6 (18%) are single, 5 (12%) are widowed and 2 (5%) are divorced. No APs are below the poverty line but 1 AF is headed by a widow and 1 is a female-headed household and therefore considered vulnerable. The social group classification of AFs/APs according to the Armenian Government is presented in Table 3.2 below.

Table 3.2: Socio-economic Grouping of AF/AP

Social Group Classification	AF (head of HH) No.	%of total AF (head of HH)	AP No.	% of total AP
1 st degree of disability	0	0	0	0
2 nd degree of disability	1	9	2	4
3 rd degree of disability	0	0	0	0
Disabled since childhood up to the 16 yrs	0	0	0	0
Full orphan, semi-orphan	1	9	5	9
Single mother/father	0	0	0	
Lonely pensioner	0	0	0	0
Refugee	0	0	0	0
Ethnic minority	0	0	0	0
None of abovementioned	9	82	47	87
Total:	11	100	54	100

3.3.2 Age

52. The mean age of the population living in the area is 31 years old. This relatively young/old/average age structure is reflected in the fact that 13 APs (24% of the total) are between 18 and 35 as illustrated in Table 3.3 below.

Table 3.3: Age Structure of AF/APs

Age	AP No.	% of total AP
0-10	8	15
11-17	10	18
18-35	13	24
35-55	17	31
56-65	3	6
66 and above	3	6
Total:	54	100

3.3.3 Education

53. Table 3-4 shows that the majority of adult people, 22 (61%) having completed secondary education at least and 6 APs (11%) have completed higher education.

Table 3-4: Educational Attainment

Highest level of Level of education completed	AF (head of HH) No.	%of total AF (head of HH)	Adult AP No.	% of total AP
Higher	2	18	5	14
incomplete higher	0	0	4	11
secondary vocational	2	18	9	25
secondary education	7	64	4	11
incomplete secondary	0	0	6	17
Elementary	0	0	0	0
Illiterate	0	0	8	22
Total:	11	100	36	100

3.3.4 Ethnicity

54. All of the APs are Armenian and within the population there are no Indigenous Peoples (IP) as defined by ADB's IP Policy and therefore this LARP does not trigger the ADB IP Policy. This will need to be verified when this LARP is updated and employees are surveyed, if this is possible.

3.3.5 Employment and Income Sources

55. As can be seen in the Table 3.5 below, the majority of APs are unemployed, 6 (30%) or are students/pupils, 12 (22%).

Table 3.5: Employment Status of AF/AP

Employment status	AF (head of HH) No.	%of total AF (head of HH)	AP No.	% of total AP
Employed	3	27	6	11
Pensioner	2	18	5	9
Student, pupil	0	0	12	22
Housewife	0	0	5	9
Unemployed	6	55	16	30
Military servant	0	0	0	0
N/A /those under 5	0	0	10	19
Total:	11	100	54	100

3.3.6 Gender

56. Women are 60% of the AP population in the project area. There is 1 female headed household (HH) which will be affected though relocation of their business. The EA/IA is committed to ensuring that that affected women participate equally with men in the implementation of this LARP.

4. Legal and Policy Framework and Entitlements

4.1 Legal and Policy Background

4.1.1 Armenia's Laws and Regulations on Land Acquisition and Resettlement

57. Armenia's Constitution (1995) guarantees protection of private ownership rights. It also provides that private ownership may be terminated "in exclusive cases of prevailing public interests" based on established procedure and with prior adequate compensation. Land acquisition and compensation issues are discussed in the Land Code Article 102, 104, the Civil Code (1998), Articles 218 to 221 and in the Law of RA *"On the Alienation of the Private Property for Public and State Needs"* adopted on 27 November 2006.
58. 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 recognition of the item as prevailing and exclusive public interest shall set out:
- The exclusive and prevailing public interest, for which alienation of property shall be executed;
 - The party acquiring the alienated property;
 - The units constituting the alienated property (addresses, location and/or other information, which makes the property different from other assets); and
 - Final deadline to launch the alienation process.
59. Law of RA *On the Alienation of the Private Property for Public and State Needs* discusses procedural aspects of land acquisition 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 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, 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 the due receipt thereof.
60. The consideration for the land/property being acquired is established by agreement between IA 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. Assessment of the real estate or the real estate rights shall be made in accordance with the procedure defined in the Law of the Republic of Armenia on Assessment of Real Estate in Armenia adopted in October 4, 2005.

4.1.2 ADB's Involuntary Resettlement requirements

61. The ADB IR requirements as reflected in the SPS is based on the following principles:
- Involuntary resettlement is to be avoided or at least minimized.

- Compensation/Rehabilitation provisions will ensure the maintenance of the APs' pre-project standards of living.
- APs should be fully informed and consulted on LAR compensation options.
- APs' socio-cultural institutions should be supported/used as much as possible.
- Compensation will be carried out with equal consideration of women and men.
- Lack of legal title should not be a bar to compensation and/or rehabilitation.
- 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.
- 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.
- Compensation and resettlement subsidies will be fully provided prior to clearance of right of way/ground levelling and demolition.

4.1.3 Comparison of Armenia's Law/Regulation on LAR and ADB Resettlement requirements

62. Differences between Armenian laws/regulations and ADB policy are outlined in Table 4.1 below.

Table 4.1: Comparison of Resettlement Laws and Regulations

Armenian Laws and Regulations	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 AF/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

63. In general, there are no basic differences between the Armenian legislation and ADB requirements regarding land acquisition and resettlement. However, the Armenian laws and regulations are not very clear on how the rehabilitation of APs is to be achieved. Another issue is that ADB recognizes as eligible to compensation, or at least rehabilitation, titled and non-titled owners and registered and unregistered tenants. To reconcile these gaps between the Armenian legislation and ADB's Policy, IA has drafted a 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 for rehabilitation packages for APs that will be relocated, are vulnerable or severely affected.
64. The Project has been established by decree as a Public interest Project. Based on the Law land acquisition is thus executed under eminent domain principles based on a four tier process as follows:
- First, as a condition to establish the project decree, the land office carries a summary documentary survey of the affected plots, of the land owners and of cadastral land prices;
 - Second, the affected plots are surveyed in detail on the ground and compensation values are re-assessed based on market rates based on a survey carried out by an independent assessor;
 - Third, the final value of each plot is adjusted through a negotiation with each landowner so as to reflect the specific features of each plot;

- Fourth EA/IA and APs sign a contract agreement signifying the APs acceptance of the land transfer and relative compensation. If the APs reject the contract expropriation proceedings are initiated.

65. Based on Armenian laws and ADB's Resettlement requirements core involuntary resettlement principles are developed for this MFF which are as follows:

- Land acquisition, and other involuntary resettlement impacts will be avoided or minimized exploring all viable alternative project designs;
- 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;
- 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;
- Vulnerable and severely affected APs will be provided special assistance;
- 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;
- Legalizable APs will be legalized and fully compensated for land losses;
- Provision of income restoration and rehabilitation;
- The LARP will be disclosed to the APs in the local language;
- 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;
- Appropriate redresses mechanisms to solve APs grievances are established.

4.2 Eligibility

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

- All APs losing land either covered by legal title/traditional land rights, legalizable or without legal status;
- Tenants whether registered or not;
- Owners of buildings, trees, or other objects attached to the land; and
- APs losing business, income, and salaries.

67. Compensation eligibility is limited by the cut-off date which was the conclusion of the DMS, namely 14th April 2010. APs that settle in the affected areas or expand their buildings after the cut-off date will not be eligible for compensation. However, these APs will be given sufficient advance notice, requested to vacate premises and dismantle affected structures prior to project implementation. Their dismantled structures materials will not be confiscated and they will not pay any fine or suffer any sanction.

4.3 Compensation Entitlements

68. 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 Entitlements Matrix is included in Table 4.2 below.

Table 4.2: Entitlement Matrix

Type of Loss	Application	Definition of APs	Compensation Entitlements
1. Agricultural land Loss	AF losing agricultural land regardless of impact severity	Owner with full registration	Compensation at market rate +15% either in cash or through replacement plots acceptable to the AP.
		Legalizable Owner	Same compensation as above after APs legalization
		Leaseholder	When possible these AF 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 value of the affected land + 15% in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv)>25 years 25%.
		AFs without title or lease	AP to be legalized and provided compensation as above. If legalization is impossible a rehabilitation allowance equal to the affected land cadastral value.
2. Non-Agricultural Land loss	AF losing their commercial/ residential land	Owner with full registration	Compensation at market rate +15% either in cash or through replacement plots acceptable to the APs.
		Legalizable Owner	Same compensation as above after APs legalization
		Renter/Leaseholder	When possible these AF 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 value of the affected land + 15% in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
		AFs without title or lease	AP to be legalized and provided compensation as above. If legalization is impossible they will be given a rehabilitation allowance equal to the affected land cadastral value
3. Residential buildings		All AF regardless of legal status.	Cash compensation + 15% for loss of building at full replacement cost free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs.
		Relocated Renters	Relocation and severe impact allowance as entitlement 9 and 10 below
4. Non-residential buildings/assets		AFs with valid registration	Cash compensation + 15% for loss of building at full replacement cost free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs.
		AFs without title or lease	As above but after building is legalized/registered
		Relocated Renters	Relocation and severe impact allowance as entitlement 9 and 10 below
5. Common property Loss	Community/Public Assets	Community/Government	Reconstruction of lost structure in consultation with community and restoration of their functions
6. Crop Losses	Standing crops affected	All AF regardless of legal status	Crop compensation in cash at market rate by default at gross crop value of expected harvest.
7. Tree Losses	Trees affected	All AF regardless of legal status..	Cash compensation at market rate based on type, age and productive value of the trees.
8. Business losses	Business	All AF regardless of legal status.	Owner: (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. Mobile business will receive 1 month's net income. Assessment to be based on tax declaration. In absence of tax declaration the AF 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..
Employment Losses			Permanent Worker/Employees: Indemnity equal to: (i) Permanent job loss 6 months of minimum salary; (ii) Temporary loss minimum monthly salary x the number of months of job loss up to 6 months..
9. Allowances for Severe Impacts	AF with >10% agricultural income loss or to be relocated	All severely affected AFs including informal settlers and relocated renters	i) 1 additional crop compensation covering 1 year yield for APs affected by severe agricultural income losses
			ii) a rehabilitation allowance of 6 months at minimum salary for relocated AFs.
10. Relocation allowances	Transport/tran sition costs	All relocated AF including relocated renters	Provision of funds to cover transport costs and livelihood expenses for 1 month – this is estimated to be 140,000 AMD.
11 Vulnerable People Allowances		AFs below poverty line or headed by Women	Allowance equivalent to 6 months of minimum salary and employment priority in project-related jobs
12. Temporary impacts		All AFs	Due rent and rehabilitation for temporarily affected assets will be provided.
13. Unforeseen impacts, if any			IA will consider the unforeseen resettlement impact during project and will compensate them based on the above provisions.

69. Entitlement provisions for APs losing land, houses, and income and rehabilitation subsidies will 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:
- a. **Agricultural land impacts:** will be compensated at market rates in: (i) cash at current market rates plus a 15% allowance, or (ii) through replacement land equal in value/productivity to the plot lost acceptable to the AP. Non-directly affected sections of a plot which become inaccessible or unviable for cultivation or any use after the impact will be included in the affected land. When >10% of an AP agricultural land 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. Transaction taxes and fees will be paid by the EA/IA or waived. Legalizable APs will be legalized and paid as titled owners. Non-legalizable APs will be compensated with one time self-relocation allowances in cash equal to the cadastral value of the affected land. Leaseholders 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 value of the affected land + a 15% allowance in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%;iv) > 25 years 25%.
 - b. **Non agricultural land (Residential/commercial land):** Legal/legalizable settlers will be compensated at replacement rate either (i) in form cash at current market rates plus a 15% allowance, or (ii) in form of a replacement plot acceptable to the AP. Non-directly affected sections of a plot which become inaccessible or unviable for cultivation or any use after the impact will be included in the affected land. Legalizable APs will be legalized and paid as titled owners. Non-legalizable APs will be compensated with one time self-relocation allowances in cash equal to the cadastral value of the affected land. Leaseholders 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 value of the affected land + 15% in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) > 25% years 25%.
 - c. **Residential Buildings:** will be compensated to all APs irrespective of the house registration status in cash at replacement cost plus a 15% allowance. However house owners without registration will have to be legalized in order to obtain this provision. Compensation will be free of deductions for depreciation, transaction costs and salvageable materials. In case of partial impacts and unwillingness of the owner to relocate, building impacts will 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).
 - d. **Non-Residential Buildings** will be compensated in the same fashion as residential buildings (see above). However APs without registration in order to be legalized will have to pay all relevant registration fees. Relocated renters will be given all relocation and severe impacts allowances (see below).
 - e. **Crops:** Cash compensation at current market rates for gross value of one year's harvest by default. Crop compensation will be paid both to landowners and tenants based on their sharecropping agreements.
 - f. **Trees:** Cash compensation at market rate based on type, age and productivity of trees.
 - g. **Businesses:** Permanent loss (up to one year) will be compensated in cash equal to a one-year net income based on tax declaration; temporary losses will be compensated in cash equal to the monthly income based on tax declaration x the number of months of business stoppage (for this item it is assumed that the impact will last three months). Mobile business will receive one month's business allowance. In absence of tax declaration the AP will be compensated as above but based on the maximum non-taxable salary (minimum salary).

- h. **Permanent business workers and employees:** Indemnity for lost wages for the period of business interruption up to a maximum of six months.
- i. **Relocation subsidy:** APs forced to relocate (including renters) will receive a relocation subsidy sufficient to cover transport costs and living expenses for one month.
- j. **Community Structures and Public Utilities:** Will be fully replaced or rehabilitated so as to satisfy their pre-project functions.
- k. **Severe impacts allowances:** These will be given to AFs losing >10% of agricultural income (see above) or to relocated AFs (including renters).
- l. **Vulnerable people's livelihood:** Vulnerable people (APs below poverty line and widow or elderly headed households) will be given a rehabilitation allowance equal to 6 months at minimum salary and priority in employment in project-related jobs.

4.4 Conditions for Expropriation

- 70. Acquisition of land through expropriation proceedings entails lengthy procedures often may be resisted. Such an approach will thus be pursued under the Project only in extreme cases when negotiations between APs and IA fail and no alternative land is available. In these cases, however, IA 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.

4.5 Conditions and Mechanisms for Legalization

- 71. In principle all occupants of untitled-plots can be legalized as long as they do not occupy areas classified as "Red Zones" which are 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) . The same applies for owners of residential buildings up to 300 m². Owners of larger houses or other non-residential buildings can also be legalized but they will have to pay registration fees. To be legalized the APs will have to initiate a legalization process in accordance to pertinent administrative regulations. The EA/IA will assist APs seeking legalization and will facilitate their cases.

5. Public Consultation, Participation and Documents Disclosure

5.1 Overview

72. According to ADB policy and the Land Acquisition and Resettlement Framework (LARF), the APs must be fully consulted and provided with opportunities to participate in the planning and implementation of land acquisition and resettlement. They also must be informed in an appropriate and timely manner of the outcomes of the planning process, as well as the schedules and procedures for implementation of this LARP. A Public information and consultation campaign must be carried out by the LARU during all stages of the land acquisition and resettlement process. In addition, the LARU must also organize public information meetings, full disclosure of the Resettlement Plan (RP) and informing the APs about the procedures for payments of compensation and relocation.
73. This chapter describes the mechanisms for public consultation process with the APs, disclosure of the LARP through distribution of informative material to create awareness among the affected regarding their entitlements, compensation payment procedures and the grievance redress mechanism.

5.2 Public Consultation

74. In addition to informal day-to-day meetings among APs, PIU staff, and other stakeholders, the formal consultation process in the project area has been ongoing for a number of months and has been undertaken by both the EA/IA and the PPTA consultants through:

- Community Meetings; and
- Public consultations by high level EA/IA officials;

75. All these mechanisms / approaches have been effectively used during the collection of baseline socio-economic data for the project area and project affectees; preparation of LARP and disclosure of LARP to the APs, as explained below.

5.2.1 Community Meetings

76. Following the official announcement of the Project on 27/04/10, a community meeting was held between 12.00 and 14.00 on 07/05/10 at a Shengavit districts school located near to the project community. The purpose of this meeting was to disclose information about the project and the LARP to APs, to discuss impacts and verify the findings of this LARP and to commence the process of ongoing stakeholder engagement that will continue throughout the implementation of the LARP.
77. Through informal interactions between the consultants, the PIU and APs. All APs were requested to attend and ten participants were registered as attending.. Attendees are listed in Appendix B.
78. The meeting was hosted by the IA and its PPTA consultants who presented an overview of the project and the LARP principles, processes, preliminary findings and specifications in non-technical terms followed by a question and answer sessions.
79. The minutes of this meeting are presented in Appendix B and the key agenda and issues raised at this are summarised in Table 5.1 below.

Table 5.1: Summary of Preliminary LARP Consultation Meeting

Agenda Items	Key issues / questions raised by APs
1. Introduction / overview of the Project	Key issues primarily focussed on the role of the ADB and the interface with the IA.
2. Summary of the LARF principles and process (timelines)	Main issues and questions raised by the AP's concerned the project timelines and the definition of the cadastre price.
3. Summary of draft LARP findings and specifications, including	The main focus of the AP's was on the legalization of land and property, with many in the process or having been refused legalization by the IA.
4. Summary of grievance process	The grievance process was described in the presentation, most AP's voiced concern that process would not operate in practice particularly as most have tried unsuccessfully to legalize property and land with the IA.
5. Questions and answers sessions:	Questions and concerns centred on entitlements – land vs cash; legalization of properties and businesses, and; what to do in the absence of certification?

80. The community meetings have been/will be used as facilitation mechanism for preparation of this LARP and its effective and efficient implementation as per schedule and within budget. The draft LARP has and will be disclosed and discussed at the community meetings. The PIU and other EA/IA staff will proactively attend these meetings and explain the process of land acquisition and resettlement being adopted by the EA/IA for this project to the APs. The EA/IA shares the concerns and issues of the APs and detailed discussions will be held on these issues in order to create a sense of trust and comfort on the two sides.

5.3 Information Disclosure

81. During the different stages of the Project (planning, implementation, and monitoring) the following information disclosure actions are planned:

- Preparation and distribution of Public Information Brochure or booklets in Armenian (as discussed in Section 5.3.1 below),
- Placement of copies of the LARP in Armenian in regional and community offices; and
- Uploading of the LARP on the ADB resettlement website.

82. In the on-going comprehensive information and consultation process, all APs have been informed about the process for compensation, impacts and time for vacating the land. A LARU has been formed and rules / procedure set by this unit have been established for disbursement of compensation cheques. The consultation process has been an integral part of the resettlement process and will continue throughout the duration of the Project.

83. The LARU will continue to ensure that all APs understand the implications of this LARP and what will be done in order to compensate them. The EA/IA will keep the APs informed and facilitate addressing any grievances among the APs. The APs will participate in all the decisions and implementation of LARP. Also, APs will be involved in the Grievance Redress process (as discussed in Section 5.4 below) to review and resolve any dispute concerning compensation and other resettlement benefits. Thus there will be a continuous on-site consultation with APs to ensure that the APs receive their due entitlements/benefits. They will be informed through written notices for

their compensation amount, compensation disbursement schedule including date, time and venue for collection of their cheques and vacating/shifting time.

5.3.1 Public Information Brochure

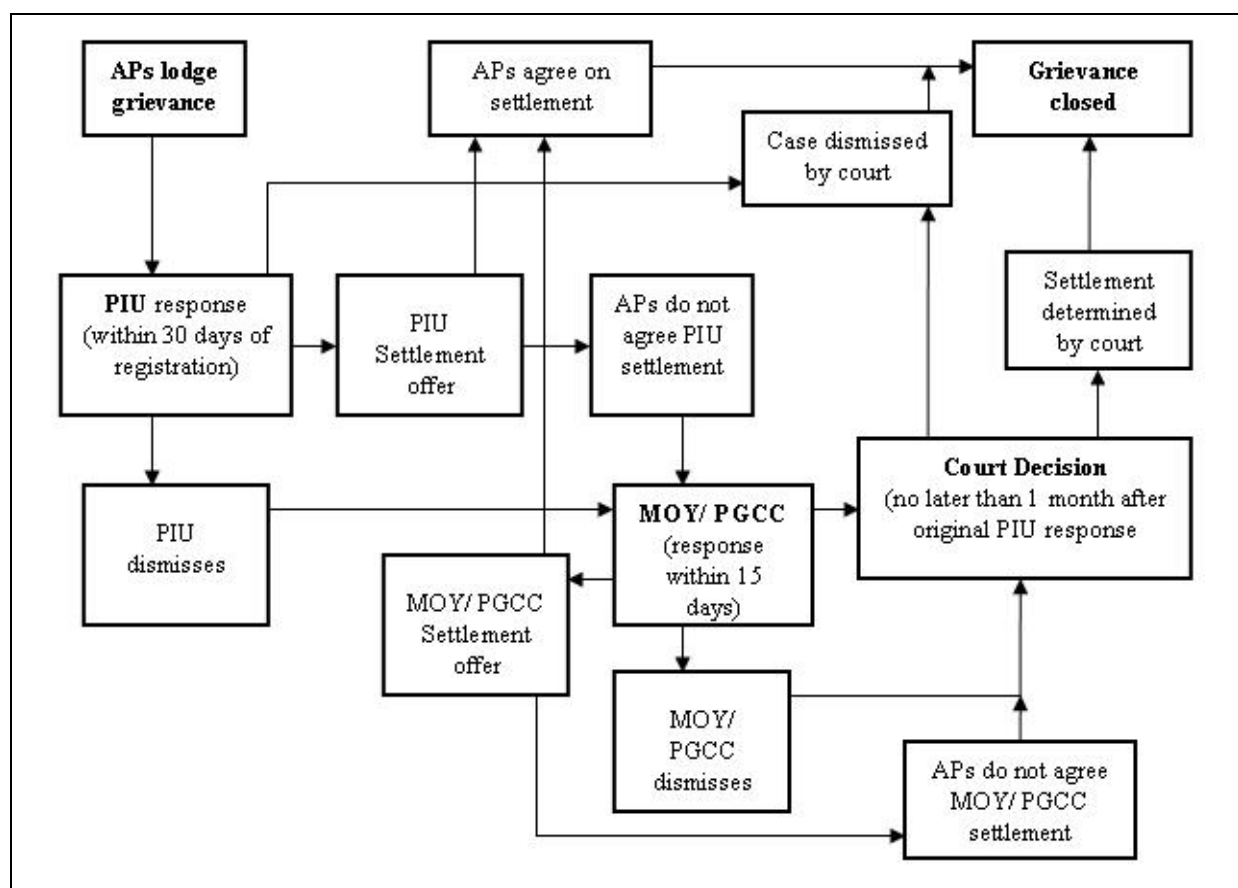
84. A summary of this LARP has been prepared specifically for the purpose of information disclosure in the form of the Public Information Brochure presented in Appendix C. This will be translated into Armenian and presented to all APs to enable the APs and local communities to read it by themselves and be aware of the Project's benefits/ compensations available for various types of APs, as given in the 'entitlement matrix'. The brochure explains the mechanisms and procedures of the consultation programme and how APs will be engaged in resettlement activities and the overall process. It also contains details of the grievance mechanism employed by the Project.
85. EA/IA staff and the PPTA consultant will distribute the brochures through the community consultation meetings and will leave copies at areas used by the community such as Shengavit District School.

5.4 Grievance Mechanism

86. A grievance mechanism is available to allow an AP to appeal any disagreeable decision, practice or activity arising from land or other assets compensation. Care will be taken to prevent grievances rather than going through a redress process by careful implementation, by ensuring full participation and consultation with the APs and by establishing extensive communication and coordination between the affected communities, the LARU, the PIU and IA. A Grievance Redress Committee will be formed between all stakeholders to representatives of the LARU, PIU, IA and AP representatives.
87. Even with precautions and care, a disagreement or dissatisfaction may emerge. To address such a situation (for instance an AP who is unsatisfied with the outcome of their eligibility decision or compensation package) a grievance redress mechanism will be put in place. The main objectives of mediating conflicts and having a grievance redress mechanism are to:
- reach mutually agreed solutions satisfactory to both the Project and the PAP;
 - cut down on lengthy litigation processes; and
 - prevent delay in project implementation.
88. All APs have the right to file complaints and/or queries on any aspects of land acquisition compensation, and resettlement. In order to ensure that grievances and complaints are addressed in a timely and satisfactory manner and that all possible avenues are available to APs to air their grievances, following mechanism for grievances have been set up.
- a. Step-1: AP or APs submit his/her/their complaint to the Social and Resettlement Specialist (SRS) within the Land Acquisition and Resettlement Unit (LARU) of the Project Implementation Unit (PIU) with the involvement of informal mediators. The complaint will be signed by the AP and it will explain the nature of complaint, the location and the complainant's complete address.
 - b. Step-2: The PIU will issue a formal response no later than 30 days after receipt of the grievance. This response will either be an offer for compensation to the complainant, and invitation to discuss the issue further at a private meeting or an explanation for the dismissal of the complaint.
 - c. Step-3: If the AP does not agree with the PIU's compensation offer or reasons for dismissal, the APs should present their grievance to Municipality of Yerevan or other implementing agency as appropriate. The AP must lodge the complaint within 1 month after receiving response on the original complaint from the PIU and must produce documents supporting his/her claim.

- d. Step-4: IA must consult the Project Governing and Coordinating Council (PGCC) for their decision on whether to settle or go to Court. The PGCC must provide a response within 15 days of registering the complaint. The PGCC decision must be in compliance with the LARP provisions.
 - e. Step-5: If the complainant is still not satisfied with the decision of the PGCC and is willing to continue with his complaint, he/she can register/file his case in the court whose decision will be final.
89. All efforts will be made to settle the issues at the LARU/PIU level through community consultation. If not, possible attempts will be made to resolve the issues at the PGCC level to avoid the judicial process and minimize litigation as much as possible. All complaints and resolutions will be properly documented by the LARU/PIU and be available for review and monitoring and evaluation purposes. The grievance resolution process is summarised in the Figure 5.1 below.

Figure 5.1: Grievance Resolution Process

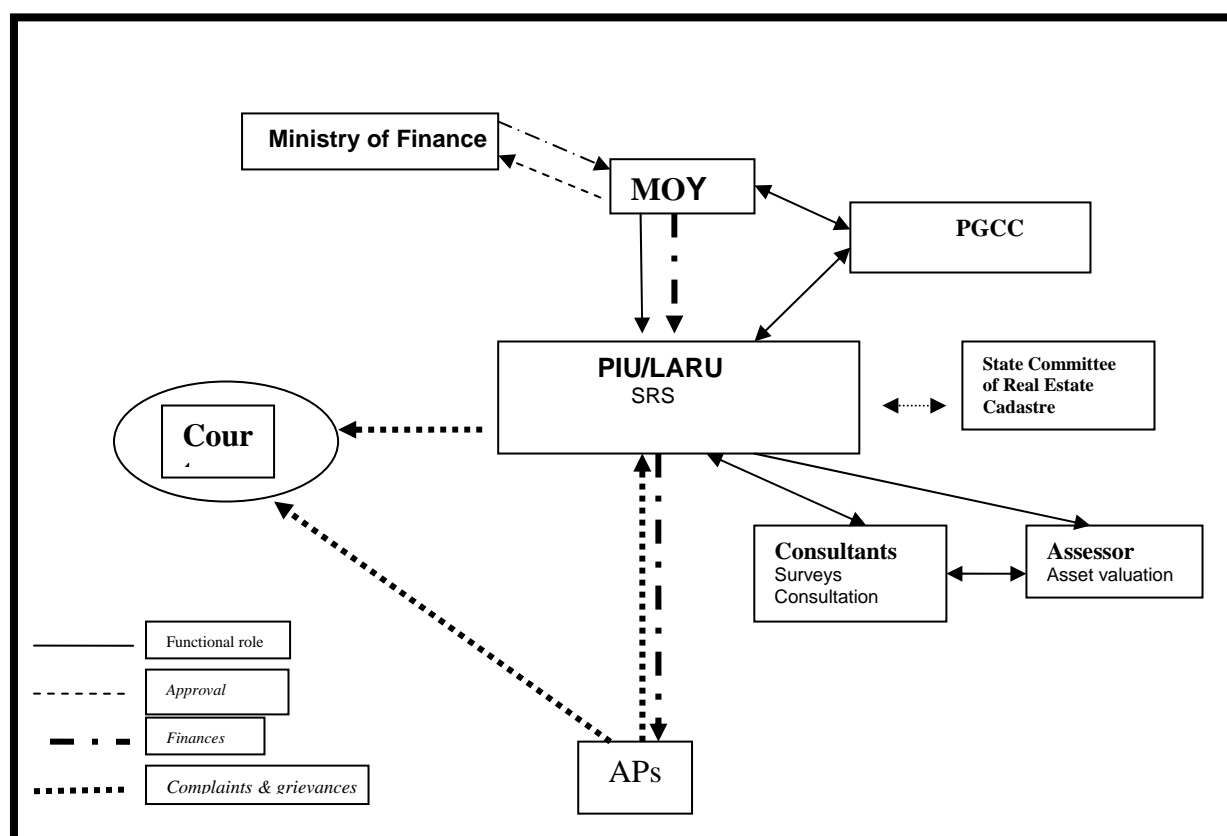


6. Institutional Arrangements

6.1 Overview

90. ADB will be the funding agency for the Project. The compensation/rehabilitation tasks described in this LARP involve distinct processes and dynamics and different actors.
91. MOY is the IA and they have prepared this LARP with the assistance of the PPTA consultants. MOY will implement the LARP with assistance of the by LARU and based on the policy and procedures set out in the LARF and this LARP. Several other Government and non –Government agencies will play instrumental roles in LAR processes. Pursuant to current legislation, the State Committee of Real Estate Cadastre of the Government of the Republic of Armenia is responsible for providing information about the status of real estate ownership and is in charge of the state registration of ownership. An organogram of the organizational setting for the program is included in Figure 6.1.

Figure 6.1: LAR Organogram and Actions (Tranche 1)



6.2 IA/ PIU

92. IA has overall responsibility for the Project. This includes preparation, implementation and financing of all LAR tasks and cross-agency coordination. IA will exercise its functions through LARU under the PIU. The LARU will have Social and Resettlement Specialists (SRS) who will be responsible directly to the PIU head for the general management of the planning and implementation of all LAR tasks. A Project Governing and Coordinating Council (PGCC) made up of representatives from the heads of different departments and institutions of MOY has been established in MOY according to MOY

Mayoral decree to oversee the Project and make high level decisions, 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.

93. The SRS 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, (iii) Disclosing the LARP; (iv) planning and managing LARP implementation and the disbursement of compensation; (iv) assisting in the case of complaints; (v) ensuring proper internal monitoring; and (vi) hiring, following ADB recommendation, the external monitoring agency. 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.

6.3 Consultants

94. Different types of consultants will be involved in LAR tasks:

- **PPTA Consultants:** This includes international and local LAR capacity and needed survey teams who have carried out all the field-surveys to prepare this LARP.
- **Design Consultants:** This will include international and local LAR capacity and needed survey teams and will carry out the same activities for updating/finalizing this LARP.
- **Supervision Consultants:** This will include international and local LAR capacity and needed survey teams and will assist in the overall supervision of the projects. The supervision consultants will also oversee LARP Implementation and carry out external monitoring and evaluation of the implementation of this LARP for following tranches of the Program.
- **Independent Monitoring Agency (IMA):** This consultant will be hired to conduct the external monitoring and evaluation of the implementation of this LARP. In the absence of a supervision consultant, the IMA will continue to carry out the external monitoring and evaluation for all the tranches.
- **Independent Asset Valuers:** These are the accredited private firms who have been hired by PPTA to evaluate the affected assets (as discussed in Section 2.2.2).

6.4 Other Agencies and Institutions

95. Several other institutions will participate in LAR tasks. These are:

- **Ministry of Finance:** The budgets for the implementation of the LARP will be provided to IA by the Ministry of Finance following the official approval of the final LARP.
- **State Committee of Real Estate Cadastre of the Government of the Republic of Armenia:** The State Committee of Real Estate Cadastre of the Government of the Republic of Armenia is responsible for providing information about the status of real estate ownership, and is in charge of the state registration of ownership.
- **Local Courts:** In case of expropriation issues IA 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 at what price.

6.5 ADB

96. Besides periodically supervising the Project, ADB will review this LARP and provide clearance to contract awards and signing/initiation of civil works to the Project. A LAR Officer will be appointed at the ADB resident mission and the LAR team under the supervision consultants will provide on the job assistance to the EA/IA on LAR matters.

7. LARP Implementation Process

7.1 Overview

97. This Chapter describes the steps taken to prepare this LARP and the actions that will be required to ensure its successful implementation. A timeline and implementation schedule is presented at the end of the Chapter.

7.2 LARP Preparation Actions

98. EA/IA will begin the implementation process of LARP immediately after its approval by the ADB. It has already initiated some actions as groundwork and certain preparatory tasks regarding implementation of Land Acquisition and Resettlement Plan have been successfully completed, detail is as follows:

- Establishment of Project Implementation Unit (PIU) and a Land Acquisition and Resettlement Unit (LARU);
- Appointment of international and national consultant resettlement specialists;
- Publication of preliminary notification expressing the intent to acquire land under;
- Establishment of official cut-off date (14th April, 2010);
- A public consultative meeting with APs and local representatives and active involvement APs in preparing this LARP;
- Endorsement of this LARP by PIU and its submission to ADB for approval in the form of this document; and
- The budget for compensation of land, structures, trees and relocation assistance has already been allocated to by the EA/IA.

7.3 Process of LARP Implementation

99. EA/IA is also committed to 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 start of construction work. The APs of affected structures/assets (houses, shops, etc.) will be paid their due compensations at least one-month (30 days) prior to demolition of the structures from the corridor of impact. This time will allow them to dismantle and remove all salvageable material for rebuilding of houses and re-establishment of businesses. However, EA/IA reserves the right of directly demolishing such structures if the AP has not done this by the agreed deadline.
100. Payment of compensation of assets other than structures will be made at least 15 days prior to actual possession of the space being utilized by the APs. However, in case of a dispute, the assessed/allocated amount of compensation will be pledged in the names of the concerned APs, pending a decision. In such an exceptional case, the EA/IA may possess the land without payment of compensation. Grievances or objections (if any) will be redressed as per grievance redress procedure adopted in this LARP. However, all activities related to land acquisition and resettlement will be completed prior to award of civil works contract.
101. The following process and procedure has been initially established for disbursement of compensation cheques to the APs:

- a. **Verification of APs:** Verification of the APs will be made through his/her Passport. All APs must bring copy of their original Passport at the time of receiving cheques. If an AP is below 16 years old or does not have a Passport, then his/her parents or guardians should provide a copy of their Birth Certificates.
 - b. **Payment of Compensation:** Payment to APs will be paid in 7-15 days, keeping in view the total strength of APs for which a schedule will be issued separately on approval of LARP by ADB. Payment will be paid through crossed cheques.
 - c. **Vacation of Site:** Notices will be issued to vacate the site with request to APs by sending written invitations to receive the compensation cheques along with time schedule and venue etc and a vacation notice to vacate the site within specified days. If the AP does not vacate the property after getting payment of compensation, the EA/IA reserves the right of directly demolishing such structures if the AP has not done this by the agreed deadline.
 - d. **Absent APs:** Absent APs may receive the compensation after the notified schedules of payments after production of a genuine proof of their absence on the due dates.
102. Payment of compensation will be made no later than 30 days prior to the actual possession of the acquired lands or structures. No land will be possessed by the EA/IA for commencement of construction works without full payment of due compensations to the affected landowners and their tenants. However, in case of a dispute, the assessed/allocated amount of compensation will be pledged in the names of the concerned APs, pending a decision by the court. In such cases, the project may possess the land before payment of compensation, but will hold all construction works until the final settlement of all compensation cases.
103. The EA/IA is responsible for financing the compensation, allowances, and administration of LARP implementation and timely allocation of sufficient resources. Allocations will be reviewed on quarterly basis based on the budget requirements indicated by the LARP.
104. As per the flow of LAR finances it is noted that the budget for land and crop compensation will be disbursed by EA/IA to the PIU which in turn will disburse the compensation to the APs. The compensation funds for other items such as documented structures (houses, shops, etc.), house restoration, shops, employment, income loss, etc. will go from EA/IA to its PIU which will disburse the funds to the APs.

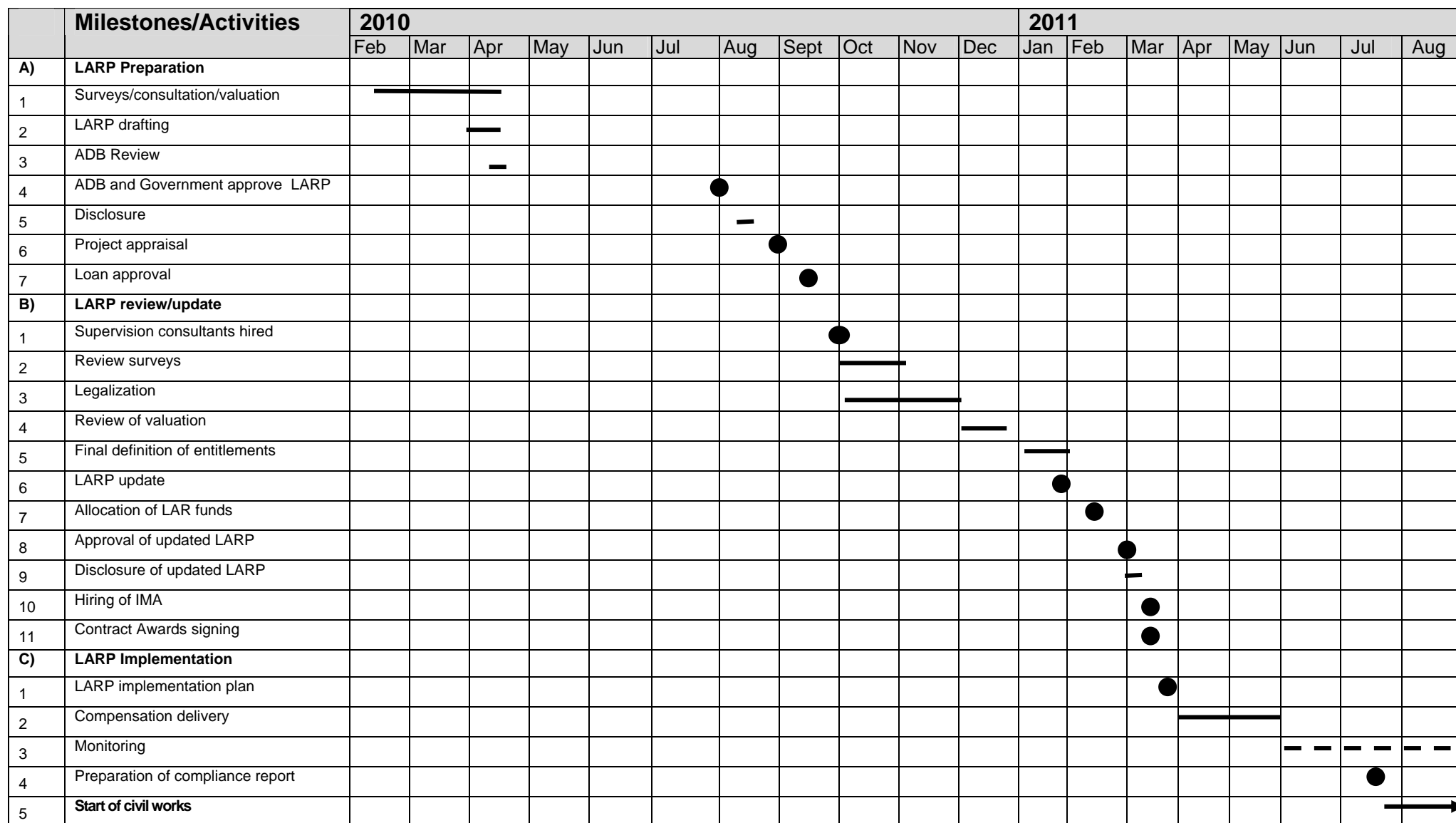
7.4 LARP Implementation Schedule:

105. A timeline for LARP preparation, implementation and post implementation has been prepared in accordance with different steps covered under this LARP and presented in Table 7.1 and Chart 7.1.

Table 7.1: Timeline for LARP Preparation & Implementation

No.	Activity	Responsibility	Date
A) LARP Preparation			
1	Surveys/consultation/valuation	Consultant	Feb–Apr ‘10
2	LARP drafting	Consultant	Apr ‘10
3	ADB review	ADB	Apr ‘10
4	ADB and Government approve LARP	ADB/ EA/IA	End July ‘10
5	Disclosure	Consultant/ LARU / PIU / ADB	Aug ‘10
6	Project appraisal	ADB	End Aug ‘10
7	Loan approval	ADB	Sep ‘10
B) LARP review/update			
1	Supervision consultants hired	ADB	End Sep ‘10
2	Review surveys	Consultant	Oct ‘10
3	Legalization	PIU	Oct - Nov ‘10
4	Review of valuation	Consultant	Dec ‘10
5	Final definition of entitlements	Consultant	Jan ‘11
6	LARP update	Consultant	Jan ‘11
7	Allocation of LAR funds	MOF/ EA/IA	Feb ‘11
8	Approval of updated LARP	ADB	Feb ‘11
9	Disclosure of updated LARP	Consultant/ LARU/ PIU/ ADB	Mar ‘11
10	Hiring of IMA	ADB	Mar ‘11
11	Contract Awards signing	ADB/ PIU	Mar ‘11
C) LARP Implementation			
1	LARP implementation plan	Consultant / ADB	End Mar ‘11
2	Compensation delivery	LARU / IA	Apr-May ‘11
3	Monitoring	IMA /ADB	June - Aug ‘11
4	Preparation of compliance report	IMA	July ‘11
5	Start of civil works	Construction Contractor	Aug onwards.

Chart 7-1: LARP Preparation and Implementation Schedule



8. Resettlement Financing and Budget

8.1 Overview

106. This chapter describes the methodology adopted to compute the unit rates for different types of land acquisition and resettlement impacts. It also provides an assessment of the costs based on the LARP related project impacts to be compensated as per entitlements of different categories of APs described in this RP. The budget is summarised at the end of the chapter.

8.2 Source of Funds and their Allocation

107. All LARP preparation and implementation costs, including cost of compensation and LAR administration, will be considered an integral part of Project cost and will be contributed as a counterpart fund by the GoA, in particular IA. Costs for external monitoring tasks and for the preparation of surveys and LARPs can be allocated under the loan.

108. Being the project owner, IA is responsible for the timely allocation of the funds needed to implement the LARPs. Allocations will be reviewed twice a year based on the budget requirements indicated by the LARPs. Compensation and rehabilitation will be directly disbursed by IA to the AP.

8.3 Methodology for Assessment of Compensation Unit Values

109. The budget of this LARP is indicative rather than detailed and is based on common unit values for types of impacts rather than a plot by plot evaluation. Ultimately a plot by plot evaluation will be required in order to determine exact compensation costs. This will be done when the LARP is updated as specified in Chapter 1.

110. The value of unit compensation rates have been determined by a certified independent evaluator based on the following clear and transparent methodologies acceptable to ADB:

- a. **Land** has been valued at current market rates based on a survey of land transaction carried out by an independent assessor.
- b. **Land:** Assessment of the real estate or the real estate rights have been made in accordance with the procedure defined in the Law of the Republic of Armenia on Assessment of Real Estate in Armenia. The unit compensation rates have been assessed a certified independent evaluator.
- c. **Buildings** have been valued at replacement rate based on construction type, materials cost, labor, transport/other construction costs. No deduction for depreciation/transaction costs will be applied. If an AP does not wish to relocate, partial impacts may be paid only for the affected portion of the building or repairs.
- d. **Businesses/Employment:** have been valued according to whether impacts are temporary or permanent using tax records where available, and approximate levels where tax records are not available, specifically:
 - i. Businesses have been valued according to whether they are a) mobile business and b) temporarily affected fixed businesses both of which find it easy to relocate; or, c) permanent fixed businesses which find it much more difficult to relocate.

- ii. Employment has been valued according to whether people are expected to temporarily or permanently lose their jobs.

111. The assessed compensation rates have been verified and certified by the Land Acquisition and Resettlement Unit (LARU) of the IA.

8.3.1 Assessment of Allowances Unit Values

112. The unit values for the allowances provided under the project are presented in Table 8.1 below.

Table 8.1: Allowance Unit Rate Values

Allowance Category	Impact / AP characteristic Triggering Impact	Unit	Rate Determinant	Rate Value AMD / month
Severe impact allowance	Relocation of property renters	6 months Minimum salary	Minimum monthly salary as of 21.04.10	30,000
Relocation allowance	Relocation of property renters	1 Month	Estimate of transport costs and livelihood expenses	140,000
Vulnerable People Allowance	Relocation of AH (including renters) that are below the poverty line and widow or elder headed households	6 months Minimum salary	Minimum monthly salary as of 21.04.10	30,000

8.4 Budget

113. Budgets have been developed to cover the cost of compensation and allowances for the impacts presented in Chapter 2. These are presented below.

8.4.1 Land

114. Table 8.2 below shows that the total cost for the compensation of commercial land is 57.39 million AMD which will be paid to 11 AFs.

Table 8.2: Land Compensation Budget

Type of use	Area, m ²	Unit rate, AMD / m ²	Total, AMD	Remarks
Commercial land type 1	430	44,570	19,165,100	Plot purchased with the intention to build gas station, has special characteristics
Commercial land type 2	2,074	18,430	38,223,820	-
Total:	2,504	63,000	57,388,920	

8.4.2 Buildings and Structures

115. The budget for compensation of buildings and structures is presented in

116. Table **8.3** below which shows that the total costs are expected to be 73.56 million AMD, excluding the gas station under construction which will not be affected by the Project (loss of land only with the business remaining operational).

Table 8.3: Buildings and Structures Budget

Building types	Materials	No.	Area affected, m ²	Unit rate, AMD / m ²	Total, AMD
Car workshops	Stone constructions with cement mortar and metal roof	9	389	120,000	46,680,000
Café	Stone constructions with cement mortar and metal roof	1	61	120,000	7,320,000
Kiosk	Stone constructions with cement mortar and metal roof	1	30	120,000	3,600,000
Un-used buildings	Stone constructions with cement mortar and metal roof	3	133	120,000	15,960,000
Total:		14	613		73,560,000

8.4.3 Trees

117. The total compensation cost for the 4 not-yet-productive mulberry trees is 2,000 AMD, as illustrated in Table 8.4 below.

Table 8.4: Not-yet-productive fruit bearing tree budget

Tree type	No.	Yearly growth input (AMD)	Average tree age (years)	Total value (AMD)
Mulberry	4	100	5	2,000

118. The total compensation cost for productive fruit bearing trees is 0.85 million AMD as illustrated in Table 8.5 below.

Table 8.5 Productive fruit bearing tree budget

Tree type	No	Yearly production per tree (Kg)	Years to re-grow the tree (years)	Produce market value (AMD/Kg)	Total value (AMD)
Apple	1	110	6	100	66,000
Cherry	1	30	4	150	18,000
Mulberry	8	80	4	300	768,000
Total:	10				852,000

119. Table 8.6 summarises the budget for fruit trees. The total compensation cost is 0.85 million AMD. The majority of this budget will be spent on compensation for Mulberry trees at 0.77 million AMD.

Table 8.6 Summary of fruit bearing tree budget

Tree type	Not yet fruit bearing		Fruit bearing		TOTAL AMD
	No.	Sub-total AMD	No.	Sub-total AMD	
Apple	0	0	1	66,000	66,000
Cherry	0	0	1	18,000	18,000
Mulberry	4	2,000	8	768,000	770,000
Total:	4	2,000	10	852,000	854,000

8.4.4 Business

120. The total cost of compensation for permanent effects on fixed businesses is 1.98 million AMD in Table 8.7 below. This compensation is for permanent impacts on fixed businesses that are highly dependent on the location or physical infrastructure of the existing site and therefore cannot easily relocate and continue business as normal. They will be compensated with a cash indemnity of 12 months net income based on estimated maximum non-taxable income for that type of business.

121. When the LARP is updated, this budget will need to be revised to be determined on a business-by-business basis according to actual incomes as presented in tax records.

Table 8.7: Businesses Compensation Costs

Business affected	Monthly income	No of income months compensated for	No of businesses	Total (AMD)
Car repair shop	15,000	12	9	1,620,000
Cigarette/ snack vending	15,000	12	1	180,000
Cafe	15,000	12	1	180,000
Total:			11	1,980,000

2.5.6 Allowances

122. The total cost of rehabilitation allowances for vulnerable AFs will be 3.02 million AMD as summarised below in Table 8.8 below.

Table 8.8: Allowances Budget

Type of allowance	Unit rate determinant	Unit rate	Number of AF	Total:
Relocation	1 month estimate of transport costs and livelihood expenses	140,000	9	1,260,000
Severe impacts	6 months minimum salary 30,000 per month	180,000	9	1,620,000
Vulnerable AF	1 month estimate of transport costs and livelihood expenses	140,000	1	140,000.00
		Total:	19	3,020,000

8.5 Summary Budget

123. The total cost of compensation and allowances is 136.80 million AMD or 0.35 million U\$D. When the costs for the External Monitoring Agency, Administration and contingencies is factored in, the final LARP budget stands at 350.35 million AMD or 0.98 million U\$D. The LARP Budget is summarised in Table 8.9 below.

Table 8.9: Summary Budget

ITEM	TOTAL	
	AMD	U\$D
Land	57,388,920	145,288 ⁸
Buildings and structures	73,560,000	186,228
Trees	854,000	2,162
Businesses	1,980,000	5,013
Sub-Total	133,782,920	338,691
Allowances	3,020,000	7,646
<i>Sub-Total (Compensation):</i>	136,802,920	346,337
External Monitoring Agency	126,400,000	320,000
Administration Costs	55,300,000	140,000
<i>Total Compensation, Management and Monitoring Costs:</i>	318,502,920	806,337
Contingency 10%	31,850,292	80,634
<i>Total Land Acquisition and Resettlement Budget:</i>	350,353,212	886,970

⁸ Land compensation value indicated for calculated affected land take, compensation value does not factor overall land plot

9. Monitoring and Evaluation

9.1 Overview

124. LAR under the Project will be subjected to both internal and external monitoring. Internal monitoring will be conducted by LARU. External monitoring will be assigned to an Independent Monitoring Agency to be hired by IA and approved by ADB. The IMA will be selected among Non-Governmental Organization (NGOs), academic Institutions, or consulting firms. ADB will advise IA on the IMA's terms of reference once Project implementation has begun.

9.2 Internal Monitoring

125. Internal monitoring will be carried out routinely by LARU both directly and through the services of the Design Consultants. The results will be communicated to ADB through the quarterly project implementation reports. Indicators for the internal monitoring will be those related to process and immediate outputs and results, which allow to assess the progress and results of LARP implementation, and to adjust the work program, if necessary. The monthly reports will be quarterly consolidated in the standard supervision reports to ADB. Specific monitoring benchmarks will be:

- a. Information campaign and consultation with APs;
- b. Status of land acquisition and payments on land compensation;
- c. Compensation for affected structures and other assets;
- d. Relocation of APs;
- e. Payments for loss of income;
- f. Selection and distribution of replacement land areas; and
- g. Income restoration activities

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

- a. Review of census information for all APs;
- b. Consultation and informal interviews with APs;
- c. In-depth case studies;
- d. Sample survey of APs;
- e. Key informant interviews; and
- f. Community public meetings.

9.3 External Monitoring

127. External monitoring will be carried out in parallel with the implementation of each LARP and will result in a quarterly report and in a final compliance report indicating whether the compensation program has been carried out based on the provisions of this LARF and ADB policy and with the satisfaction of the APs. The compliance report will be communicated to PIU/IA and ADB and will be a condition to start civil works. External monitoring for the first tranche will be carried out by an IMA to be selected and hired among NGOs, Academic Institutions or independent consultants by PIU. For tranches after the first external monitoring will be carried out by the supervision consultant. Indicators for External Monitoring tasks will include:

- a. Review and verify internal monitoring reports prepared by PIU /IA;
- b. Review of the socio-economic baseline census information of pre-displaced persons;
- c. Identification and selection of impact indicators;

- d. Impact assessment through formal and informal surveys with the affected persons;
 - e. Consultation with APs, officials, community leaders for preparing review report; and
 - f. Assess the resettlement efficiency, effectiveness, impact and sustainability, drawing lessons for future resettlement requirements formulation and planning.
128. As part of the final compliance report the IMA will also assess the status of project affected vulnerable groups such as female-headed households, disabled/elderly and families below the poverty line. The following will be considered as the basis for indicators in monitoring and evaluation of the project:
- a. Socio-economic conditions of the APs in the post-resettlement period;
 - b. Communications and reactions from APs on entitlements, compensation, options, alternative developments and relocation timetables etc.;
 - c. Changes in housing and income levels;
 - d. Rehabilitation of informal settlers;
 - e. Valuation of property;
 - f. Grievance procedures;
 - g. Disbursement of compensation; and
 - h. Level of satisfaction of APs in the post resettlement period.
129. The IMA will carry out a post-implementation evaluation of the LARP about a year after completion of its implementation. The compelling reason for this study is to find out if the objectives of the LARP have been attained or not. The benchmark data of SES of severely affected APs conducted during the preparation of the LARP and Poverty Social Assessment (PSA) will be used to compare the pre and post project conditions. The IMA will recommend appropriate supplemental assistance for the APs should the outcome of the study show that the objectives of the LARP have not been attained.

Appendices

Appendix A.

Detailed AF AP Census

ID.	Name	Family members / Employees	Land affected			Buildings affected			Trees affected		Businesses affected			Resettled		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (m ²)	Area affected (m ²)	Type	Number of floors	Area (m ²)	Type	No.	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
1	"Arg.Lev.Gaz" CSJC"	1	Commercial	3619	430	Under Construction									no		no		no
2	Vardanyan Ida	9	Commercial	1519	1519	Secondary stone construction with cement mortar and metal roof (un-used)	1	8	Mulberry	8					no		no		no
						Secondary stone construction with cement mortar and metal roof (un-used)	1	41											
						Secondary stone construction with cement mortar and metal roof (un-used)	1	84											
3	Hambardzumyan Sergey	7	Commercial	185	185	Primary stone construction with cement mortar and metal roof	1	61	Apple	1	Café	yes		yes				yes	
									Cherry	1									
									Mulberry	4									

ID.	Name	Family members / Employees	Land affected			Buildings affected			Trees affected		Businesses affected			Resettled		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area (M ²)	Type	No.	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
4	Davtyan Nella	4	Commercial	66	36	Primary stone construction with cement mortar and metal roof (kiosk)	1	30			cigarette/ snack vending	yes		yes			no	yes	
						Primary stone construction with cement mortar and metal roof (car workshop)	1	36			Car mechanic's	yes							
5	Ter-Harutyunyan Gayane	4	Commercial	36	36	Primary stone construction with cement mortar and metal roof (car workshop)	1	36			Car mechanic's	yes		yes			no	yes	
6	Hamazaspyan Maxim	4	Commercial	36	36	Primary stone construction with cement mortar and metal roof (car workshop)	1	36			Car mechanic's	yes	no	yes			no	yes	
7	Avetisyan Hovhannes	4	Commercial	36	36	Primary stone construction with cement mortar and metal roof (car workshop)	1	36			Car mechanic's	yes	no	yes		yes		yes	

ID.	Name	Family members / Employees	Land affected			Buildings affected			Trees affected		Businesses affected			Resettled		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area (M ²)	Type	No.	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
8	Pusulyan Naira	8	Commercial	36	36	Primary stone construction with cement mortar and metal roof (car workshop)	1	36			Car mechanic's	yes	no	yes			no	yes	
9	Gasparyan Robert	6	Commercial	72	72	Primary stone construction with cement mortar and metal roof (car workshop)	1	36			Car mechanic's	yes	no	yes			no	yes	
						Primary stone construction with cement mortar and metal roof (car workshop)	1	36			Car mechanic's	yes							
10	Vardanyan Aramayis	2	Commercial	72	72	Primary stone construction with cement mortar and metal roof (car workshop)	1	72			Car mechanic's	yes	no	yes			no	yes	
11	Tagvoryan Tagvor	5	Commercial	46	46	Primary stone construction with cement mortar and metal roof (car workshop)	1	46			Car mechanic's	yes	no	yes			no	yes	

Minutes of Consultation Meeting

UISCDP HIGHWAYS PROJECT 1 LARP - PUBLIC CONSULTATION MINUTES

Topic:

Public consultation undertaken by PPTA Consultants to disclose the draft LARP to the APs in the Shengavit district of Yerevan.

Date/Time:

Presentation took place from 12.00. to 14.00 on May 7, 2010.

Location:

School No. 115 in Shengavit district of Yerevan.

Chair:

PPTA Consultants: Artashes Arakelyan, Director, "AdInfoSys" Management Institute, Local Team Leader, Lianna Mkhitarian, Social and Resettlement Specialist, "AdInfoSys" Management Institute.

Attendees:

Areg Barseghyan, Senior Country Coordinator, ADB;

Gohar Tadevosyan, Consultant, ADB;

Chatinyan Armen, Chief Specialist, PIU;

There were present 10 residents of the project area, representatives of ADB and non-governmental organizations (NGOs).

Pre-prepared Agenda Points:

1. Overview of Argavan Highway – Shirak Street project;
2. Actual presentation to introduce principles used in preparation of the LARP.
3. Question and answer session.

Minutes:

Public Information leaflet was prepared for the purpose of information disclosure, translated into Armenian and distributed to the APs.

Overview of Argavan Highway – Shirak Street project.

Artashes Arakelyan and Areg Barseghyan briefly introduced the project to the audience, specifying the aim of the undertaken public consultation event.

Actual presentation to introduce principles used in preparation of the LARP.

Lianna Mkhitarian made PP presentation disclosing the draft LARP and explained how the core involuntary resettlement principles and process of land acquisition and resettlement adopted by the EA/IA aims at reducing negative impacts of the project on APs by timely and properly compensating their losses. Entitlements for compensation, conditions for property legalization, restoration and rehabilitation provisions adopted for the implementation of the project as well as timeframe of the actions to be undertaken were presented.

Question and answer session.

The following questions were asked by the residents of project area and NGO representatives:

Q1. (Terteryan Abraham Upper Charbakh, 5th str, apt 44); I have an objection. I don't want monetary compensation. I am doing this job for 20 years and want my business. Can I have a land plot instead monetary compensation and build new business premises?

A1. (Areg Barseghyan): You need to apply to municipality, if there is available land you may negotiate so that you can acquire land plot.

Q2. (Vardanyan Aramajis, Shirak 4th str, apt 89)

- a) There were tension because of 60th article. I applied for my land privatization, but got a deny since my land plot is in 60th article. What can I do?
- b) How does compensation is accounted? According what? And if the result doesn't satisfy us?

A2. (Armen Chatinyan): Privatization of land plots have not been conducted for the land areas that are not only included in Article 60 of the "Land Code of RA". It has not been conducted also for some other reasons that can be clarified in the Chief Architecture Division.

Q3. (Muradyan Norayr Shirak 72, apt 36): Is there any difference between privatized land and leased land? What if the lease time is run out?

A3. AP can be given a new lease. In your case the lease is considered extended.

Q4. (Gasparyan Robert), I stopped my business. Will it be compensated?

A4. (Tadevosyan Gohar) If you stopped your business a year ago then it will not be compensated.

Q5. (Tagvoryan Tagvor Makvart str, apt 7) Wouldn't it be possible, that contract be signed by everybody at once? We want to get one land plot for all since our businesses are connected to each other.

A5. (Artashes Arakelyan): You need to apply on an individual basis.

Q6. I have started my business not a long time ago and cannot show tax declaration. What to do? Can I legalize my business now?

A6. You need to have tax declaration showing your payments or you cannot legalize your business.

**List of Attendance at the Public Consultation Event for URBAN INFRASTRUCTURE
AND SUSTAINABLE CITY DEVELOPMENT PROGRAM Highways Project 1 Land
Acquisition and Resettlement Plan (LARP) held on**

May 7, 2010

NN	Name	Address	Phone number
1	Terteryan Abraham	Upper Charbakh, 5 th str, apt 44	077 38 34 36 091 38 34 36
2	Hambardzumyan Sergey	Yerevan, Aygestan, 26th str, apt 12	091 05 35 45
3	Gasparyan Robert	Yerevan	091 59 95 69
4	Avetisyan Hovhannes	Leningradyan 14, apt 16	091 83 21 11
5	Muradyan Norayr	Shirak 72, apt 36	010 42 39 64
6	Mnacakanyan Hayk	Timiryazev, 22 house, territory adjoin to Shirak	091 52 20 80
7	Tagvoryan Tagvor	Makvart str, apt 7	
8	Hamazaspyan Maqsim	Markvart 85/1 bld, apt 24	
9	Vardanyan Aramajis	Shirak 4 th str, apt 89	
10	Avetisyan Karen	Project coordinator "ASHD" NGO Forum ADB	055 27 69 02

Impacts Compensation / Rehabilitation: Information Booklet

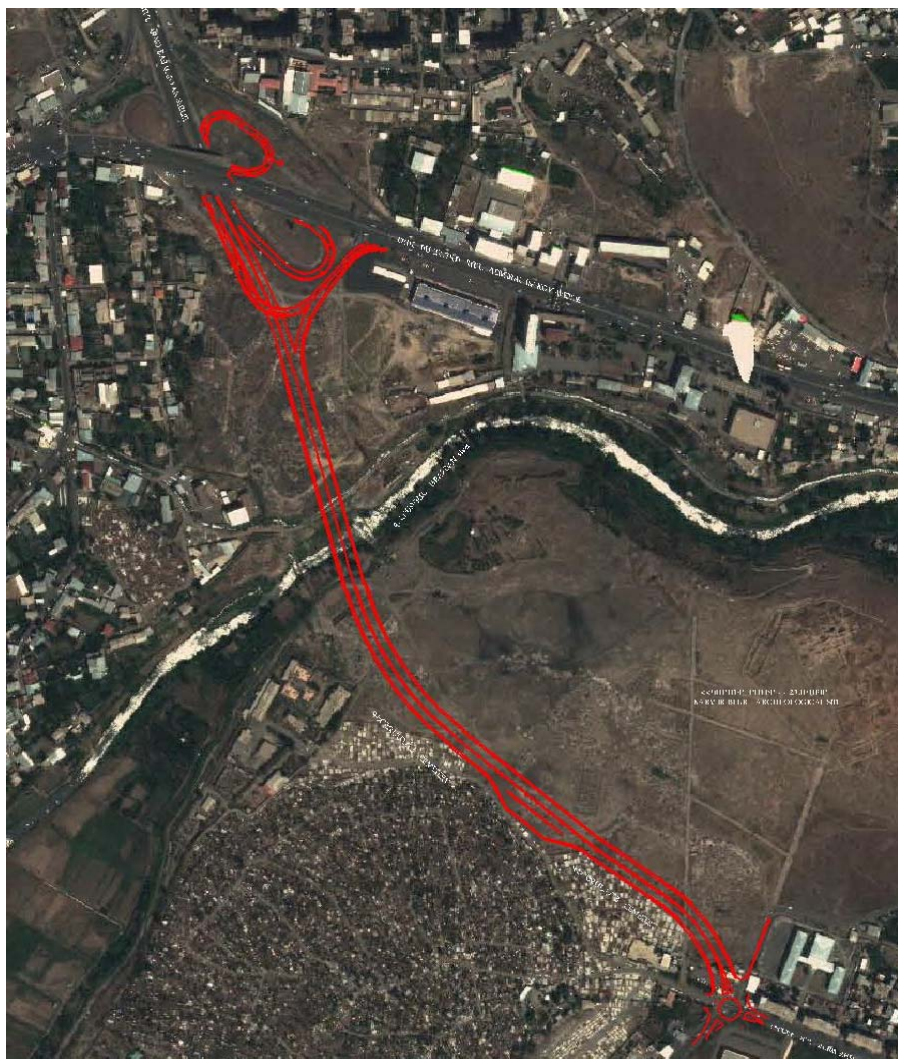
Introduction

1. The Asian Development Bank (ADB) has agreed to provide the Armenian Government with a \$300 million Multi-tranche Financial Facility (MFF) to finance the Urban Infrastructure and Sustainable City Development Program (the Program). Tranche 1 of the Program includes sub-projects to construct missing road links to complete the Yerevan west bypass. One such project is the construction of the 1.5 km section of the Shirak St. – Argavand Highway, otherwise known as Project 1.
2. This Land Acquisition and Resettlement Plan (LARP) has been prepared to specify the compensation, resettlement and rehabilitation requirements and arrangements for Highways Project 1. The LARP identifies i) the extent of losses; ii) the policy and framework for compensation payments and relocation; (iii) institutional framework for participation and implementation; and (iii) responsibilities for monitoring the implementation measures.

Project Location, Description and Potential Impacts

3. Project 1 is located in the Shengavit district of Armenia's capital of Yerevan and the Malatia-Sebastia district of Argavand. The alignment connects Argavand Highway to Shirak Street approximately 6 km south-west of the centre of the city of Yerevan.
4. Project 1 includes the construction of a new 6-lane divided road over a length of approximately 1.2km. This includes 1.5km of road linking Argavand Highway to Shirak Street. The design includes an interchange at Argavand Highway and a round-about at Shirak Street. A bridge will be constructed over the Hrazdan River.
5. The project will not result in the displacement of any residential houses. 9 businesses will need to relocate as a result of the project. Of the affected business owners and employees a total of 11 families and 54 individuals would be affected by land acquisition and resettlement resulting from this project. In summary, impacts have been preliminarily determined as including acquisition or displacement of:
 - 2,504 m² of privately owned land, the majority of which is for commercial use;
 - 14 buildings and structures belonging to 10 business owners (excluding 1 gas station under construction) and NOT including any residential buildings; and
 - 14 privately owned fruit trees.
6. The LARP specifies how all of these impacts will be compensated for through cash and other relocation and rehabilitation assistance. This preliminary impacts assessment and the specifications of this plan will be verified and finalised through consultation with affected communities and further survey work to be completed no later than February 2011.

Location of Highways Project 1



Source: Municipality of Yerevan (2010)

Principles for Compensating and or Rehabilitating the AF/AP

7. Based on Armenian laws and ADB's SPS, 2010, core involuntary resettlement principles are developed for this MFF which are as follows:
 - Land acquisition, and other involuntary resettlement impacts will be avoided or minimized exploring all viable alternative project designs;
 - 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;
 - 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;
 - Vulnerable and severely affected APs will be provided special assistance;
 - 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;
 - Legalizable APs will be legalized and fully compensated for land losses;

- Provision of income restoration and rehabilitation;
- The LARP will be disclosed to the APs in the local language;
- 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;
- Appropriate redresses mechanisms to solve APs grievances are established.

Compensation and Rehabilitation Eligibility and Entitlements

8. All families residing in affected areas and holding affected assets or incomes before the eligibility cut-off date for the project 14th April 2010 (the date of the end of the impact survey) will be entitled to compensation and/or rehabilitation for their losses in accordance with the entitlements matrix presented below.

Entitlements Matrix

Type of Loss	Application	Definition of APs	Compensation Entitlements
1. Agricultural land Loss	AF losing agricultural land regardless of impact severity	Owner with full registration	Compensation at market rate +15% either in cash or through replacement plots acceptable to the AP.
		Legalizable Owner	Same compensation as above after APs legalization
		Leaseholder	When possible these AF 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 value of the affected land + 15% in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
		AFs without title or lease	AP to be legalized and provided compensation as above. If legalization is impossible a rehabilitation allowance equal to the affected land cadastral value.
2. Non-Agricultural Land loss	AF losing their commercial/ residential land	Owner with full registration	Compensation at market rate +15% either in cash or through replacement plots acceptable to the APs.
		Legalizable Owner	Same compensation as above after APs legalization
		Renter/Leaseholder	When possible these AF 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 value of the affected land + 15% in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
		AFs without title or lease	AP to be legalized and provided compensation as above. If legalization is impossible they will be given a rehabilitation allowance equal to the affected land cadastral value
3. Residential buildings		All AF regardless of legal status.	Cash compensation + 15% for loss of building at full replacement cost free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs.
		Relocated Renters	Relocation and severe impact allowance as entitlement 9 and 10 below
4. Non-residential buildings/assets		AFs with valid registration	Cash compensation + 15% for loss of building at full replacement cost free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs.
		AFs without title or lease	As above but after building is legalized/registered
		Relocated Renters	Relocation and severe impact allowance as entitlement 9 and 10 below
5. Common property Loss	Community/Public Assets	Community/Government	Reconstruction of lost structure in consultation with community and restoration of their functions
6. Crop Losses	Standing crops affected	All AF regardless of legal status	Crop compensation in cash at market rate by default at gross crop value of expected harvest.
7. Tree Losses	Trees affected	All AF regardless of legal status..	Cash compensation at market rate based on type, age and productive value of the trees.
8. Business losses	Business	All AF regardless of legal status.	Owner: (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. Mobile business will receive 1 month's net income. Assessment to be based on tax declaration. In absence of tax declaration the AF 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..
Employment Losses			Permanent Worker/Employees: Indemnity equal to: (i) Permanent job loss 6 months of minimum salary; (ii) Temporary loss minimum monthly salary x the number of months of job loss up to 6 months..
9. Allowances for Severe Impacts	AF with >10% agricultural income loss or to be relocated	All severely affected AFs including informal settlers and relocated renters	i) 1 additional crop compensation covering 1 year yield for APs affected by severe agricultural income losses
			ii) a rehabilitation allowance of 6 months at minimum salary for relocated AFs..
10. Relocation allowances	Transport/tran sition costs	All relocated AF including relocated renters	Provision of funds to cover transport costs and livelihood expenses for 1 month – this is estimated to be 140,000 AMD.
11 Vulnerable People Allowances		AFs below poverty line or headed by Women	Allowance equivalent to 6 months of minimum salary and employment priority in project-related jobs
12. Temporary impacts		All AFs	Due rent and rehabilitation for temporarily affected assets will be provided.
13. Unforeseen impacts, if any			IA will consider the unforeseen resettlement impact during project and will compensate them based on the above provisions.

9. Entitlement provisions for APs losing land, houses, and income and rehabilitation subsidies will 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:
- a. **Agricultural land impacts:** will be compensated at market rates in: (i) cash at current market rates plus a 15% allowance, or (ii) through replacement land equal in value/productivity to the plot lost acceptable to the AP. Non-directly affected sections of a plot which become inaccessible or unviable for cultivation or any use after the impact will be included in the affected land. When >10% of an AP agricultural land 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. Transaction taxes and fees will be paid by the EA/IA or waived. Legalizable APs will be legalized and paid as titled owners. Non-legalizable APs will be compensated with one time self-relocation allowances in cash equal to the cadastral value of the affected land. Leaseholders 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 value of the affected land + a 15% allowance in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
 - b. **Non agricultural land (Residential/commercial land):** Legal/legalizable settlers will be compensated at replacement rate either (i) in form cash at current market rates plus a 15% allowance, or (ii) in form of a replacement plot acceptable to the AP. Non-directly affected sections of a plot which become inaccessible or unviable for cultivation or any use after the impact will be included in the affected land. Legalizable APs will be legalized and paid as titled owners. Non-legalizable APs will be compensated with one time self-relocation allowances in cash equal to the cadastral value of the affected land. Leaseholders 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 value of the affected land + 15% in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
 - c. **Residential Buildings:** will be compensated to all APs irrespective of the house registration status in cash at replacement cost plus a 15% allowance. However house owners without registration will have to be legalized in order to obtain this provision. Compensation will be free of deductions for depreciation, transaction costs and salvageable materials. In case of partial impacts and unwillingness of the owner to relocate, building impacts will 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).
 - d. **Non-Residential Buildings** will be compensated in the same fashion as residential buildings (see above). However APs without registration in order to be legalized will have to pay all relevant registration fees. Relocated renters will be given all relocation and severe impacts allowances (see below).
 - e. **Crops:** Cash compensation at current market rates for gross value of 1 year's harvest by default. Crop compensation will be paid both to landowners and tenants based on their sharecropping agreements.
 - f. **Trees:** Cash compensation at market rate based on type, age and productivity of trees.
 - g. **Businesses:** Permanent loss (up to 1 year) will be compensated in cash equal to a 1-year net income based on tax declaration; temporary losses will be compensated in cash equal to the monthly income based on tax declaration x the number of months of business stoppage (for this item it is assumed that the impact will last 3 months). Mobile business will receive 1 months of business allowance. In absence of tax declaration the AP will be compensated as above but based on the maximum non-taxable salary (minimum salary).

- h. **Permanent business workers and employees:** Indemnity for lost wages for the period of business interruption up to a maximum of 6 months.
- i. **Relocation subsidy:** APs forced to relocate (including renters) will receive a relocation subsidy sufficient to cover transport costs and living expenses for 1 month.
- j. **Community Structures and Public Utilities:** Will be fully replaced or rehabilitated so as to satisfy their pre-project functions.
- k. **Severe impacts allowances:** These will be given to AF losing >10% of agricultural income (see above) or to relocated AF (including renters).
- l. **Vulnerable people's livelihood:** Vulnerable people (APs below poverty line and widow or elder headed households) will be given a rehabilitation allowance equal to 6 months at minimum salary and priority in employment in project-related jobs.

Assessment of Allowances Unit Values

10. The unit values for the allowances provided under the project are presented in the Tables below.

Allowance Unit Rate Values

Allowance Category	Impact / AP characteristic Triggering Impact	Unit	Rate Determinant	Rate Value AMD / month
Severe impact allowance	Relocation of property renters	6 months Minimum salary	Minimum monthly salary as of 21.04.10	30,000
Relocation allowance	Relocation of property renters	1 Month	Estimate of transport costs and livelihood expenses	140,000
Vulnerable People Allowance	Relocation of AH (including renters) that are below the poverty line and widow or elder headed households	6 months Minimum salary	Minimum monthly salary as of 21.04.10	30,000

Land Unit Rates

Type of use	Unit rate, AMD / m ²
Commercial land type 1	44,570
Commercial land type 2	18,430

Buildings and Structures Unit Rates

Building types	Materials	Unit rate, AMD / m ²
Car workshops	Stone constructions with cement mortar and metal roof	120,000
Café	Stone constructions with cement mortar and metal roof	120,000
Kiosk	Stone constructions with cement mortar and metal roof	120,000
Un-used buildings	Stone constructions with cement mortar and metal roof	120,000

Rehabilitation and Relocation Allowances

11. AFs affected by the project will be entitled to allowances for rehabilitation, relocation and whether the AFs are severely affected and vulnerable families. The Table below indicates the level of allowance according to the type of impact.

Allowances Budget

Type of allowance	Unit rate determinant	Unit rate AMD
Relocation	1 month estimate of transport costs and livelihood expenses	140,000
Severe impacts	6 months minimum salary 30,000 per month	180,000
Vulnerable AF	1 month estimate of transport costs and livelihood expenses	140,000

Land Losses by Category and Legal Status

Land Type	Total plot area (m ²)	Affected area (m ²)
Privately owned land (legally titled):		
Commercial land plot 1	3,619	430
Commercial land plot 2	1,519	1,519
Commercial land plot 3	185	185
Commercial land plot 4	66	36
Commercial land plot 5	36	36
Commercial land plot 6	36	36
Commercial land plot 7	36	36
Commercial land plot 8	36	36
Commercial land plot 9	72	72
Commercial land plot 10	72	72
Commercial land plot 11	46	46
Commercial land sub-total:	5,723	2,504
Public land owned by GoA:		55,286
Affected Land Grand Total:		57,790

Grievance Redress

12. All APs have the right to file complaints and/or queries on any aspects of land acquisition compensation, and resettlement. In order to ensure that grievances and complaints are addressed in a timely and satisfactory manner and that all possible avenues are available to APs to air their grievances, following mechanism for grievances have been set up.
- Step-1: AP or APs submit his/her/their complaint to the Social and Resettlement Specialist (SRS) within the Land Acquisition and Resettlement Unit (LARU) of the Project Implementation Unit (PIU) with the involvement of informal mediators. The complaint will be signed by the AP and it will explain the nature of complaint, the location and the complainant's complete address.
 - Step-2: The PIU will issue a formal response no later than 30 days after receipt of the grievance. This response will either be an offer for compensation to the complainant, and invitation to discuss the issue further at a private meeting or an explanation for the dismissal of the complaint.

- c. Step-3: If the AP does not agree with the PIU's compensation offer or reasons for dismissal, the APs should present their grievance to the IA. The AP must lodge the complaint within 1 month after receiving response on the original complaint from the PIU and must produce documents supporting his/her claim.
 - d. Step-4: IA must consult the Project Governing and Coordinating Council (PGCC) for their decision on whether to settle or go to Court. The PGCC must provide a response within 15 days of registering the complaint. The PGCC decision must be in compliance with the LARP provisions.
 - e. Step-5: If the complainant is still not satisfied with the decision of the PGCC and is willing to continue with his complaint, he/she can register/file his case in the court whose decision will be final.
13. All efforts will be made to settle the issues at the LARU/PIU level through community consultation. If not, possible attempts will be made to resolve the issues at the PGCC level to avoid the judiciary to minimize litigation as much as possible. All complaints and resolutions will be properly documented by the LARU/PIU and be available for review and monitoring and evaluation purposes.

Resettlement Planning Document

Resettlement Plan

Project Number: 42417

Yerevan West Bypass Highways Project 2: Shirak St. – Artashat highway Section

September 2010

Armenia: Sustainable Urban Development Investment Program

The resettlement plan is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

Urban Infrastructure and Sustainable City Development Program Tranche 1

Land Acquisition and Resettlement Plan (LARP)
Yerevan West Bypass Highways Project 2:
Shirak St. – Artashat highway Section.

27 July 2010

Yerevan Municipality



Fw: ARM Yerevan Sustainable Urban Transport MFF
Arnaud Dauphin to: Mary Ann Z. Vargas
(766 6496)

09/14/2010 09:07 AM

FYI

Arnaud Dauphin

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----- Forwarded by Arnaud Dauphin/CWRD/ADB on 09/14/2010 09:07 AM -----

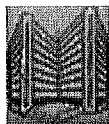
From: "Nerses Yeritsyan" <nyeritsyan@mineconomy.am>
To: <adauphin@adb.org>
Cc: "Mushegh Tumasyan" <mtumasyan@mineconomy.am>, <abarseghyan@adb.org>, <gmousaelyan@adb.org>
Date: 09/10/2010 11:53 AM
Subject: RE: ARM Yerevan Sustainable Urban Transport MFF

Dear Arno,

I would like to confirm that LARF, LARPs and EARF have been approved by the ministerial committee chaired by the PM, and will be approved next Thursday. Therefore, we are in the schedule agreed during the teleconference.


I also would like to suggest the you discuss with Mushegh Tumasyan the Municipality co financing and project governance issues via phone.

Best regards,



Nerses Yeritsyan | Minister

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Abbreviations

ADB	Asian Development Bank
AF	Affected Family
AP	Affected Person
ARD	Armenian Roads Directorate
YCCI PIU	Yerevan City Construction Investment Project Implementation Unit
DMS	Detailed Measurement Survey
EA	Executing Agency
EM	Ethnic Minority
GDP	Gross Domestic Product
GoA	Government of Armenia
IA	Implementing Agency
IMA	Independent Monitoring Agency
IP	Indigenous People
IPSA	Initial Poverty and Social Assessment
LAR	Land Acquisition and Resettlement
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
LARU	Land Acquisition and Resettlement Unit
MFF	Multi Tranche Financial Facility
MOY	Municipality of Yerevan
MOTC	Ministry of Transport and Communications
NGO	Non-Governmental Organization
OM	Operations Manual
PFR	Periodical Financial Request
PGCC	Project Governing and Coordinating Council
PPTA	Project Preparatory Technical Assistance
PRSP	Poverty Reduction Strategy Paper
PSA	Poverty and Social Assessment
RA	Republic of Armenia
SDP	Sustainable Development Program
SES	Socioeconomic Survey
SRS	Social and Resettlement Specialists
YCCI PIU	Yerevan City Construction Investment Project Implementation Unit

Definitions of LAR Terms

Affected Person/People - Any person (individual) affected by Project-related changes in use of land, water, natural resources, or income losses.

Affected Family - All members of a household residing under one roof and operating as a single economic unit, who are adversely affected by the Project, or any of its components. It may consist of a single nuclear family or an extended family group.

Compensation - Payment in cash or in kind of the replacement cost of the acquired assets.

Cut-off Date - Date after which people will not be considered eligible for compensation i.e. they are not included in the list of APs as defined by the census.

Entitlement - Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation which are due to affected people, depending on the nature of their losses, to restore their economic and social 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, etc.) and crops/plants planted by the person, household, institution, or organization.

Land Acquisition - The process whereby a person is compelled by a government agency to alienate all or part of the land a person owns or possesses to the ownership and possession of the government agency for public purpose in return for a consideration.

Marz - Armenia is divided into 10 provinces (marz). The province chief executive is the governor (marz) 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.

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.

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.

Vulnerable People - Distinct groups of people who might suffer disproportionately from resettlement effects. They are the households below poverty line or will become below poverty line as result of loss to assets and/or livelihoods, female headed households, or disabled persons.

Executive Summary

Introduction and Background

1. This Summary Land Acquisition and Resettlement Plan (LARP) have been prepared to specify the compensation, resettlement and rehabilitation requirements and arrangements for Highways Project 2 of the Urban Infrastructure and Sustainable City Development Program (the Program). The Asian Development Bank (ADB) has agreed to provide the Armenian Government with a \$400 million Multi-tranche Financial Facility (MFF) to finance Tranche 1 of the Program which includes sub-projects to construct missing road links to complete the Yerevan west bypass. One such project is the construction of the Shirak St. – Artashat highway sections, otherwise known as Project 2. The Project 2 area is located in the north east of Yerevan in the administrative Districts of Davidashen and Achapnyak. The project design envisages the construction of a two level transport interchange which will complete the projected carriage structure of the Davidashen Development Area.
2. The LARP for Project 2 identifies a) the extent of losses; b) the policy and framework for compensation payments and relocation; (c) institutional framework for participation and implementation; and d) responsibilities for monitoring the implementation measures. The approval of Project 2 is conditional upon a) approval of this LARP by the ADB and the Government; b) disclosure of this LARP to the affected peoples (APs); c) updating of this LARP to ensure that it reflects final design and current unit compensation prices, and; full implementation of the compensation programme described in this LARP including full delivery of compensation to APs.

Impacts Assessment and AF/AP Census

3. In order to assess accurately the extent of the project's LAR impacts, a detailed measurement survey (DMS) has been undertaken to measure the spatial area and locations of impacts, and an affected families/peoples (AF/AP) census has been undertaken to measure the numbers and characteristics of AF/APs. These surveys have revealed that a total of 35,674 m² of land is to be acquired by the project consisting of 105 plots (excluding 3 plots of public land). A total of 51 buildings will be affected. The project will affect 1,639 fruit trees (various types, all of which are privately owned) and 472 timber/wood trees will need to be cut-down. 1 mobile business, 9 permanent businesses and a total of 29 workers will be affected. Workers will be compensated according to the magnitude of the impact on them.
4. Of the total of 158 AFs, 41 are considered to be 'severely affected' as a result of needing to relocate. 31 AFs are considered to be 'vulnerable' since they are either below the poverty line or women or disabled headed households. None of the ethnic groups affected are covered under the ADB's definition of indigenous peoples. The total number of APs is 665 and 286 (43%) of these are male and 379 (57%) are female.

Socio-economic Census

5. In order to understand the existing socio-economic environment and the vulnerability of the AF/APs, a socio-economic census was undertaken in two stages: i) 25% sample of the households (HH) in the affected land plots, and; ii) 100% sample of the socio-economic conditions of affected families/peoples (AF/AP). The 25% sample survey revealed that the community in the Project Area is relatively well educated with universal literacy. The quality of educational service appears varied with only one third of the interviewed secondary school attendees being 'really' or 'generally satisfied' with the quality of education service provided. 18 (56%) of households in the community contain one or more members who needed to see a doctor in the 12 months leading up to March 2010, but did not.

The reason cited by 27 (84%) of these people was high (official and non-official) payment rates for treatment. Despite this, the majority 20 (63%) of medical service users are either 'really' or 'generally satisfied' with the quality of medical services they receive.

6. 9 (28%) of the interviewed families in the community own land and of those that do, 2 AFs (22%) use it as an important source of food. 7 (22%) of families believe their housing conditions are good or very good, whereas 8 (26%) consider them to be bad or very bad. 25 (78%) of households do not have a functioning heating system and 20 (63%) do not have hot water. 38 (24%) of the interviewees who are of working age are unemployed and 63 (40%) are earning an income. The mean monthly income of the families in the area is 103,000 AMD or 264 USD (despite the average monthly expenditure being reflected in the survey as being 460 USD). 14% of women earn a salary and women are the highest earners in 9% of households.
7. A 100% sample of AF/AP was also undertaken and this shows that the average family size is 4 persons with 2 males and 2 females. Within the project area 374 (72%) of adult APs are married whereas 104 (20%) are single, 31 (6%) are widowed and 10 (2%) are divorced. 193 (29%) APs are below the poverty line. There are 22 female headed households (of which 9 are widows) that are going to be affected by the project. Only 15 of the women have land registered in their names and the remaining 7 women will receive assistance with legalization of property. The EA/IA is committed to ensuring that that affected women participate equally with men in the implementation of this LARP. The AFs have universal literacy and the majority of adults, 144 (79%), have completed secondary education. At least 28 (18%) have completed higher education. The highest income of affected households is 500,000 AMD. 63 (40%) of the affected heads of households are employed and 38 (24%) are unemployed.

Legal and Policy Framework and Entitlements

8. In Armenia Land acquisition and compensation issues are discussed in the Land Code Article 102, 104, the Civil Code (1998), Articles 218 to 221 and in the Law of RA *"On the Alienation of the Private Property for Public and State Needs"* (hereafter referred to as the Compulsory Purchase Law) adopted on 27 November 2006. The consideration for the land/property being acquired is established by agreement between IA 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. Assessment of the real estate or the real estate rights shall be made in accordance with the procedure defined in the Law of the Republic of Armenia on Assessment of Real Estate in Armenia adopted in October 4, 2005.
9. The ADB requirements on Involuntary Resettlement as reflected in the ADB Safeguards Policy Statement (2010) includes the following principles: a) involuntary resettlement is to be avoided or at least minimized; b) compensation/ rehabilitation provisions will ensure the maintenance of the APs' pre-project standards of living; c) APs should be fully informed and consulted on LAR compensation options; d) APs' socio-cultural institutions should be supported/used as much as possible; e) compensation will be carried out with equal consideration of women and men; f) lack of legal title should not be a bar to compensation and/or rehabilitation; g) particular attention should be paid to households headed by women and other vulnerable groups; h) 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; i) compensation and resettlement subsidies will be fully provided prior to clearance of right of way/ground levelling and demolition.
10. In general, there are few basic differences between the Armenian legislation and ADB policies regarding land acquisition and resettlement. To reconcile the gaps between them, IA has drafted

Land Acquisition and Resettlement Framework (LARF) principles and entitlements to be applied across the Program. Based on Armenian laws and ADB's Resettlement requirements as contained within the ADB Safeguards Policy Statement (SPS, 2009), core involuntary resettlement principles are developed for this Program which are as follows:

- Land acquisition, and other involuntary resettlement impacts will be avoided or minimized exploring all viable alternative project designs;
 - 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;
 - 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;
 - Vulnerable and severely affected APs will be provided special assistance;
 - 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;
 - Legalizable APs will be legalized and fully compensated for land losses;
 - Provision of income restoration and rehabilitation;
 - The LARP will be disclosed to the APs in the local language;
 - 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;
 - Appropriate redresses mechanisms to solve APs grievances are established.
11. APs entitled to compensation or at least rehabilitation provisions under the Project include: a) all APs losing land and assets including those covered by legal title/traditional land rights, those without legal title but who are 'legalizable' or those who are without legal status; b) tenants and sharecroppers whether registered or not; owners of buildings, crops, plants, or other objects attached to the land; and c) APs losing business, income, and salaries. Compensation eligibility is limited by the cut-off date which was established as the conclusion of the DMS, namely 2nd April 2010. LAR tasks under the Project will be implemented according to a compensation eligibility and entitlements framework as presented in Table S.2 below.

Public Consultation, Participation and Documents Disclosure

12. According to ADB policy and the LARF, the APs will be fully consulted and provided with opportunities to participate in the planning and implementation of land acquisition and resettlement. They also will be informed in an appropriate and timely manner of the outcomes of the planning process, as well as the schedules and procedures for implementation of this LARP. A Public information and consultation campaign is being carried out by the LARU during all stages of the land acquisition and resettlement process. In addition, the LARU is organising public information meetings, full disclosure of the Resettlement Plan (RP) and informing the APs about the procedures for payments of compensation and relocation.
13. Following the official announcement of the Project on 27/04/10, a community meeting was held in the local community between 11.00 and 15.00 on 06/05/10. The purpose of this meeting was to disclose information about the project and the LARP to APs, to discuss impacts and verify the findings of this LARP and to commence the process of ongoing stakeholder engagement that will continue throughout the implementation of the LARP.
14. During the different stages of the Project (planning, implementation, and monitoring) the following information disclosure actions are planned: a) preparation and distribution of Public Information Brochure in Armenian (as presented in Appendix C of the LARP); b) placement of copies of the LARP

in Armenian in regional and community offices; and c) uploading of the LARP on the ADB resettlement website.

15. A grievance mechanism is available to allow an AP appealing any disagreeable decision, practice or activity arising from land or other assets compensation. Care will be taken to prevent grievances rather than going through a redress process by careful implementation, by ensuring full participation and consultation with the APs and by establishing extensive communication and coordination between the affected communities, the LARU, the PIU and IA. All efforts will be made to settle the issues at the LARU/PIU level through community consultation. If this is not possible, attempts will be made to resolve the issues at the PGCC level to avoid the judiciary to minimize litigation as much as possible. All complaints and resolutions will be properly documented by the LARU/PIU and be available for review, monitoring and evaluation purposes.

Institutional Arrangements

16. The compensation/rehabilitation tasks described in this LARP involve distinct processes and dynamics by the following different actors:
 - a. **IA/ PIU:** IA has overall responsibility for the Project. This includes preparation, implementation and financing of all LAR tasks and cross-agency coordination. IA will exercise its functions through LARU under the PIU. The LARU will have Social and Resettlement Specialists (SRS) who will be responsible directly to the PIU head for the general management of the planning and implementation of all LAR tasks. A Project Governing and Coordinating Council (PGCC) made up of representatives from the heads of different departments and institutions of IA has been established to make high level decisions, including resolving high profile AP grievances.
 - b. **Consultants:** including: a) PPTA Consultants who have carried out all the field-surveys to prepare this LARP; b) Design Consultants who will update the LARP to make it implementation ready; c) Supervision Consultants assisting in LARP Implementation; d) Independent Monitoring Agency (IMA) hired to conduct the external monitoring and evaluation of the implementation of this LARP, and; e) Independent Asset Valuers who are accredited private firms who have been hired by PPTA to evaluate the affected assets.
 - c. **Other Agencies and Institutions:** including a) Ministry of Finance who will provide the budgets for implementation; b) State Committee of Real Estate Cadastre of the Government of the Republic of Armenia is responsible for providing information about the status of real estate ownership, and is in charge of the state registration of ownership; c) Local Courts which in the case of expropriation issues will have to review the cases, carry out a hearing and decide whether the land can be expropriated and at what price.
 - d. **ADB:** Besides periodically supervising the Project, ADB will review this LARP and provide clearance to contract awards and signing/initiation of civil works to the Project.

Implementation Schedule

17. All land acquisition, resettlement and compensation activities will be completed before the start of civil works. A timeline for LARP preparation, implementation and post implementation has been prepared in accordance with different steps covered under this LARP and presented in Table S.5 below.

Table S.1. Eligibility and Entitlements Framework

Type of Loss	Application	Definition of APs	Compensation Entitlements
1. Agricultural land Loss	AF losing agricultural land regardless of impact severity	Owner with full registration	Compensation at market rate +15% either in cash or through replacement plots acceptable to the AP.
		Legalizable Owner	Same compensation as above after APs legalization
		Leaseholder	When possible these AF 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 value of the affected land + 15% in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
		AFs without title or lease	AP to be legalized and provided compensation as above. If legalization is impossible a rehabilitation allowance equal to the affected land cadastral value.
2. Non-Agricultural Land loss	AF losing their commercial/ residential land	Owner with full registration	Compensation at market rate +15% either in cash or through replacement plots acceptable to the APs.
		Legalizable Owner	Same compensation as above after APs legalization
		Renter/Leaseholder	When possible these AF 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 value of the affected land + 15% in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
		AFs without title or lease	AP to be legalized and provided compensation as above. If legalization is impossible they will be given a rehabilitation allowance equal to the affected land cadastral value
3. Residential buildings		All AF regardless of legal status.	Cash compensation + 15% for loss of building at full replacement cost free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs.
		Relocated Renters	Relocation and severe impact allowance as entitlement 9 and 10 below
4. Non-residential buildings/assets		AFs with valid registration	Cash compensation + 15% for loss of building at full replacement cost free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs.
		AFs without title or lease	As above but after building is legalized/registered
		Relocated Renters	Relocation and severe impact allowance as entitlement 9 and 10 below
5. Common property Loss	Community/Public Assets	Community/Government	Reconstruction of lost structure in consultation with community and restoration of their functions
6. Crop Losses	Standing crops affected	All AF regardless of legal status	Crop compensation in cash at market rate by default at gross crop value of expected harvest.
7. Tree Losses	Trees affected	All AF regardless of legal status..	Cash compensation at market rate based on type, age and productive value of the trees.
8. Business losses	Business	All AF regardless of legal status.	Owner: (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. Mobile business will receive 1 month's net income. Assessment to be based on tax declaration. In absence of tax declaration the AF 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..
Employment Losses			Permanent Worker/Employees: Indemnity equal to: (i) Permanent job loss 6 months of minimum salary; (ii) Temporary loss minimum monthly salary x the number of months of job loss up to 6 months..
9. Allowances for Severe Impacts	AF with >10% agricultural income loss or to be relocated	All severely affected AFs including informal settlers and relocated renters	i) 1 additional crop compensation covering 1 year yield for APs affected by severe agricultural income losses
			ii) a rehabilitation allowance of 6 months at minimum salary for relocated AFs.
10. Relocation allowances	Transport/transition costs	All relocated AF including relocated renters	Provision of funds to cover transport costs and livelihood expenses for 1 month – this is estimated to be 140,000 AMD
11 Vulnerable People Allowances		AFs below poverty line or headed by Women	Allowance equivalent to 6 months of minimum salary and employment priority in project-related jobs
12. Temporary impacts		All AFs	Due rent and rehabilitation for temporarily affected assets will be provided.
13. Unforeseen impacts, if any			IA will consider the unforeseen resettlement impact during project and will compensate them based on the above provisions.

18. Entitlement provisions for APs losing land, houses, and income and rehabilitation subsidies will 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:

- a. **Agricultural land impacts:** will be compensated at market rates in: (i) cash at current market rates plus a 15% allowance, or (ii) through replacement land equal in value/productivity to the plot lost acceptable to the AP. Non-directly affected sections of a plot which become inaccessible or unviable for cultivation or any use after the impact will be included in the affected land. When >10% of an AP agricultural land 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. Transaction taxes and fees will be paid by the EA/IA or waived. Legalizable APs will be legalized and paid as titled owners. Non-legalizable APs will be compensated with one time self-relocation allowances in cash equal to the cadastral value of the affected land. Leaseholders 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 value of the affected land + a 15% allowance in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
- b. **Non agricultural land (Residential/commercial land):** Legal/legalizable settlers will be compensated at replacement rate either (i) in form cash at current market rates plus a 15% allowance, or (ii) in form of a replacement plot acceptable to the AP. Non-directly affected sections of a plot which become inaccessible or unviable for cultivation or any use after the impact will be included in the affected land. Legalizable APs will be legalized and paid as titled owners. Non-legalizable APs will be compensated with one time self-relocation allowances in cash equal to the cadastral value of the affected land. Leaseholders 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 value of the affected land + 15% in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
- c. **Residential Buildings:** will be compensated to all APs irrespective of the house registration status in cash at replacement cost plus a 15% allowance. However house owners without registration will have to be legalized in order to obtain this provision. Compensation will be free of deductions for depreciation, transaction costs and salvageable materials. In case of partial impacts and unwillingness of the owner to relocate, building impacts will 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).
- d. **Non-Residential Buildings** will be compensated in the same fashion as residential buildings (see above). However APs without registration in order to be legalized will have to pay all relevant registration fees. Relocated renters will be given all relocation and severe impacts allowances (see below).
- e. **Crops:** Cash compensation at current market rates for gross value of 1 year's harvest by default. Crop compensation will be paid both to landowners and tenants based on their sharecropping agreements.
- f. **Trees:** Cash compensation at market rate based on type, age and productivity of trees.
- g. **Businesses:** Permanent loss (up to 1 year) will be compensated in cash equal to a 1-year net income based on tax declaration; temporary losses will be compensated in cash equal to the monthly income based on tax declaration x the number of months of business stoppage (for this item it is assumed that the impact will last 3 months). Mobile business will receive 1 months of business allowance. In absence of tax declaration the AP will be compensated as above but based on the maximum non-taxable salary (minimum salary).
- h. **Permanent business workers and employees:** Indemnity for lost wages for the period of business interruption up to a maximum of 6 months.

- i. **Relocation subsidy:** APs forced to relocate (including renters) will receive a relocation subsidy sufficient to cover transport costs and living expenses for 1 month.
- j. **Community Structures and Public Utilities:** Will be fully replaced or rehabilitated so as to satisfy their pre-project functions.
- k. **Severe impacts allowances:** These will be given to AF losing >10% of agricultural income (see above) or to relocated AF (including renters).
- l. **Vulnerable people's livelihood:** Vulnerable people (APs below poverty line and widow or elder headed households) will be given a rehabilitation allowance equal to 6 months at minimum salary and priority in employment in project-related jobs.

Assessment of Unit Values

19. The unit values for the allowances provided under the project are presented in Table 8.1, Table S.3 and Table S.4 below.

Table S.2: Allowance Unit Rate Values

Allowance Category	Impact / AP characteristic Triggering Impact	Unit	Rate Determinant	Rate Value AMD / month
Severe impact allowance	Relocation of property renters	6 months Minimum salary	Minimum monthly salary as of 21.04.10	30,000
Relocation allowance	Relocation of property renters	1 Month	Estimate of transport costs and livelihood expenses	140,000
Vulnerable People Allowance	Relocation of AH (including renters) that are below the poverty line and widow or elder headed households	6 months Minimum salary	Minimum monthly salary as of 21.04.10	30,000

Table S.3: Land Unit Rates

Type of use	Unit rate AMD / m ²
Residential	16,985
Commercial	18,954
Industrial	15,437
Unused	16,407

Table S.4: Buildings and Structures Unit Rates

Building types and category	Unit rate AMD / m ²
<i>Primary residential and business constructions:</i>	
Stone construction with cement mortar and metal roof	167,247
Timber construction with cement mortar and metal roof	40,000
Metal framed construction with metal roof	26,977
<i>Secondary residential and business constructions</i>	
Stone construction with cement mortar and metal roof	97,701
Timber construction with cement mortar and metal roof	30,000
Metal framed construction with metal roof	25,723
<i>Special structures:</i>	
Petrol Station with concrete petrol forecourt, metal underground storage tanks and stone office building.	200,000

Table S.5: LARP Implementation Schedule

No.	Activity	Responsibility	Date
A) LARP Preparation			
1	Surveys/consultation/valuation	Consultant	Feb–Apr ‘10
2	LARP drafting	Consultant	Apr ‘10
3	ADB review	ADB	Apr ‘10
4	ADB and Government approve LARP	ADB/ EA/IA	End July ‘10
5	Disclosure	Consultant/ LARU / PIU / ADB	Aug ‘10
6	Project appraisal	ADB	End Aug ‘10
7	Loan approval	ADB	Sep ‘10
B) LARP review/update			
1	Supervision consultants hired	ADB	End Sep ‘10
2	Review surveys	Consultant	Oct ‘10
3	Legalization	PIU	Oct - Nov ‘10
4	Review of valuation	Consultant	Dec ‘10
5	Final definition of entitlements	Consultant	Jan ‘11
6	LARP update	Consultant	Jan ‘11
7	Allocation of LAR funds	EA/IA	Feb ‘11
8	Approval of updated LARP	ADB	Feb ‘11
9	Disclosure of updated LARP	Consultant/ LARU/ PIU/ ADB	Mar ‘11
10	Hiring of IMA	ADB	Mar ‘11
11	Contract Awards signing	ADB/ PIU	Mar ‘11
C) LARP Implementation			
1	LARP implementation plan	Consultant / ADB	End Mar ‘11
2	Compensation delivery	LARU / IA	Apr-May ‘11
3	Monitoring	IMA /ADB	June - Aug ‘11
4	Preparation of compliance report	IMA	July ‘11
5	Start of civil works	Construction Contractor	Aug onwards.

Resettlement Financing and Budget

20. All LARP preparation and implementation costs, including cost of compensation and LAR administration, will be considered an integral part of Project cost and will be given by the GoA or the IA. Costs for external monitoring tasks and for the preparation of surveys can be allocated under the loan. Being the project owner, IA is responsible for the timely allocation of the funds needed to implement the LARP. Allocations will be reviewed twice a year based on the budget requirements

indicated by the LARP. As per the LAR finances flow the budget for compensation and rehabilitation will be directly disbursed by IA to the AP.

21. Assessment of the real estate or the real estate rights have been made in accordance with the procedure defined in the Law of the Republic of Armenia on Assessment of Real Estate in Armenia. The unit compensation rates have been assessed by a certified Independent Evaluator based on clear and transparent methodologies (outlined in the LARP) that are acceptable to the ADB.
22. The total cost of rehabilitation allowances for relocation, severely affected and vulnerable families will be 17.64 million AMD as summarised below in S.6 below.

Table S.6: Allowances Budget

Type of allowance	Unit rate determinant	Unit rate	Number of AF	Total:
Relocation	1 month estimate of transport costs and livelihood expenses	140,000	41	5,740,000
Severe impacts	6 months minimum salary 30,000 per month	180,000	42	7,560,000
Vulnerable AF	1 month estimate of transport costs and livelihood expenses	140,000	31	4,340,000
		Total:	114	17,640,000

23. The total cost of compensation and allowances 2,381 million AMD or 6.03 million U\$D. When the costs for the External Monitoring Agency, administration and contingencies is factored in, the final LARP budget stands at 2,819 million AMD or 7.14 million U\$D. The LARP Budget is summarised in Table S.7 below.

Table S.7: Summary Budget

ITEM	TOTAL	
	AMD	U\$D ¹
Land	563,671,976	1,427,018 ²
Buildings and structures	1,658,152,167	4,197,854
Trees	62,885,600	159,204
Businesses	47,585,000	120,468
Employment	31,320,000	79,291
Sub-Total	2,363,614,743	5,983,835
Allowances	17,640,000	44,658
Sub-Total (Compensation):	2,381,254,743	6,028,493
External Monitoring Agency	126,400,000	320,000
Administration Costs	55,300,000	140,000
Total Compensation, Management and Monitoring Costs:	2,562,954,743	6,488,493
Contingency 10%	256,295,474	648,849
Total Land Acquisition and Resettlement Budget:	2,819,250,217	7,137,342

¹ Based on an exchange rate of 395 AMD/\$ in May 2010.

² Land compensation value indicated for calculated affected land take, compensation value does not factor overall land plot

Monitoring and Evaluation

24. LAR under the Project will be subjected to both internal and external monitoring. Internal monitoring will be conducted by LARU. External monitoring will be assigned to an Independent Monitoring Agency to be hired by IA and approved by ADB. The IMA will be selected among Non-Governmental Organization (NGOs), academic Institutions, or consulting firms. ADB will advise IA on the IMA's terms of reference once Project implementation has begun.

1. Introduction

1.1 General

1. The Asian Development Bank (ADB) has agreed to provide the Armenian Government with a \$400 million Multi-tranche Financial Facility (MFF) to finance the Urban Infrastructure and Sustainable City Development Program (the Program). The Program, to be implemented over a period of 10 years with Ministry of Economy (MOE) as the Executing Agency (EA) and different Implementing Agencies (IA), the Municipality of Yerevan being the Implementing Agency (IA) of the Tranche 1. The MFF will cover three tranches each including various projects involving the rehabilitation and the construction of roads and highways within the city of Yerevan. Tranche 1 of the Program includes two sub-projects entailing the construction of the missing road links to complete the Yerevan west bypass and each of these has resettlement impacts that require individual LARPS. The sub-projects with resettlement impacts and LARPs are:
 - Sub-project 1: Construction of the 1.5 km of the long the Shirak St. – Argavand Highway section, including the construction of a bridge;
 - Sub-project 2: Construction of 2.8 km of the Shirak St. – Artashat highway; and
2. This Land Acquisition and Resettlement Plan (LARP) for Sub-project 2 (Davidashen bridge - Halabyan St. – Ashtarak Highway road) have been prepared by the EA as part of the sub-project feasibility study. It is based on the Project's Land Acquisition and Resettlement Framework (LARF) already approved by EA and ADB and on the requirements of the ADB IR requirements reflected in the Safeguards Policy Statement (2010)..
3. The objective of this document is to satisfy the requirements of the requirements on Involuntary Resettlement of the Asian Development Bank. It details impacts, compensation entitlements, costs, organizational set-up and provides an action plan related to the implementation of Land Acquisition and Resettlement (LAR) impacts and rehabilitation for the Project and is fully endorsed by the IA.
4. Before Project appraisal this LARP will be translated into Armenian and disclosed on the YMC website. The LARP in English will be posted on the ADB website.

1.2 State of Design of the LARP

5. This LARP was prepared based on detailed design. LARP preparation has entailed the execution of a detailed measurement survey (DMS) of all impacts, a census of affected families (AF) and affected peoples (AP) and a preliminary assessment of compensation and allowance costs based on asset valuation surveys. Throughout the preparation process a thorough information and consultation campaign was carried out with all affected communities.
6. In co-ordination with the IA compensation/rehabilitation program and assessment, prior to the implementation of the ADB LARP and prior to signing contract awards the following action is to be taken to finalize the preparation of an implementation ready LARP:
 - DMS and AF census will be reviewed and if necessary revised by the supervision consultants to ensure that all impacts and AF are properly recorded in the LARP;
 - Unit compensation rates and the final valuation of affected items at market rates will be revised based on a detailed assessment by an independent assessor and the final LARP budget adjusted as needed;
 - The list of the legalizable AP will be reviewed, if necessary updated and then confirmed by the PIU and other relevant authorities which will distribute the necessary papers to the relevant APs;

- The lists of affected business owners and employees with and without tax declaration will be revised; and
- The Government will allocate the LARP budget.

1.3 LAR-Related Program Processing Requirements

7. Based on MFF procedures of the ADB, the approval of Program/Tranche 1 sub-projects such as Project 2, contract awards and related civil works implementation will be subjected to the following LAR-related conditions:
 - **Approval of MFF and this sub-project:** Conditional to: a.) approval of this LARP by ADB and Government; and b.) disclosure to the public of this LARP and of the information pamphlet as detailed in Chapter 5.
 - **Contract awards signing:** a) Review and update of this LARP as an implementation-ready document; b) approval by government and ADB of the final draft; c) disclosure to the public of the implementation-ready document and relative pamphlet as detailed in Chapter 5; d) Hiring of the Independent Monitoring Agency (IMA); and e) allocation of LARP finances.
 - **Provision of notice to proceed to contractors along road sections with LAR impacts:** Conditional to the full implementation of this LARP (full delivery of compensation and rehabilitation) for the relevant project to be documented by a compliance report prepared by the IMA. Such a condition will be clearly spelled out in the text of the civil works contract.

1.4 Location and Description of the Project

8. The project area is located in the north east of Yerevan, the capital city of the Republic of Armenia (RoA). RoA is a landlocked country between the Black and the Caspian Seas, bordered on the north by Georgia, to the east by Azerbaijan, on the south by Iran, and to the west by Turkey as shown in Figure 1.1.

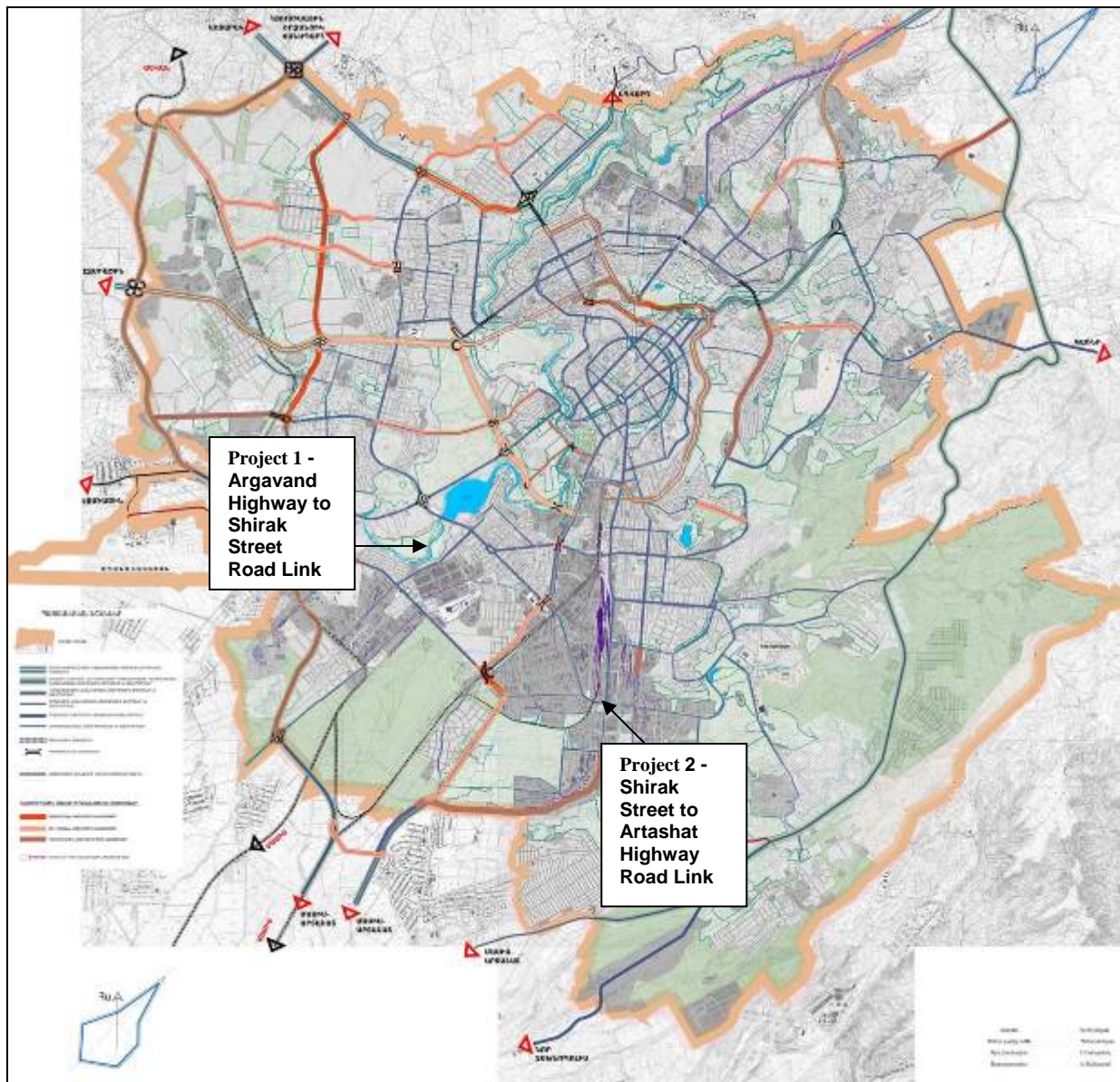
Figure 1.1: Location of Armenia and Yerevan



Source: Municipality of Yerevan Master plan (2004)

9. Yerevan covers an area of 260 km² extending 18km north-south and 16km east-west with the centre and the south of the City at a lower elevation. The locations of the four sub-projects of the Program are presented in Figure 1.2 below.

Figure 1.2: Map of Yerevan Showing Program Project Locations



Source: Municipality of Yerevan Master Plan (2004)

10. The Project 2 area is located in the South-West area of Yerevan in the administrative District of Shengavit, approximately 6km south-west of Yerevan City centre. The project location is depicted in Figure 1.3 below.

Figure 1.3: Location of Highways Project 2



Source: Municipality of Yerevan (2010)

11. The objective of Highways Project 2 is to facilitate road transport flows from Arshakuniats Avenue. to Artashat along the Artashat Highway and in the opposite direction. The 3.7km alignment includes widening of Arshakuniats Avenue, connecting Artashat Highway (M-2) to Shirak Street and widening Artashat Highway to Noragavit 1st Street.

2. Impacts Assessment and AF/AP Census

2.1 Overview

12. Land acquisition and resettlement (LAR) compensation payments and livelihood restoration measures must be based on a detailed understanding of the impacts of the project on affected families and peoples (AFs/APs). In order to accurately assess the extent of the project's LAR impacts the following impact surveys have been undertaken on behalf of the EA:
 - **Detailed Measurement Survey (DMS):** with the objective of measuring the spatial area of land, building space and number and types of private and communal assets to be affected; and
 - **AF/AP Census:** with the objective of identifying and evaluating the characteristics of the land, buildings and assets to be compensated and to collect (100% sample) socio-economic data on the affected individuals, families and business owners to be affected.
 - **Preliminary Evaluation of Replacement Compensation Rates:** with the objective of identifying the likely cost of compensation of lost assets, income and other livelihood sources and allowances paid to assist with relocation and rehabilitation in order to develop a preliminary budget for the LARP.
 - **Preliminary Identification of Legalizable AFs/APs and Business Tax Records:** in order to identify the number and related costs of those AFs/APs that require assistance with land ownership legalization as well as the businesses which require formalization through tax certification through implementation of the LARP.
13. This section presents the survey approach and methodologies as well as the findings on the type and extent of impacts including the number of AF/AP's affected for each category of impact.

2.2 Survey Activities and Methodology

14. The impact survey activities were based on Cadastral Survey data held by the IA. The PIU purchased cadastral data and maps from the State Committee of Real Estate Cadastre³ with the objective of preliminarily identifying the owners and status of project affected land plots/constructions.

2.2.1 Detailed Measurement Survey (DMS)

15. A DMS of all affected land plots was undertaken by between 28th February and 2nd April 2010 (this last date has been set as the compensation eligibility cut-off date). The DMS was undertaken by two teams each containing two professionally qualified surveyors who measured the affected area to identify the characteristics affected land plots, structures and community resources and assets. The DMS covered both those identified in the Cadastral Survey which includes persons with title for compensation ('legal Affected Peoples' (AP's) and non titled persons ('non-legal AP's' such as tenants and squatters) who are not included in the cadastral data. The information collected was recorded in a spreadsheet of every affected area and asset with corresponding maps depicting the impacts.

³ Cadastral survey data is updated every 4-5 years by the State Committee of Real Estate Cadastre. The data collected for this project was updated on 26.01.2010.

16. The scope of the DMS included identification of the locations, characteristics and legal ownership status of the following affected areas and assets:
- Area of residential and commercial plots;
 - Area of residential and business structures by building category and construction type;
 - Legal status of the AP land occupancy;
 - Area and type of crops;
 - Number and type of trees;
 - Affected business and estimated losses;
 - Legal status of businesses; and
 - Number and area of affected common property, community or public assets, by type.
17. Detailed internal measurements of internal space of buildings were not undertaken. An estimate of the total affected area of buildings was determined from the external perimeter of the buildings. This area was then multiplied by the number of floors.

2.2.2 Affected Families/People's Census (AF/AP Census)

18. In order to understand and evaluate the impacts identified in the DMS on households and individuals an AF/AP Census was undertaken between 23rd March and 16th April 2010. In close consultation with the DMS team and drawing on the preliminary DMS findings, the AF/AP Census was undertaken by three teams each containing one professionally qualified property evaluator and two academically qualified sociological researchers. The teams were managed by the Director of "Valuators Association" CJSC who implemented a quality control system to ensure that every affected household was visited to interview AF/AP's and complete an AF/AP Census questionnaire.
19. The AF/AP Census questionnaire was designed and implemented in a culturally sensitive manner In order to make an assessment of AP/AF socio-economic characteristics and vulnerability. Affected families, individuals and businesses were asked questions about the following:
- Household composition and socio-economic characteristics (age, ethnicity, education, gender, etc.);
 - Occupation and other income sources of households;
 - Land owned/occupied and agricultural activities;
 - Business activities including income, expenditures and profitability assessment; and
 - Preferences for compensation and livelihood restoration assistance.
20. Appropriate and accurate completion of DMS and AF/AP Census activities was monitored by the PPTA Consultants and the PIU. The nature of impacts predicted according to the outcomes of the surveys are summarised and quantified below.

2.3 Impacts on Land, Assets, Income

2.3.1 Land Acquisition

21. As shown by Table 2.1, a total of 105 land plots (excluding Government land) covering an area of 37,674 m² are to be affected by the project. As to be expected due to the urban setting of the Project, most of the plots to be acquired are categorised by the Government of Armenia⁴ as land for

⁴ The Land Code of the Republic Armenia (2nd May 2001) categorises land according to the following nine categories: 'Agricultural'; 'Settlements'; 'Industrial' and 'Extractive'; 'Power, Transport and Communication'; 'Protected land for ecological and other purposes'; 'Defence'; 'Forested'; 'Water'; and 'State Reserve'. Each category has a number of sub-categories. A small amount of land is also categorised as "Red zones" which are areas that are officially reserved for specific public use such as military, education, or hospital areas or other areas that are not fit for settlement such as river beds, radioactive terrain or other dangerous

'Settlements' containing residential communities and local businesses servicing them – in Table 2.1 this land is categorised as 'Residential' (53 plots) and 'Commercial' 14 plots). Industrial land plots (3 plots) are used for major industrial factories in the project area. The Government land includes the plots of an electricity sub-station, gas distribution station and railway security box. A large number of land plots (35 plots) are not in use for any specific purpose - many of these are located in the area previously reserved for a planned highway that was never built.

22. Once the project is formally announced and property certificates can be thoroughly reviewed, this LARP will be updated with information on which plots are legal, legalizable or non legal (plots for which the owner cannot have a land certificate). The APs with legalizable plots will initiate a legalization process based on pertinent regulations. The EA will assist APs seeking legalization and will facilitate their cases.

Table 2.1: Land Losses by Category

Land Type	Total			Notes
	Plots No	Area (m ²)	Area affected (m ²)	
Residential	53	37,653	17,035	
Commercial	14	11,362	4,347	
Industrial	3	75,912	6,336	
Unused/Community	35	27,080	7,956	Privately owned
Government Owned	(3)	(27,435)	(1,516)	
Total:	105 (108)	152,007 (179,442)	35,674 (37,190)	

2.3.2 Legal Status of Land Plot

23. The majority of these plots are legally owned (claimed by owners) however at the time of being surveyed most AF were unable to produce land ownership certificates to demonstrate ownership. The legal ownership status of plots will have to be verified through review of land ownership certificates when this LARP is updated to make it implementation ready. At this stage, land plots will be subdivided into 'titled/legal', 'non-legal' and 'legalizable'. Of the total number of Land Plots, 3 are publicly owned.
24. If any plots are found non-legal, it is expected that they can be legalized as none of the plots are located in a Red zone⁵. The APs in the legalizable plots will initiate a legalization process based on pertinent regulations. The EA will assist APs seeking legalization and will facilitate their cases and the cost of legalization process will be deducted from the compensation.

2.3.3 Impacts on Structures and Buildings

25. A total of 81 buildings and structures will be affected by the Project covering an area of 11,436 m² as summarised in Table 2.2 below. 51 of these buildings are primary structures on the plot used as the main housing or business premises and the remaining 29 are secondary structures such as garages and storage rooms, etc. One petrol station will require relocation. No government or community owned buildings will be affected. All of the affected buildings are permanently fixed structures that cannot be physically relocated without demolition.

of ecologically unfit lands.

⁵ The Government of Armenia categorises some land as "Red zones" which are areas that are officially reserved for specific public use such as military, education, or hospital areas or other areas that are not fit for settlement such as river beds, radioactive terrain or other dangerous of ecologically unfit lands.

26. The majority of these buildings (43 primary and 18 secondary structures) are made from 'tuff': a volcanic rock building material with cement mortar and a metal roof. The remaining affected buildings are made from wood and also use cement mortar and a metal roof (2 primary and 9 secondary) and buildings made completely from metal (6 primary and 2 secondary).
27. Although the petrol station only covers an area of 132 m², relocation of this structure is expected to be a complex and expensive procedure due to the health, safety and environmental regulatory requirements for the removal of fuel storage and distribution systems and installation of new ones at the resettlement location.
28. Where official Cadastral data was available the area of buildings was calculated from the official measurements and verified on site, where this data was unavailable the area of the buildings was calculated taking the area within the exterior perimeter and multiplying this by the number of floors in the building. When this LARP is finalised to make it implementation ready the detailed measurements will be verified against the official IA survey data.

Table 2.2: Buildings & Structures Impacts

Building / Structure Type & Materials	Number of floors			Total number of buildings	Total Area m ²
	1	2	3		
<i>Primary residential and business constructions:</i>					
Stone construction with cement mortar and metal roof	26	14	3	43	8,891
Timber construction with cement mortar and metal roof	2	0	0	2	35
Metal framed construction with metal roof	6	0	0	6	792
Sub-total:	34	14	3	51	9,718
<i>Secondary residential and business constructions</i>					
Stone construction with cement mortar and metal roof	18	0	0	18	1,103
Timber construction with cement mortar and metal roof	9	0	0	9	422
Metal framed construction with metal roof	2	0	0	2	61
Sub-total:	29	0	0	29	1,586
<i>Special structures:</i>					
Petrol Station with concrete petrol forecourt, metal underground storage tanks and stone office building.	1	0	0	1	132
Sub-total:	1	0	0	1	132
Total:	64	14	3	81	11,436

2.3.3.1 Buildings Impacts Magnitude and Resettlement Strategy

29. Based on Armenian regulations all buildings whether partly or wholly affected will be entirely compensated regardless of whether the AF living or working in the building relocates or not. However, if after impact a partly-affected AF wishes to stay in a smaller plot or rebuild a smaller building and remain in the same location to avoid relocation that will be their option. The resettlement strategy adopted for the project is based on cash compensation at replacement cost (market value of building materials, labour and building materials transport cost) plus 15% plus provision of relocation assistance in cash. It will be the APs option to decide where they want to relocate and how they want to rebuild their buildings.
30. Table 2.3 below details the number of AFs that will remain in their plots (117) versus the number who will relocate (41). It is only the AFs whose primary building (house or business premises) is affected who have the option to relocate. When surveyed, all APs whose primary buildings were partially affected opted to relocate. Some AFs have more than one primary structure on their land plots with differing uses, for example, their house and their business premises. Therefore the number of AF relocating (41) is less than the number of primary structures affected (51).

Table 2.3: AP Relocation Figures

AP Relocation decision	AF No	Notes
Non relocating	100	These APs do not have primary structures that are affected.
Relocating	41	When surveyed, all APs whose buildings were partially affected opted to relocate.
Total:	141	

2.3.4 Crops

31. The project will not affect any agricultural land or commercial or subsistence crops.

2.3.5 Fruit and Non- Fruit Trees

32. The Project will require the cutting down of 1,639 various types of fruit trees and 472 timber/wood trees. The owners of these trees will be compensated without deductions for the value of the affected trees' wood. Table 2.4 and Table 2.5 details the number of affected fruit trees and non-fruit trees respectively. No communal trees will be affected as no planting has been undertaken by the IA in the project area. The grape vines affected are on residential land plots and are not commercially farmed. It is assumed that each plant covers an area of 4.55 m² (2,200 plant per hectare).

Table 2.4: Fruit Bearing Tree Losses Summary

Tree Type	Quantity			Total
	Sapling	Not yet fruit-bearing	Fruit bearing	
Grapes	45	119	215	379
Apricot	15	25	63	103
Apple	69	94	30	193
Cherry	112	102	63	277
Plum	54	94	33	181
Peach	34	69	18	121
Mulberry	28	30	11	69
Walnut	17	31	23	71
Fig	39	33	4	76
Hazel	27	21	6	54
Pear	12	8	7	27
Almond	2	4	0	6
Pomegranate	19	6	0	25
Quince	17	38	2	57
Total:	490	674	475	1,639

Table 2.5: Loss of Wood Trees

Tree Type	Small	Medium	Large	Total
Thuja	1	2	9	12
Ash	63	100	63	226
Maple	32	72	65	169
Willow	25	22	18	65
Total:	121	196	155	472

2.3.6 Impacts on Businesses and Income

33. Based on the nature and scope of business, two types of business losses have been identified as follows:

- **Temporary Business Losses:** These are temporary impacts on eligible mobile businesses whose premises can be relocated, or if the building is fixed the staff and operations can easily be relocated and re-start their activities nearby.
- **Permanent Business Losses:** These are impacts on eligible businesses located in affected permanent or non-movable structures/buildings.

34. The project will affect a total of ten businesses; one of these is a mobile char-grill food vending business that will be temporarily affected and the other nine fixed businesses that will be permanently affected as explained in Table 2.6 below.

Table 2.6: Impacts on businesses

Business affected	No.
<i>Mobile businesses (temporarily affected)</i>	
Hot-food vending	1
Sub-total:	1
<i>Fixed businesses (permanently affected)</i>	
Sheep trade shop	1
production of metallic products	1
Café	1
Flowers shop	1
Food shop	2
Furniture Products	1
Mechanic's garage	1
Petrol station	1
Sub-total:	9
Total:	10

2.3.6.1 Impacts on Employees

35. As detailed in Table 2.7 below, a total of 29 workers will be permanently affected by the closure and or relocation of businesses. There are more affected employees but most are not declared as tax paying workers, with no contract of employment and are unwilling to provide information.

Table 2.7: Employment Losses

Impact type	Affected employees No.	Note
Permanently affected	29	4 of these employees are 'illegal' (not paying tax).
Total:	29	

2.4 AF/AP Census

2.4.1 Number of AF and APs Affected for Each Category of Impact

36. 1 electric substation, 1 railway property, 1 plot of government land, 2 major industrial complexes and a total of 158 AFs consisting of 665 APs (dependents of AF heads of households) have been identified as being affected by land acquisition and resettlement resulting from this project, excluding employees. The detailed list of impacts on AF/AP is presented in Appendix A and Table 2.8 below summarises the details of various categories of affected families (AFs) and affected persons (APs) by impact type, as well as the net figures without double counting.

Table 2.8: AF/AP Affected (partial by category loss and absolute)

Impact category	Number AF's		Net AP (no double counting)	Remarks
	By impact type	Net (no double counting)		
<i>A) Land Loss</i>				
A1. Residential land loss	78	56	323	All land categorized for residential use
A2. Commercial land loss	14	13	64	All land categorized for commercial use inclusive of land with businesses. 4 plots are categorised commercial but a land plots only
A3. Industrial land loss	3	1	5	All land categorized for industrial use
A4. Private dis-used/community land loss	38	24	29	
A5. Government land loss	(1)	(1)	0	Government land
A) Land sub- total:	133 (134)	94 (95)	421	
<i>B) Buildings loss</i>				Building losses by impact type accounts for AFs affected. AFs may have more than one construction by type and is inclusive of AFs renting
B1. Primary construction loss	60	23	103	23 AF's own properties on rented land or land belonging to relatives, the remaining 18 AFs are accounted for in A1 and A2.
B2. Secondary construction loss	21	0	0	Accounted for in A1, A2 and B1.
B3. Special building loss	1	0	0	Accounted for in A2.
B4. Governmental property	(2)	(2)	0	Electric substation, railway property
B6. Major Industrial complexes	(2)	(2)	0	Major commercial industrial complexes
B) Building sub-total:	82 (85)	23 (27)	103	
<i>C) Tree loss</i>				
C1. Tree Loss:	55	11	20	10 AF own trees on land they don't own, the remainder are accounted for in A1 and A2
C) Tree sub-total:	55	11	20	
<i>D) Business loss</i>				
D1.Mobile temporary	1	1	5	
D2.Fixed permanent business loss	9	0	0	Accounted for in A2
D) Business sub-total:	10	1	5	
<i>E) Employment Loss</i>				
E1.Permanent employment loss	29	29	116	
E) Employment sub-total:	29	29	116	
Total (A+B+C+D+E)	309 (314)	158 (163)	665	AF total excludes electric sub station, railway property, government land and 2 major

				industrial complexes
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2.4.2 Severely Affected AF

37. A total of 158 affected families, 1 electric substation, 1 railway property, 1 plot of government land and 2 major industrial complexes will be affected by this project. Of the total, 41 AFs are considered to be severely affected as a result of needing to relocate their homes and/or businesses. There is no agricultural land so no APs are severely affected as a result of losing more than 10% of agricultural land.

2.4.3 Vulnerable AF

38. As illustrated in Table 2.9, 31 AFs are considered to be vulnerable because they are below the poverty line and 2 of these are female headed households. They will receive a rehabilitation allowance equal to 6 months at minimum salary and priority in employment in project related activities.
39. Armenia has no official urban poverty line but in the Decision Number 267 in 2000 the Prime Minister of Armenia initiated the development of the Poverty Reduction Strategy Paper (PRSP-1), headed by the Finance and Economy Minister and consisting of representatives from line ministries dealing with social and poverty issues, standing committees of the Armenian National Assembly, National Statistical Service, political parties, NGOs and the donor community. In 2008 the PRSP-1 recommended that the poverty (food) line was 17,232 AMD per adult per month and the general poverty line was 25,188 AMD per adult per month.

Table 2.9: Vulnerable AF

Vulnerable AF/AP Category	Number
Below poverty line	29
Below poverty line AND female headed household	2
Total:	31

2.4.4 AP by Gender

40. The number of APs by gender is 286 male (43%) and 379 female (57%). The percentage of males in comparison to the national Armenian national average is low. The national gender profile for the country is 48% male and 52% female.

2.4.5 AP by Ethnicity

41. The number of AFs by ethnicity is detailed in Table 2.10 below. 97% are Armenian and 3% are 'Yazidis'. Yazidi are Kurd people who not only have been fully incorporated in the national Armenian majority but also are considered as full members of the National population given that they have shared with the Armenian majority the holocaust. As such the Yazidi are given full respect as equal citizens within the Armenian nation, are not discriminated and do not have the vulnerability features which compound the ADB definition of Indigenous peoples. The project will thus not trigger the relevant ADB policy.

Table 2.10: APs Ethnicity

Ethnicity	AP No.	% of total AP
Armenians	645	97
Yazidis	20	3
Total:	665	100

3. Socio-economic Census

3.1 Overview

42. This Chapter presents the findings of the socio-economic census activities undertaken in the local communities with the objective of understanding the existing socio-economic environment and the vulnerability affected peoples and families within it.

3.2 Socio-economic Census Approach and Methodology

43. The Socio-economic Census (SEC) was undertaken in two stages:

- **Stage 1:** 25% sample of the households (HH) in the affected land plots to generate a socio-economic profile of the Project community; and
- **Stage 2:** 100% sample of the socio-economic conditions of affected HH undertaken as part of the wider AF/AP Census.

3.2.1 Stage 1: 25% Sample Approach and Methodology

44. Stage 1 of the SEC was undertaken by an SEC Team of academically qualified sociological researchers. A quantitative research method has been used based on a semi-structured questionnaire that was produced and applied during face to face interviews conducted among project area households.
45. Three teams of two sociologists – each containing at least one female – were trained to conduct the survey in a culturally sensitive manner by the SEC survey team coordinator and PPTA consultant resettlement specialists. Training included instructions on how to select addresses in the field by taking alternate left- and right-hand turns at road junctions.
46. The household addresses were selected at random from a sampling frame (the Cadastral list of affected land plots and households). According to the systematic random sampling technique used, every 4th household was contacted from the sampling frame. In the case of household representatives refusing to participate in the interview the next immediate address was approached for interview. At the time of the surveys the employees of businesses, 29 AFs in the project area could not be contacted and were excluded from the results. The survey sample information is presented in Table 3.1 below.

Table 3.1: Socio-economic Census Survey Sample Details

Total No. of AFs ⁶	Sample size ⁷ %	No. HH in sample	No. people in sample	Confidence level of sample ⁸	Confidence interval of sample
129	25%	32	161	95%	13

⁶ Determined from the Cadastral Survey Data available at time of sample.

⁷ Minimum sample size used was 25% to ensure a confidence level of 95% with a confidence interval of <15%.

⁸ When you put the confidence level and the confidence interval together, you can say for example, that you are 95% (confidence level used by most researchers) certain that the true percentage of the population is between 40% and 50% (with a confidence interval of 5%). For a more detailed explanation see: <http://www.surveysystem.com/sscalc.htm>.

47. Each questionnaire took 20-30 minutes to complete and the data collected was processed using the SPSS 13 statistical package.

3.2.2 Stage 2: 100% Sample Approach and Methodology

48. The approach to stage 2 of the Socio-economic Census is discussed in section 2.2.2. The data collected in both stages is presented and analysed below.

3.3 Socio-economic Profile of the Davidashen and Achapnyak Communities

49. The results of the socio-economic census undertaken of the 25% sample of the population of the communities in the project affected areas in the Districts of Davidashen and Achapnyak are presented below.

3.3.1 Demographic Overview

50. The Project area has a gender distribution consisting of 286 (43%) males and 379 (57%) females. The ethnic make up of the sample was 100% Armenian. 374 (72%) of the adult population is married, 135 (26%) is single and 10 (2%) are divorced. The mean age of the population living in the area is 34.3 years old and the average family size is 4 people per household.

3.3.2 Education

51. Table 3.2 suggests that the community is relatively well educated with universal literacy, the majority of people 108 APs (84%) having completed secondary education at least and 17 APs (13%) having completed higher education.

Table 3.2: Educational Attainment

Highest level of Level of education completed	Frequency of adult respondents	% of adult respondents
Postgraduate	1	1
Higher	17	13
incomplete higher	9	7
Secondary vocational	27	21
Secondary education	54	42
incomplete secondary	17	13
Elementary	1	1
Illiterate	3	2
Total:	129	100

52. 46% (15 households) of interviewed families contain a member or members attending an educational institution during the past 12 months. The interviews also show that of those currently attending an educational institution, the majority, 8 AFs (54%) are in secondary school.

Table 3.3: Educational Institution Attendance

Educational institutions attended	Frequency of HH with educational attendees	% HH educational attendees
Kindergarten	2	13
Secondary school	8	54
State-owned secondary vocational institution	3	20
Private secondary vocational institution	0	0
State-owned higher educational institution	2	13
Private higher educational institution	0	0
Total:	15	100

53. Table 3.4 shows that 9 (60%) of the AFs interviewed with secondary school attendees are really or generally satisfied with the quality of service provided, one third are neither satisfied or unsatisfied and one third are not satisfied at all. None of the sampled families who have members in kindergarten are satisfied.

Table 3.4: HH with Educational Attendees' Satisfaction Level with Education Service Quality

Educational establishment attended		Really satisfied	Generally satisfied	Neither satisfied nor unsatisfied	Not really satisfied	Not satisfied at all	Total
Kindergarten	Percent %	100%	0%	0%	0%	0%	100%
	Frequency	15	0	0	0	0	15
Secondary school	Percent %	27%	33%	27%	0%	13%	100%
	Frequency	4	5	4	0	2	15
State-owned secondary vocational institution	Percent %	0%	60%	40%	0%	0%	100%
	Frequency	0	9	6	0	0	15
State-owned higher educational institution	Percent %	0%	100%	0%	0%	0%	100%
	Frequency	0	15	0	0	0	15

3.3.3 Health

54. For health 25 (78%) of interviewed families contain a member or members who have used a medical service (doctor, polyclinic or hospital) in the past 12 months. However, in this period 18 (56%) of households contain a member or members who needed to see a doctor but did not. The reason cited by 27 (84%) of them was high official/unofficial payment rates for treatment.

55. Table 3.5 shows that the majority, 20 (63%) of medical service users are either really or generally satisfied with the quality of medical services they receive.

Table 3.5: HH with Medical Service Users' Degree of Satisfaction with Medical Service Quality

Degree of satisfaction	Frequency of HH with medical service users	% of HH with medical service users
really satisfied	9	28
generally satisfied	11	35
neither satisfied, nor unsatisfied.	6	19
not really satisfied	3	9
not satisfied at all.	3	9
Total	32	100

3.3.4 Land Ownership

56. A little more than a quarter, 9 (28%) of the interviewed of families in the community own land and of those that do, 2 AFs (22%) use it as an important source of food, 1 AF (11%) uses it for rest and relaxation and 6 AFs (67%) do not use it for any particular purpose.

3.3.5 Housing Conditions and Amenities

57. The mean total area of households (buildings and land plot) is 274 m² and for residential areas (buildings) is 85 m². Table 3.6 shows that the vast majority, 30 AFs (94%) of the community owns their own houses but approximately two thirds, 21 AFs (67%) do not have official ownership status certified by the government.

Table 3.6: Residency Status

Residency status	Frequency of respondents	% respondents
Owned with government certification	9	28
Own without government certification	21	66
Rented	1	3
Owned by friends/relatives	1	3
Total	32	100

58. Table 3.7 shows that 7 (22%) of families believe their housing conditions are good or very good, 16 (52%) believe them to be satisfactory whereas only 8 (26%) consider them to be bad or very bad.

Table 3.7: HH's Perception of Housing Conditions

Housing Conditions	Frequency of HH	% of HH
Very bad	1	3
Bad	7	23
Satisfactory	16	52
Good	1	3
Very good	6	19
Total	32	100

59. Table 3.8 shows that 20 (63%) of households do not have any hot water and 25 (78%) have a local heating system that does not function. The majority of households have permanently functioning water, 28 (88%), gas 23 (72%) and sewerage 26 (81%) supplies.

Table 3.8: Quality of Residential Amenities

Facility	Frequency/ percent	Functions all the time	Functions with interruptions	Doesn't function	Doesn't exist	Total
Local heating system	Percent	22%	0%	0%	78%	100%
	Frequency	7	0	0	25	32
Water supply	Percent	88%	9%	3%	0%	100%
	Frequency	28	3	1	0	32
Hot water (water heater)	Percent	25%	6%	6%	63%	100%
	Frequency	8	2	2	20	32
Centralized gas supply	Percent	72%	0%	0%	28%	100%
	Frequency	23	0	0	9	32
Sewerage	Percent	81%	0%	0%	19%	100%
	Frequency	26	0	0	6	32
Landline Telephone	Percent	75%	0%	0%	25%	100%
	Frequency	24	0	0	8	32
Mobile phone	Percent	91%	0%	0%	9%	100%
	Frequency	29	0	0	3	32

3.3.6 Employment and Source of Livelihood

60. Table 3.9 shows that 22 (28%) of the interviewees who are of working age are unemployed and 33 (26%) are earning an income.

Table 3.9: Employment Status

Employment status	Frequency	%
Employed	30	24
Pensioner	19	15
Student, pupil	8	6
Housewife	30	24
Unemployed	36	29
Military servant	3	2
Total:	126	100

61. Table 3.10 shows that of those interviewed who are employed, almost half are in the private sector, 14 (47%) and the majority of the remainder are in the public sector 12 (40%).

Table 3.10: Employment Sectors

Employment Sector	Frequency of those employed	% of those employed
Employed in the public sector	12	40
Employed in the private sector	14	47
Self-employed, entrepreneur	1	3
Employed in own agricultural farm	1	3
Other	2	7
Total:	30	100

3.3.7 Income and Expenditure

62. The mean monthly income of the families in the area is 103,000 AMD or 264 USD. Table 3.11 shows that the head of the household, 22 (24% of which are women) on average earns approximately (69%) of the household income with male children bringing in approximately one fifth, 6 (19%).

Table 3.11: Top Income Providers in Families

Household family member	Frequency of HH respondents	% of HH respondents
Head	22	69
Spouse	2	6
Son	6	19
Parents in law	1	3
Other	1	3
Total:	32	100

63. Table 3.12 suggests that the average monthly expenditure for families is around 460 USD with a large portion (38%) spent on food and drink and significant amounts also spent on clothing (17%), utilities (15%), and education (12%) and transport (10%).

Table 3.12: Indicative Average Household Monthly Expenditure Breakdown

Types of expenditures	Average monthly expenditure /USD/	Annual /USD/	%
The amount spent for food/drink	175	2,100	38
The amount spent for clothes / shoes	80	960	17
The amount spent for education	55	660	12
The amount spent for healthcare	35	420	8
The amount spent for utilities/gas, electricity, water, phone, internet	69	828	15
The amount spent for transportation	46	552	10
The amount of property tax/rent	1	12	0
Total	461	5,532	100

3.3.8 Gender balance and Women's Livelihood Activities

64. Within the community 24% of households are headed by women. The percentage of women earning a salary is 14% and about 9% of households receive the majority of their income from female activities. Of those dependent on other income sources including pensions and allowances, 14% are women.

3.3.9 Migration and Income

65. During past three years only five household members (3%) from the sample of 161 have been abroad (visited Russia, Poland and Germany) with the aim of employment, tourism and study.

3.4 General topics

3.4.1 Poverty

66. Over the period 2003–2007, real gross domestic product (GDP) in Armenia grew by 13.1% - more than twice as much as the Poverty Reduction Strategy Paper (PRSP-1) target. Despite this growth, in 2009 10.6% of the population lived on less than \$1.25 a day⁹ and 43.4% had a £2 dollar purchasing power parity (PPP)¹⁰
67. Table 3.13 shows that in 2008 23.5% of the population was living below the national poverty line and 3.1% were considered as 'very poor' and suffering serious food shortages (reduced from 34.6% and 6.4% respectively in 2004).

Table 3.13: National Poverty Level Indicators for 2008 Relative to those for 2004 (%)

Area	2004* %		2008 [#] %			2004/2008 %	
	Very poor ^{*1}	Poor ^{*2}	Very poor ^{#1}	Poor ^{#2}	% of national pop.	Very poor	Poor
Urban areas	8	36	4	24	65	-48	-35
Yerevan	6	29	3	18	34	-47	-33
Other Cities in Armenia	9	44	5	28	31	-50	-36
Rural areas	4	32	2	23	35	-61	-28
Armenia	6	35	3	24	100	-51	-32

Data Source: 2008 Integrated Conditions Living Survey (ICLS) on behalf of The World Bank, the Millennium Challenge Corporation and the RA National Statistics Service

Note:

* Poverty indicators were calculated based on the use of minimum food basket recorded in 2004 and share of non-food goods evaluated in 2004.

^{*1} 2004 extreme poverty (food) line was 12,467 AMD per adult equivalent per month

^{*2} 2004 general poverty line was 19,373 AMD per adult equivalent per month

[#] 2008 poverty lines were adjusted for inflation.

^{#1} 2008 extreme poverty (food) line was 17,232 AMD per adult equivalent per month

^{#2} 2008 general poverty line was 25,188 AMD per adult equivalent per month

⁹ ADB Key Indicators for Asia and the Pacific 2009, accessed from www.adb.org in April 2010.

¹⁰ ADB Armenia Factsheet 2009, accessed from www.adb.org in April 2010.

68. Poverty in Yerevan is not as serious as in other urban areas in Armenia.¹¹ Table 3.13 shows that the average urban poverty rate is close to the national poverty rate, but this masks a large difference between poverty in Yerevan and other cities; in 2008 approximately one in 5 people (21%) in Yerevan were below the national poverty line compared to almost one third (28%) in other urban areas.
69. In recognition of ongoing poverty problems, the Government approved the Sustainable Development Program (SDP) in 2008, which is Armenia's second Poverty Reduction Strategy Paper (PRSP-2). The SDP is built on the considerable achievements of PRSP-1 and has three key goals covering the period 2009–2021 (with specific medium-term targets indicated in 2009–2015): reducing poverty, including the elimination of extreme poverty; ensuring human development; and deepening economic growth and accelerating development of lagging regions. The SDP concludes that the obsolete infrastructure assets continue to remain a major challenge for sustainable development and poverty elimination.
70. Increased economic development and foreign direct investment as a result of an improved transport infrastructure such as the completion of this Project and the West Bypass development is expected to indirectly contribute to social development and poverty reduction objectives at the macro level. The LAR activities of the project will contribute to poverty reduction at the household level by targeting benefits and rehabilitation assistance to APs who are considered vulnerable by being below the poverty line. They will receive an allowance equivalent to 6 months of minimum salary and employment priority in project-related jobs. This pro-poor assistance is expected to reduce poverty levels amongst the APs.

3.4.2 Gender

71. 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. Armenian legislation includes a number of articles relevant to the promotion of women and gender issues. In reality, these articles are rarely applied and they are little known among practicing lawyers. Equalities legislation is not widely enforced because the Ministry of Labour and Social Issues - which is designated to address gender issues – does not have the administrative and financial capacity for upholding the legislation.
72. One of the key gender benefits that the LAR activities of this project will be the formalization of legal ownership of female headed households. They will receive assistance in obtaining official registration of land and property ownership thus providing them and their families with greater financial security and a sense of empowerment and independence.
73. One of the most apparent areas of social life where gender disparities are currently highly apparent is in local labour force participation. By 2007 women's participation had fallen to 55% from 56% in 2000 (Men's participation was 66% in 2007) and by 2008 women comprised about 76% of the officially registered unemployed. This is despite the fact that by 2007 the number of female headed households in Armenia had increased to 36% from 29% in 2000.
74. Small-scale economic activities are an attractive income-generating option in Yerevan, particularly for women who may find themselves excluded from professional career opportunities. The LAR rehabilitation measures of this Project will contribute to labour participation and economic empowerment of previously marginalized women because female headed households (APs

¹¹ Max Spoor, 2009, The Political Economies of Rural Livelihoods in Transition Economies.

considered 'vulnerable') will receive an allowance equivalent to six months of minimum salary and employment priority in project-related jobs.

3.5 Socio-economic Profile of AF/AP

75. A socio-economic survey of affected families was conducted in March – April 2010 and the results of this survey are illustrated below. 158 AFs (665 APs), (excluding 1 electric substation, 1 railway property, 1 plot of government land and 2 major industrial complexes) were surveyed. Before this LARP can be considered implementation ready, the 100% socio-economic census survey will need to be updated and cross referenced with the IA surveys to ensure compliance.

3.5.1 Family Composition and Socio-economic Classification

76. The total population of all AFs is 665 APs including 286 males and 379 females. The average family size of is 4 persons with 2 males and 2 females. 374 (72%) of adult APs are married whereas 104 (20%) are single, 31 (6%) are widowed and 10 (2%) are divorced. The social group classification of AF/AP according to the Armenian Government is presented in Table 3.14 below.

Table 3.14: Socio-economic Grouping of AF/AP

Social Group Classification	AF (head of HH) No.	%of total AF (head of HH)	AP No.	% of total AP
1 st degree of disability	3	2	7	1
2 nd degree of disability	9	6	27	4
3 rd degree of disability	8	5	13	2
Disabled since childhood up to the 16 yrs	0	0	0	0
Full orphan, semi-orphan	0	0	33	5
Single mother/father	9	6	27	4
Lonely pensioner	0	0	7	1
Refugee	0	0	0	0
Ethnic minority	5	3	20	3
None of above mentioned	124	78	531	80
Total:	158	100	665	100

3.5.2 Gender

77. There are 22 female headed households (of which 9 are widows) that are going to be affected from the project. Only 15 women have land registered on their names and the remaining 7 women will receive assistance with legalization of property. The EA is committed to ensuring that that affected women participate equally with men in the implementation of this LARP. The economic activities of the affected female headed households are presented in Table 3.15 below.

Table 3.15: AF/AP Activities of Women

Main income sources	AF Female HH No.	%of total Female HH	Female AP No.	% of total Female AP
Wage labour	4	18	38	10
Business	1	5	1	0
Income from agricultural activities	0	0	1	0
Provided by family	11	50	306	81
Income from other sources	6	27	33	9
Total:	22	100	379	100

3.5.3 Age

78. The mean age of the population living in the area is 35 years old 0.7 years younger than the mean for the wider community (see section 3.3). This relatively young age structure is reflected in the fact that 219 APs (33% of the total) are between 18 and 35 as illustrated in Table 3.16 below.

Table 3.16: Age Structure of AF/APs

Age	AF (head of HH) No.	%of total AF (head of HH)	AP No.	% of total AP
0-10	0	0	99	15
11-17	0	0	47	27
18-35	8	5	219	33
36-55	64	41	173	26
56-65	46	29	67	10
66 and above	40	25	60	9
Total:	158	100	665	100

3.5.4 Education

79. Table 3.17 shows that the AFs are more educated than the wider community (see section 3.3.2) with universal literacy, the majority of adults, 525 (79%) having completed secondary education at least and 120 (18%) having completed higher education.

Table 3.17: Educational Attainment

Highest level of Level of education completed	AF (head of HH) No.	%of total AF (head of HH)	Adult AP No.	% of total adult AP
Higher	28	18	93	18
incomplete higher	0	0	10	2
secondary vocational	46	29	114	22
secondary education	70	44	192	37
incomplete secondary	14	9	73	14
Elementary	0	0	21	4
Illiterate	0	0	16	3
Total:	158	100	519	100

3.5.5 Ethnicity

80. The majority of AFs are Armenian, 97% and 3% are 'Yazidis'. Yazidi are Kurd people who have been fully incorporated in the national Armenian majority but are considered as full members of the National population given that they have shared with the Armenian majority the genocide. The Yazidi are given full respect as equal citizens within the Armenian nation, are not discriminated and do not have the vulnerability features which compound the ADB definition of Indigenous peoples. The project will not trigger the relevant ADB policy

3.5.6 Employment and Income Sources

81. Table 3.18 indicates the employment status and numbers for the households affected in the project area, 63 (40%) of the affected heads of households are employed and 38 (24%) are unemployed. Permanent waged employment is the first and main source of income of 88% of those AFs employed.

Table 3.18: Employment Status of AF/AP

Employment status	AF (head of HH) No.	%of total AF (head of HH)	AP No.	% of total AP
Employed	63	40	165	25
Pensioner	52	33	87	13
Student, pupil	0	0	87	13
Housewife	5	3	73	11
Unemployed	38	24	160	24
Military servant	0	0	13	2
Not applicable	0	0	80	12
Total:	158	100	665	100

4. Legal and Policy Framework and Entitlements

4.1 Legal and Policy Background

4.1.1 Armenia's Laws and Regulations on Land Acquisition and Resettlement

82. Armenia's Constitution (1995) guarantees protection of private ownership rights. It also provides that private ownership may be terminated "in exclusive cases of prevailing public interests" based on established procedure and with prior adequate compensation. Land acquisition and compensation issues are discussed in the Land Code Article 102, 104, the Civil Code (1998), Articles 218 to 221 and in the Law of RA *"On the Alienation of the Private Property for Public and State Needs"* adopted on 27 November 2006.
83. 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 recognition of the item as prevailing and exclusive public interest shall set out:
- The exclusive and prevailing public interest, for which alienation of property shall be executed;
 - The party acquiring the alienated property;
 - The units constituting the alienated property (addresses, location and/or other information, which makes the property different from other assets); and
 - Final deadline to launch the alienation process.
84. Law of RA *"On the Alienation of the Private Property for Public and State Needs"* discusses procedural aspects of land acquisition 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 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, 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.
85. The consideration for the land/property being acquired is established by agreement between IA 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. Assessment of the real estate or the real estate rights shall be made in accordance with the procedure defined in the Law of the Republic of Armenia on Assessment of Real Estate in Armenia adopted in October 4, 2005.

4.1.2 ADB's Involuntary Resettlement requirements

86. The ADB IR requirements as reflected in the SPS is based on the following principles:
- Involuntary resettlement is to be avoided or at least minimized;

- Compensation/Rehabilitation provisions will ensure the maintenance of the APs' pre-project standards of living;
- APs should be fully informed and consulted on LAR compensation options;
- APs' socio-cultural institutions should be supported/used as much as possible;
- Compensation will be carried out with equal consideration of women and men;
- Lack of legal title should not be a bar to compensation and/or rehabilitation;
- 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;
- 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
- Compensation and resettlement subsidies will be fully provided prior to clearance of right of way/ground levelling and demolition.

4.1.3 Comparison of Armenia's Law/Regulation on LAR and ADB Resettlement requirements

87. Differences between Armenian laws/regulations and ADB policy are outlined in Table 4.1 below.

Table 4.1: Comparison of Resettlement Laws and Regulations

Armenian Laws and Regulations	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 AFs/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

88. In general, there are no basic differences between the Armenian legislation and ADB policies regarding land acquisition and resettlement. However, the Armenian laws and regulations are not very clear on how the rehabilitation of APs is to be achieved. Another issue is that ADB recognizes as eligible to compensation, or at least rehabilitation, titled and non-titled owners or registered and unregistered tenants. To reconcile these gaps between the Armenian legislation and ADB's Policy, IA has drafted a LARF for the Program, ensuring compensation at full replacement cost of all items and at least rehabilitation of informal/non-titled settlers, unregistered businesses. The LARF also provides for rehabilitation packages for APs that will be relocated are vulnerable or severely affected.

89. The Project has been established by decree as a Public interest Project. Based on the Law land acquisition is thus executed under eminent domain principles based on a four tier process as follows:

- First, as a condition to establish the project decree, the land office carries a summary documentary survey of the affected plots, of the land owners and of cadastral land prices;
- Second, the affected plots are surveyed in detail on the ground and compensation values are re-assessed based on market rates based on a survey carried out by an independent assessor;
- Third, the final value of each plot is adjusted through a negotiation with each landowner so as to reflect the specific features of each plot;
- Fourth EA and APs sign a contract agreement signifying the APs acceptance of the land transfer and relative compensation. If the APs reject the contract expropriation proceedings are initiated.

4.1.4 LARF Principles and Entitlements Adopted for this MFF

90. Based on Armenian laws and ADB's Resettlement requirements as contained within the SPS, 2009, core involuntary resettlement principles are developed for this MFF which are as follows:
- Land acquisition, and other involuntary resettlement impacts will be avoided or minimized exploring all viable alternative project designs;
 - 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;
 - 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;
 - Vulnerable and severely affected APs will be provided special assistance;
 - 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;
 - Legalizable APs will be legalized and fully compensated for land losses;
 - Provision of income restoration and rehabilitation;
 - The LARP will be disclosed to the APs in the local language;
 - 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;
 - Appropriate redresses mechanisms to solve APs grievances are established.

4.2 Eligibility

91. 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. APs entitled for compensation or at least rehabilitation provisions under the Project are:
- All APs losing land either covered by legal title/traditional land rights, legalizable or without legal status;
 - Tenants whether registered or not;
 - Owners of buildings, trees, or other objects attached to the land; and
 - APs losing business, income, and salaries.
92. Compensation eligibility is limited by the cut-off date which was the conclusion of the DMS, namely 2nd April 2010. APs that settle in the affected areas or expand their buildings after the cut-off date will not be eligible for compensation. They, however will be given sufficient advance notice, requested to vacate premises and dismantle affected structures prior to project implementation. Their dismantled structures materials will not be confiscated and they will not pay any fine or suffer any sanction.

4.3 Compensation Entitlements

93. 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 Entitlements Matrix is included in Table 4.2 below.

Table 4.2: Entitlement Matrix

Type of Loss	Application	Definition of APs	Compensation Entitlements
1. Agricultural land Loss	AF losing agricultural land regardless of impact severity	Owner with full registration	Compensation at market rate +15% either in cash or through replacement plots acceptable to the AP.
		Legalizable Owner	Same compensation as above after APs legalization
		Leaseholder	When possible these AF 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 value of the affected land + 15% in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
		AFs without title or lease	AP to be legalized and provided compensation as above. If legalization is impossible a rehabilitation allowance equal to the affected land cadastral value.
2. Non-Agricultural Land loss	AF losing their commercial/residential land	Owner with full registration	Compensation at market rate +15% either in cash or through replacement plots acceptable to the APs.
		Legalizable Owner	Same compensation as above after APs legalization
		Renter/Leaseholder	When possible these AF 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 value of the affected land + 15% in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%;> 25 years 25%.
		AFs without title or lease	AP to be legalized and provided compensation as above. If legalization is impossible they will be given a rehabilitation allowance equal to the affected land cadastral value
3. Residential buildings		All AF regardless of legal status.	Cash compensation + 15% for loss of building at full replacement cost free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs.
		Relocated Renters	Relocation and severe impact allowance as entitlement 9 and 10 below
4. Non- residential buildings/assets		AFs with valid registration	Cash compensation + 15% for loss of building at full replacement cost free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs.
		AFs without title or lease	As above but after building is legalized/registered
		Relocated Renters	Relocation and severe impact allowance as entitlement 9 and 10 below
5. Common property Loss	Community/Public Assets	Community/Government	Reconstruction of lost structure in consultation with community and restoration of their functions
6. Crop Losses	Standing crops affected	All AF regardless of legal status	Crop compensation in cash at market rate by default at gross crop value of expected harvest.
7. Tree Losses	Trees affected	All AF regardless of legal status..	Cash compensation at market rate based on type, age and productive value of the trees.
8. Business losses	Business	All AF regardless of legal status.	Owner: (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. Mobile business will receive 1 month's net income. Assessment to be based on tax declaration. In absence of tax declaration the AF 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..
Employment Losses			Permanent Worker/Employees: Indemnity equal to: (i) Permanent job loss 6 months of minimum salary; (ii) Temporary loss minimum monthly salary x the number of months of job loss up to 6 months.
9. Allowances for Severe Impacts	AF with >10% agricultural income loss or to be relocated	All severely affected AFs including informal settlers and relocated renters	i) 1 additional crop compensation covering 1 year yield for APs affected by severe agricultural income losses
			ii) a rehabilitation allowance of 6 months at minimum salary for relocated AFs..
10. Relocation allowances	Transport/transit costs	All relocated AF including relocated renters	Provision of funds to cover transport costs and livelihood expenses for 1 month – this is estimated to be 140,000 AMD
11 Vulnerable People Allowances		AFs below poverty line or headed by Women	Allowance equivalent to 6 months of minimum salary and employment priority in project-related jobs
12. Temporary impacts		All AFs	Due rent and rehabilitation for temporarily affected assets will be provided.
13. Unforeseen impacts, if any			IA will consider the unforeseen resettlement impact during project and will compensate them based on the above provisions.

94. Entitlement provisions for APs losing land, houses, and income and rehabilitation subsidies will 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:
- a. **Agricultural land impacts:** will be compensated at market rates in: (i) cash at current market rates plus a 15% allowance, or (ii) through replacement land equal in value/productivity to the plot lost acceptable to the AP. Non-directly affected sections of a plot which become inaccessible or unviable for cultivation or any use after the impact will be included in the affected land. When >10% of an AP agricultural land 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. Transaction taxes and fees will be paid by the EA or waived. Legalizable APs will be legalized and paid as titled owners. Non-legalizable APs will be compensated with one time self-relocation allowances in cash equal to the cadastral value of the affected land. Leaseholders 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 value of the affected land + a 15% allowance in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
 - b. **Non agricultural land (Residential/commercial land):** Legal/legalizable settlers will be compensated at replacement rate either (i) in form cash at current market rates plus a 15% allowance, or (ii) in form of a replacement plot acceptable to the AP. Non-directly affected sections of a plot which become inaccessible or unviable for cultivation or any use after the impact will be included in the affected land. Legalizable APs will be legalized and paid as titled owners. Non-legalizable APs will be compensated with one time self-relocation allowances in cash equal to the cadastral value of the affected land. Leaseholders 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 value of the affected land + 15% in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
 - c. **Residential Buildings:** will be compensated to all APs irrespective of the house registration status in cash at replacement cost plus a 15% allowance. However house owners without registration will have to be legalized in order to obtain this provision. Compensation will be free of deductions for depreciation, transaction costs and salvageable materials. In case of partial impacts and unwillingness of the owner to relocate, building impacts will 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).
 - d. **Non-Residential Buildings** will be compensated in the same fashion as residential buildings (see above). However APs without registration in order to be legalized will have to pay all relevant registration fees. Relocated renters will be given all relocation and severe impacts allowances (see below).
 - e. **Crops:** Cash compensation at current market rates for gross value of one year's harvest by default. Crop compensation will be paid both to landowners and tenants based on their sharecropping agreements.
 - f. **Trees:** Cash compensation at market rate based on type, age and productivity of trees.
 - g. **Businesses:** Permanent loss (up to one year) will be compensated in cash equal to a one-year net income based on tax declaration; temporary losses will be compensated in cash equal to the monthly income based on tax declaration multiplied by the number of months of business stoppage (the impact will last three months). Mobile business will receive one month's business allowance. In absence of tax declaration the AP will be compensated as above but based on the maximum non-taxable salary (minimum salary).

- h. **Permanent business workers and employees:** Indemnity for lost wages for the period of business interruption up to a maximum of six months.
- i. **Relocation subsidy:** APs forced to relocate (including renters) will receive a relocation subsidy sufficient to cover transport costs and living expenses for 1 month.
- j. **Community Structures and Public Utilities:** Will be fully replaced or rehabilitated so as to satisfy their pre-project functions.
- k. **Severe impacts allowances:** These will be given to AF losing >10% of agricultural income (see above) or to relocated AF (including renters).
- l. **Vulnerable people's livelihood:** Vulnerable people (APs below poverty line and widow or elder headed households) will be given a rehabilitation allowance equal to six months at minimum salary and priority in employment in project-related jobs.

4.4 Conditions for Expropriation

- 95. Acquisition of land through expropriation proceedings entails lengthy procedures often may be resisted. Such an approach will thus be pursued under the Project only in extreme cases when negotiations between APs and IA fail and no alternative land is available. In these cases, however, IA 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.

4.5 Conditions and Mechanisms for Legalization

- 96. In principle all occupants of untitled-plots can be legalized as long as they do not occupy areas classified as "Red Zones" which are 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) . The same applies for owners of residential buildings up to 300 m². Owners of larger houses of other non-residential buildings can also be legalized but they will have to pay registration fees. To be legalized the APs will have to initiate a legalization process in accordance to pertinent administrative regulations. The EA will assist APs seeking legalization and will facilitate their cases.

5. Public Consultation, Participation and Documents Disclosure

5.1 Overview

97. According to ADB policy and the Land Acquisition and Resettlement Framework (LARF), the APs must be fully consulted and provided with opportunities to participate in the planning and implementation of land acquisition and resettlement. They also must be informed in an appropriate and timely manner of the outcomes of the planning process, as well as the schedules and procedures for implementation of this LARP. A Public information and consultation campaign must be carried out by the LARU during all stages of the land acquisition and resettlement process. In addition, the LARU must also organize public information meetings, full disclosure of the Resettlement Plan (RP) and informing the APs about the procedures for payments of compensation and relocation.
98. This chapter describes the mechanisms for public consultation process with the APs, disclosure of the LARP through distribution of informative material to create awareness among the affected regarding their entitlements, compensation payment procedures and the grievance redress mechanism.

5.2 Public Consultation

99. In addition to informal day-to-day meetings among APs, PIU staff, and other stakeholders, the formal consultation process in the project area has been ongoing for a number of months and has been undertaken by both the EA and the PPTA consultants through:
- Community Meetings; and
 - Public consultations by high level EA officials;
100. All these mechanisms / approaches have been effectively used during the collection of baseline socio-economic data for the project area and project affected; preparation of LARP and disclosure of LARP to the APs, as explained below.

5.2.1 Community Meetings

101. Following the official announcement of the Project on 27/04/10, a community meeting was held on between 12.00 and 14.00 on 11/05/10 at a Shengavit District School located near to the project community. The purpose of this meeting was to disclose information about the project and the LARP to APs, to discuss impacts and verify the findings of this LARP and to commence the process of ongoing stakeholder engagement that will continue throughout the implementation of the LARP.
102. Through informal interactions between the consultants, the PIU and APs. All APs were requested to attend and 135 participants were registered as attending.
103. The meeting was hosted by the EA and its PPTA consultants who presented an overview of the project and the LARP principles, processes, preliminary findings and specifications in non-technical terms followed by a question and answer sessions.
104. The minutes of this meeting are presented in Appendix B and the key agenda and issues raised at this are summarised in Table 5.1 below.

Table 5.1: Summary of Preliminary LARP Consultation Meeting

Agenda Items	Key issues / questions raised by APs
1. Introduction / overview of the Project	Key issues primarily focussed on the role of the ADB and the interface with the IA.
2. Summary of the LARF principles and process (timelines)	Main issues and questions raised by the AP's concerned the project timelines and the definition of the cadastre price.
3. Summary of draft LARP findings and specifications, including	As with all consultations the main focus of the AP's was on the legalization of land and property, with many in the process or having been refused legalization by the IA.
4. Summary of grievance process	Although the grievance process was described in the presentation, most AP's voiced concern that process would not operate in practice particularly as most have tried unsuccessfully to legalize property and land with the IA.
4. Questions and answers sessions:	Most questions focussed on the legalization process and the definition of the compensation available

105. The community meetings have been and will be used as facilitation mechanism for preparation of this LARP and its effective and efficient implementation as per schedule and within budget. The draft LARP has and will be disclosed and discussed at the community meetings. The PIU other EA staff will proactively attend these meetings and explain the process of land acquisition and resettlement being adopted by the EA for this project to the APs. The EA shares the concerns and issues of the APs and detailed discussions will be held on these issues in order to create a sense of trust and comfort on the two sides.

5.3 Information Disclosure

106. During the different stages of the Project (planning, implementation, and monitoring) the following information disclosure actions are planned:

- Preparation and distribution of Public Information Brochure or booklets in Armenian (as discussed in Section 5.3.1 below),
- Placement of copies of the LARP in Armenian in regional and community offices; and
- Uploading of the LARP in English on the ADB resettlement website.

107. In the on-going comprehensive information and consultation process, all APs have been informed about the process for compensation, impacts and time for vacating the land. A LARU has been formed and rules / procedure set by this unit have been established for disbursement of compensation cheques. The consultation process has been an integral part of the resettlement process and will continue throughout the duration of the Project.

108. The LARU will continue to ensure that all APs understand the implications of this LARP and what will be done in order to compensate them. The EA will keep the APs informed and facilitate addressing any grievances among the APs. The APs will participate in all the decisions and implementation of LARP. Also, APs will be involved in the Grievance Redress process (ass discussed in Section 5.4 below) to review and resolve any dispute concerning compensation and other resettlement benefits. Thus there will be a continuous on-site consultation with APs to ensure that the APs receive their due entitlements/benefits. They will be informed through written notices for their compensation amount,

compensation disbursement schedule including date, time and venue for collection of their cheques and vacating/shifting time.

5.3.1 Public Information Brochure

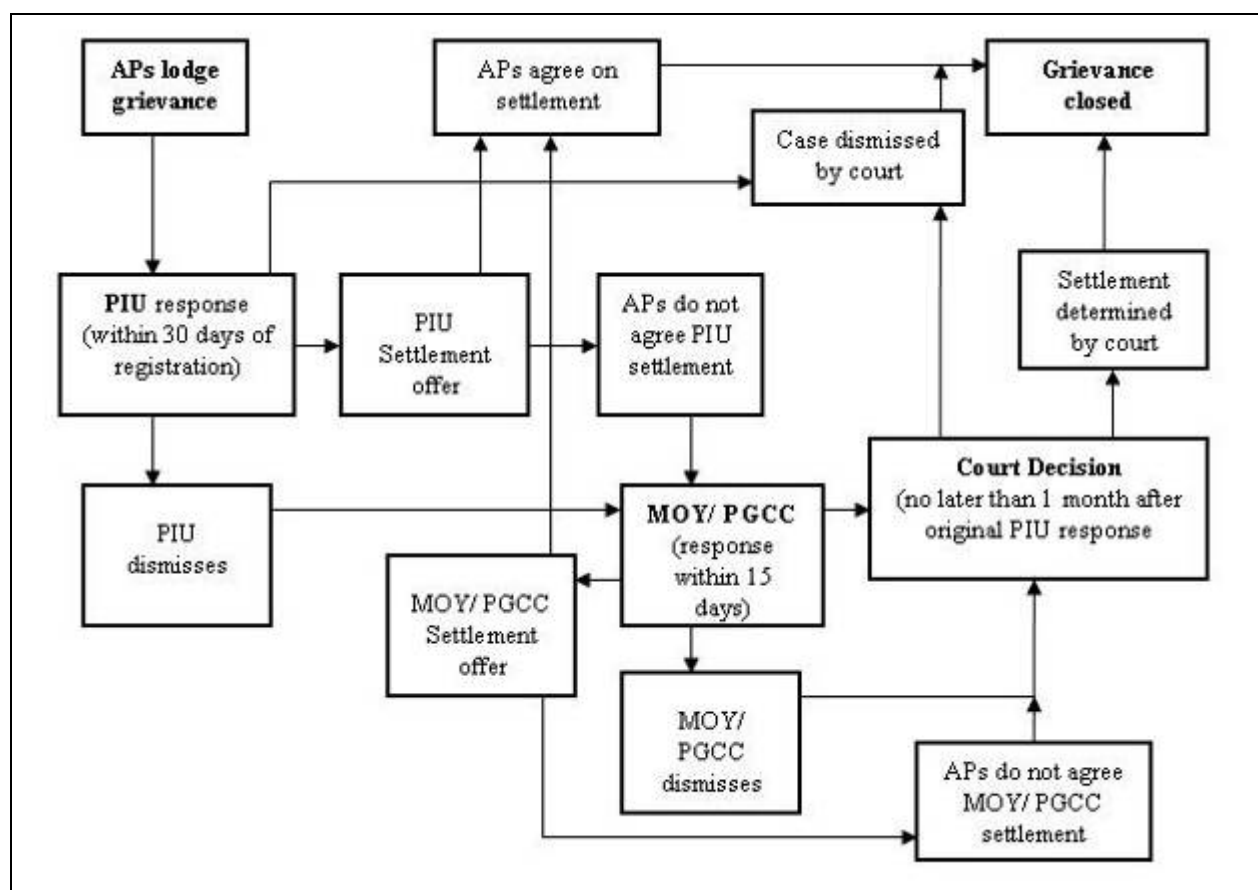
109. A summary of this LARP has been prepared specifically for the purpose of information disclosure in the form of the Public Information Brochure presented in Appendix C. This will be translated into Armenian and presented to all APs to enable the APs and local communities to read it by themselves and be aware of the Project's benefits/ compensations available for various types of APs, as given in the 'entitlement matrix'. The brochure explains the mechanisms and procedures of the consultation programme and how APs will be engaged in resettlement activities and the overall process. It also contains details of the grievance mechanism employed by the Project.
110. EA staff and the PPTA consultant will distribute the brochures through the community consultation meetings and will leave copies at areas used by the community such as Shengavit District School.

5.4 Grievance Mechanism

111. A grievance mechanism is available to allow an AP appealing any disagreeable decision, practice or activity arising from land or other assets compensation. Care will be taken to prevent grievances rather than going through a redress process by careful implementation, by ensuring full participation and consultation with the APs and by establishing extensive communication and coordination between the affected communities, the LARU, the PIU and IA. A Grievance Redress Committee will be formed between all stakeholders to representatives of the LARU, PIU, IA and AP representatives.
112. Even with precautions and care, a disagreement or dissatisfaction may emerge. To address such a situation, for instance an AP that is unsatisfied with the outcome of their eligibility decision or compensation package, a grievance redress mechanism will be put in place. The main objectives of mediating conflicts and having a grievance redress mechanism are to:
- reach mutually agreed solutions satisfactory to both the Project and the PAP;
 - cut down on lengthy litigation processes; and
 - prevent delay in project implementation.
113. All APs have the right to file complaints and/or queries on any aspects of land acquisition compensation, and resettlement. In order to ensure that grievances and complaints are addressed in a timely and satisfactory manner and that all possible avenues are available to APs to air their grievances, following mechanism for grievances have been set up.
- a. Step-1: AP or APs submit his/her/their complaint to the Social and Resettlement Specialist (SRS) within the Land Acquisition and Resettlement Unit (LARU) of the Project Implementation Unit (PIU) with the involvement of informal mediators. The complaint will be signed by the AP and it will explain the nature of complaint, the location and the complainant's complete address.
 - b. Step-2: The PIU will issue a formal response no later than 30 days after receipt of the grievance. This response will either be an offer for compensation to the complainant, and invitation to discuss the issue further at a private meeting or an explanation for the dismissal of the complaint.
 - c. Step-3: If the AP does not agree with the PIU's compensation offer or reasons for dismissal, the APs should present their grievance to the relevant IA. The AP must lodge the complaint within 1 month after receiving response on the original complaint from the PIU and must produce documents supporting his/her claim.

- d. Step-4: IA must consult the Project Governing and Coordinating Council (PGCC) for their decision on whether to settle or go to Court. The PGCC must provide a response within 15 days of registering the complaint. The PGCC decision must be in compliance with the LARP provisions.
 - e. Step-5: If the complainant is still not satisfied with the decision of the PGCC and is willing to continue with his complaint, he/she can register/file his case in the court whose decision will be final.
114. All efforts will be made to settle the issues at the LARU/PIU level through community consultation. If not, possible attempts will be made to resolve the issues at the PGCC to avoid the judiciary to minimize litigation as much as possible. All complaints and resolutions will be properly documented by the LARU/PIU and be available for review and monitoring and evaluation purposes. The grievance resolution process is summarised in the Figure 5.1 below.

Figure 5.1: Grievance Resolution Process

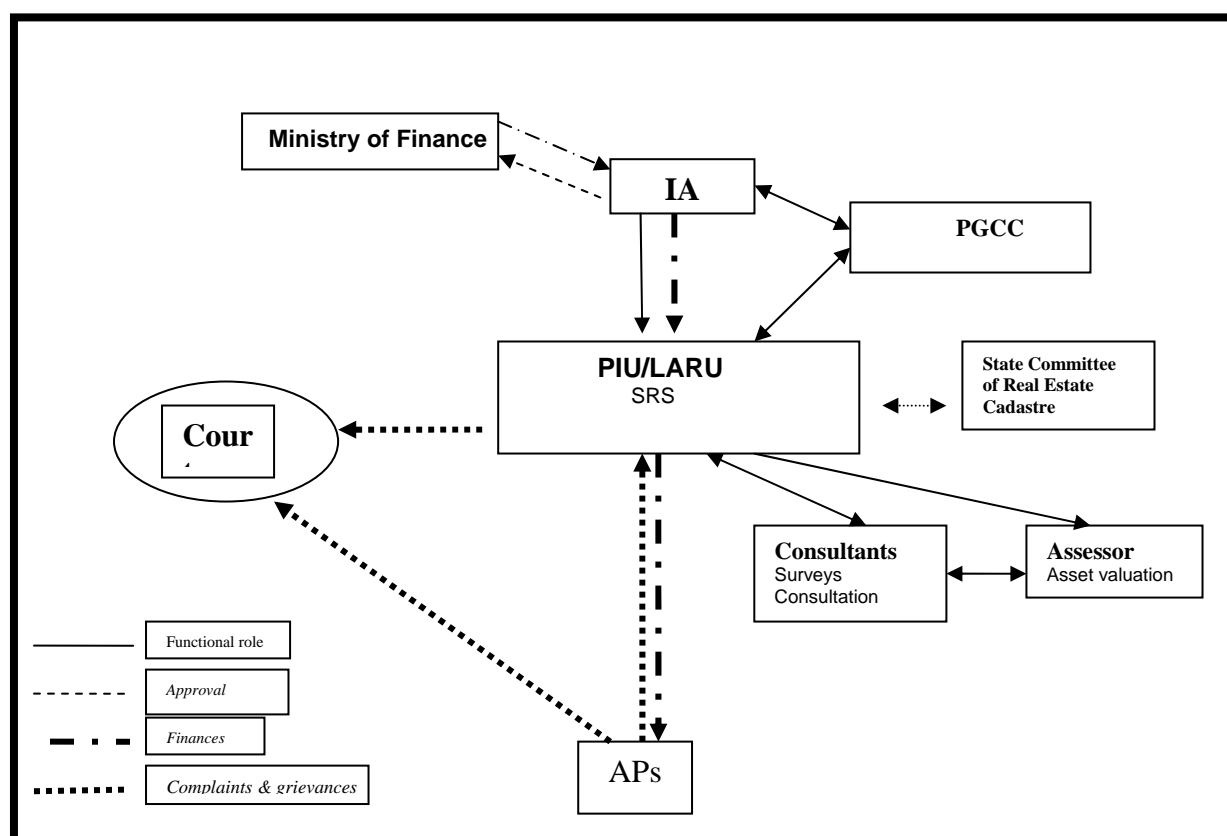


6. Institutional Arrangements

6.1 Overview

115. ADB will be the funding agency of the Project. The compensation/rehabilitation tasks described in this LARP involve distinct processes and dynamics and different actors.
116. IA has prepared this LARP with the assistance of the PPTA consultants. IA will implement the LARP with assistance of the by LARU and based on the policy and procedures set out in the LARF and this LARP. Several other Government and non –Government agencies will play instrumental roles in LAR processes. Pursuant to current legislation, the State Committee of Real Estate Cadastre of the Government of the Republic of Armenia is responsible for providing information about the status of real estate ownership and is in charge of the state registration of ownership. An organogram of the organizational setting for the program is included in Figure 6.1.

Figure 6.1: LAR Organogram and Actions



6.2 IA/ PIU

117. IA has overall responsibility for the Project. This includes preparation, implementation and financing of all LAR tasks and cross-agency coordination. IA will exercise its functions through LARU under the PIU. The LARU will have Social and Resettlement Specialists (SRS) who will be responsible directly to the PIU head for the general management of the planning and implementation of all LAR tasks. A Project Governing and Coordinating Council (PGCC) made up of representatives from the heads of different departments and institutions of IA has been established in MOY according to MOY Mayor

decree to oversee the Project and make high level decisions, 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.

118. The SRS 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, (iii) Disclosing the LARP; (iv) planning and managing LARP implementation and the disbursement of compensation; (iv) assisting in the case of complaints; (v) ensuring proper internal monitoring; and (vi) hiring, following ADB recommendation, the external monitoring agency. 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.

6.3 Consultants

119. Different types of consultants will be involved in LAR tasks:

- **PPTA Consultants:** This includes international and local LAR capacity and needed survey teams who have carried out all the field-surveys to prepare this LARP.
- **Design Consultants:** This will include international and local LAR capacity and needed survey teams and will carry out the same activities for updating/finalizing this LARP.
- **Supervision Consultants:** This will include international and local LAR capacity and needed survey teams and will assist in the overall supervision of the projects. The supervision consultants will also oversee LARP Implementation and carry out external monitoring and evaluation of the implementation of this LARP for following tranches of the Program.
- **Independent Monitoring Agency (IMA):** This consultant will be hired to conduct the external monitoring and evaluation of the implementation of this LARP. In the absence of a supervision consultant, the IMA will continue to carry out the external monitoring and evaluation for all the tranches.
- **Independent Asset Valuers:** These are the accredited private firms who have been hired by PPTA to evaluate the affected assets (as discussed in Section 2.2.2).

6.4 Other Agencies and Institutions

120. Several other institutions will participate in LAR tasks. These are:

- **Ministry of Finance:** The budgets for the implementation of the LARP will be provided to IA by the Ministry of Finance following the official approval of the final LARP.
- **State Committee of Real Estate Cadastre of the Government of the Republic of Armenia:** The State Committee of Real Estate Cadastre of the Government of the Republic of Armenia is responsible for providing information about the status of real estate ownership, and is in charge of the state registration of ownership.
- **Local Courts:** In case of expropriation issues IA 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 at what price.

6.5 ADB

121. Besides periodically supervising the Project, ADB will review this LARP and provide clearance to contract awards and signing/initiation of civil works to the Project. ADB will also provide capacity building on resettlement to the EA. A LAR Officer will be appointed at the ADB resident mission and the LAR team under the supervision consultants will provide on the job assistance to the EA on LAR matters.

7. LARP Implementation Process

7.1 Overview

122. This Chapter describes the steps taken to prepare this LARP and the actions that will be required to ensure its successful implementation. A timeline and implementation schedule is presented at the end of the Chapter.

7.2 LARP Preparation Actions

123. EA will begin the implementation process of LARP immediately after its approval by the ADB. It has already initiated some actions as groundwork and certain preparatory tasks regarding implementation of Land Acquisition and Resettlement Plan have been successfully completed, detail is as follows:

- Establishment of Project Implementation Unit (PIU) and a Land Acquisition and Resettlement Unit (LARU);
- Appointment of international and national consultant resettlement specialists;
- Publication of preliminary notification expressing the intent to acquire land under;
- Establishment of official cut-off date (2nd April, 2010);
- A public consultative meeting with APs and local representatives and active involvement APs in preparing this LARP;
- Endorsement of this LARP by PIU and its submission to ADB for approval in the form of this document; and
- The budget for compensation of land, structures, trees and relocation assistance has already been allocated to by the EA.

7.3 Process of LARP Implementation

124. EA is also committed to 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 start of construction work. The APs of affected structures/assets (houses, shops, etc.) will be paid their due compensations at least one-month (30 days) prior to demolition of the structures from the corridor of impact. This time will allow them to dismantle and remove all salvageable material for rebuilding of houses and re-establishment of businesses. However, EA reserves the right of directly demolishing such structures if the AP has not done this by the agreed deadline.
125. Payment of compensation of assets other than structures will be made at least 15 days prior to actual possession of the space being utilized by the APs. However, in case of a dispute, the assessed/allocated amount of compensation will be pledged in the names of the concerned APs, pending a decision. In such an exceptional case, the EA may possess the land without payment of compensation. Grievances or objections (if any) will be redressed as per grievance redress procedure adopted in this LARP. However, all activities related to land acquisition and resettlement will be completed prior to award of civil works contract.
126. The following process and procedure has been initially established for disbursement of compensation cheques to the APs:

- a. **Verification of APs:** Verification of the APs will be made through his/her passport. All APs must bring their passports at the time of receiving cheques. If an AP is below 18 years or does not have a passport, then their parent must collect the compensation on their behalf.
 - b. **Payment of Compensation:** Payment to APs will be paid in 7-15 days, keeping in view the total strength of APs for which a schedule will be issued separately on approval of LARP by ADB. Payment will be paid through crossed cheques.
 - c. **Vacation of Site:** Notices will be issued to vacate the site with request to APs by sending written invitations to receive the compensation cheques along with time schedule and venue etc and a vacation notice to vacate the site within specified days. If the AP does not vacate the ROW after getting payment of compensation, the EA reserves the right of directly demolishing such structures if the AP has not done this by the agreed deadline.
 - d. **Absent APs:** Absent APs may receive the compensation after the notified schedules of payments after production of a genuine proof of their absence on the due dates.
127. Payment of compensation will be made no later than 30 days (1 months) prior to the actual possession of the acquired lands or structures. No land will be possessed by the EA for commencement of construction works without full payment of due compensations to the affected landowners and their tenants. However, in case of a dispute, the assessed/allocated amount of compensation will be pledged in the names of the concerned APs, pending a decision by the court. In such cases, the project may possess the land before payment of compensation, but will hold all construction works until the final settlement of all compensation cases.
128. The EA is responsible for financing the compensation, allowances, and administration of LARP implementation and timely allocation of sufficient resources. Allocations will be reviewed on quarterly basis based on the budget requirements indicated by the LARP.
129. As per the flow of LAR finances it is noted that the budget for land and crop compensation will be disbursed by EA to the PIU which in turn will disburse the compensation to the APs. The compensation funds for other items such as documented structures (houses, shops, etc.), house restoration, shops, employment, income loss, etc. will go from EA to its PIU which will disburse the funds to the APs.

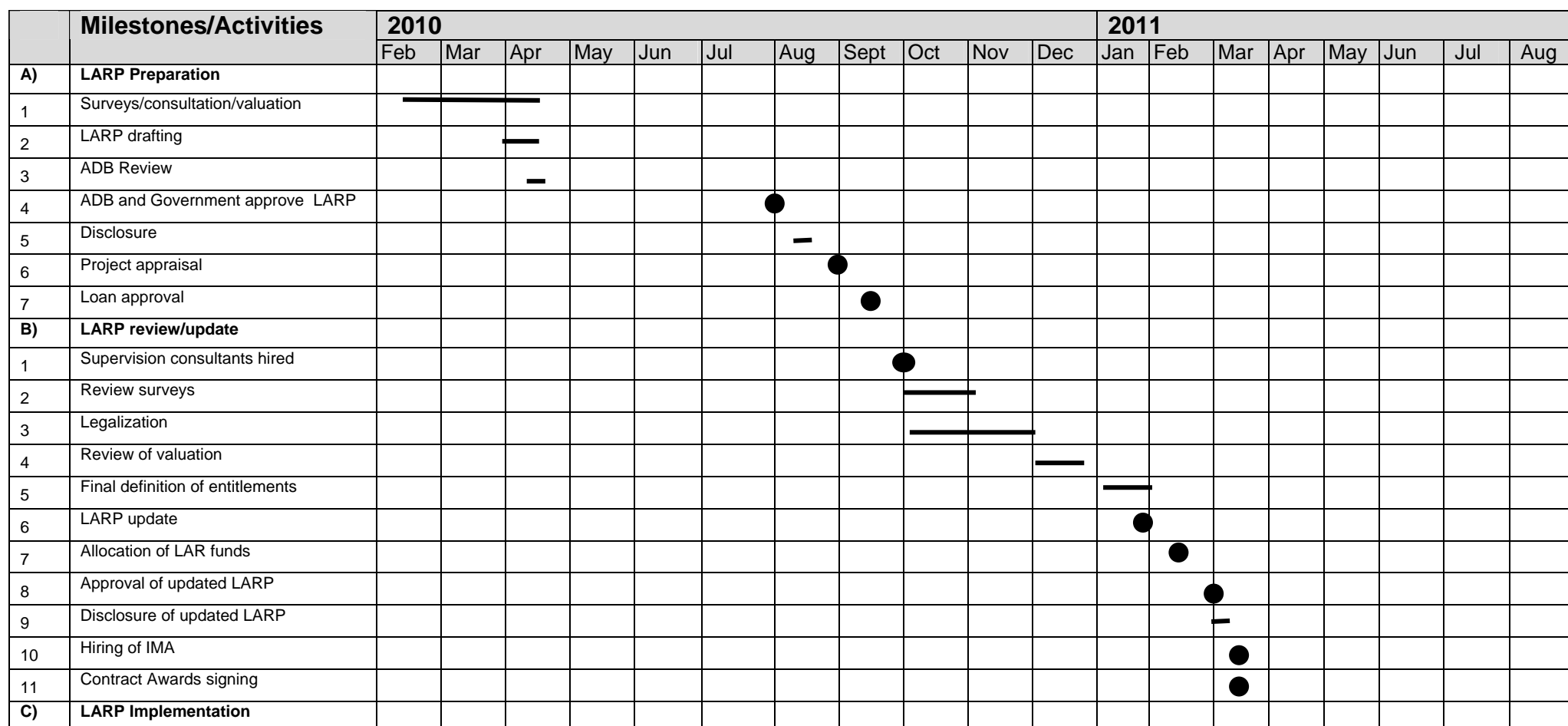
7.4 LARP Implementation Schedule:

130. A timeline for LARP preparation, implementation and post implementation has been prepared in accordance with different steps covered under this LARP and presented in Table 7.1 and Chart 7.1.

Table 7.1: Timeline for LARP Preparation & Implementation

No.	Activity	Responsibility	Date
A) LARP Preparation			
1	Surveys/consultation/valuation	Consultant	Feb–Apr '10
2	LARP drafting	Consultant	Apr '10
3	ADB review	ADB	Apr '10
4	ADB and Government approve LARP	ADB/ EA	End July '10
5	Disclosure	Consultant/ LARU / PIU / ADB	Aug '10
6	Project appraisal	ADB	End Aug '10
7	Loan approval	ADB	Sep '10
B) LARP review/update			
1	Supervision consultants hired	ADB	End Sep '10
2	Review surveys	Consultant	Oct '10
3	Legalization	PIU	Oct - Nov '10
4	Review of valuation	Consultant	Dec '10
5	Final definition of entitlements	Consultant	Jan '11
6	LARP update	Consultant	Jan '11
7	Allocation of LAR funds	EA	Feb '11
8	Approval of updated LARP	ADB	Feb '11
9	Disclosure of updated LARP	Consultant/ LARU/ PIU/ ADB	Mar '11
10	Hiring of IMA	ADB	Mar '11
11	Contract Awards signing	ADB/ PIU	Mar '11
C) LARP Implementation			
1	LARP implementation plan	Consultant / ADB	End Mar '11
2	Compensation delivery	LARU / IA	Apr-May '11
3	Monitoring	IMA /ADB	June - Aug '11
4	Preparation of compliance report	IMA	July '11
5	Start of civil works	Construction Contractor	Aug onwards.

Chart 7-1: LARP Preparation and Implementation Schedule



8. Resettlement Financing and Budget

8.1 Overview

131. This chapter describes the methodology adopted to compute the unit rates for different types of land acquisition and resettlement impacts. It also provides an assessment of the costs based on the LARP related project impacts, and identifies the compensation entitlements of different categories of APs described in this Resettlement Plan. The budget is summarised at the end of the chapter.

8.2 Source of Funds and their Allocation

132. All LARP preparation and implementation costs, including compensation and LAR administration costs, will be an integral part of Project cost and will be contributed as a counterpart fund by GoA. Costs for external monitoring tasks and the preparation of surveys and LARPs can be allocated under the loan.
133. Being the project owner, IA is responsible for the timely allocation of the funds needed to implement the LARPs. Allocations will be reviewed twice a year based on the budget requirements indicated by the LARPs. As per the LAR finances flow the budget for compensation and rehabilitation will be directly disbursed by IA to the AP.

8.3 Methodology for Assessment of Compensation Unit Values

134. The budget of this LARP is preliminary rather than detailed and is based on common unit values for types of impacts rather than a plot by plot evaluation. Ultimately a plot by plot evaluation will be required in order to determine exact compensation costs. This will be done when the LARP is updated as specified in Chapter 1.
135. The value of unit compensation rates have been determined by a certified independent evaluator based on the following clear and transparent methodologies acceptable to ADB:
- a. **Land** has been valued at current market rates based on a survey of land transaction carried out by an independent assessor.
 - b. **Houses/buildings** have been valued at replacement rate based on construction materials and size with consideration of labour, transport/other construction costs. No deduction for depreciation/transaction costs has been applied. In cases where an AP does not wish to relocate, partial impacts will be paid only for the affected portion of the building or repairs.
 - c. **Trees** have been valued according to different methodologies depending whether the tree lost is a wood tree or a productive tree:
 - i. Wood trees have been valued based on age category (a. seedling; b. medium growth and c. full growth) and wood value and volume.
 - ii. Fruit/productive trees have been valued based on age (a. seedling; b. adult-not fruit bearing; and c. fruit bearing). Stage (a) and (b) trees will be compensated based on the value of the investment made; stage (c) trees will be compensated at net market value of one-year income multiplied by the number of years needed to grow a new fully productive tree.

d. **Businesses/Employment:** have been valued according to whether impacts are temporary or permanent using tax records where available, and approximate levels where tax records are not available, specifically:

- i. Businesses have been valued according to whether they are a) mobile business and b) temporarily affected fixed businesses both of which find it easy to relocate; or, c) permanent fixed businesses which find it much more difficult to relocate.
- ii. Employment has been valued according to whether people are expected to temporarily or permanently lose their jobs.

136. The assessed compensation rates have been verified and certified by the Land Acquisition and Resettlement Unit (LARU) of the IA.

8.3.1 Assessment of Allowances Unit Values

137. The unit values for the allowances provided under the project are presented in Table 8.1 below.

Table 8.1: Allowance Unit Rate Values

Allowance Category	Impact / AP characteristic Triggering Impact	Unit	Rate Determinant	Rate Value AMD / month
Severe impact allowance	Relocation of property renters	6 months Minimum salary	Minimum monthly salary as of 21.04.10	30,000
Relocation allowance	Relocation of property renters	1 Month	Estimate of transport costs and livelihood expenses	140,000
Vulnerable People Allowance	Relocation of AH (including renters) that are below the poverty line and widow or elder headed households	6 months Minimum salary	Minimum monthly salary as of 21.04.10	30,000

8.4 Budget

138. Budgets have been developed to cover the cost of compensation and allowances for the impacts presented in Chapter 2 as presented below.

8.4.1 Land

139. Table 8.2 below shows that the total cost for the compensation of land is 563.67 million AMD. The greatest cost is the amount for residential land which comes to 289 million AMD. The compensation budget excludes 3 publicly owned plots of land.

Table 8.2: Land Compensation Budget

Type of use	Plots number	Unit rate AMD /M ²	Area m ²	Total AMD
Residential	53	16,985	17,035	289,339,475
Commercial	14	18,954	4,347	82,393,038
Industrial	3	15,437	7,956	122,816,772
Unused	35	16,407	4,213	69,122,691

Total:	105		31,735	563,671,976
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8.4.2 Buildings and Structures

140. The budget for compensation of buildings and structures is presented in Table 8.3 below which shows that the total cost is expected to be 1,658 million AMD.

Table 8.3: Buildings and Structures Budget

Building types and category	No.	Area affected (m ²)	Unit rate AMD / M ²	Total
<i>Primary residential and business constructions:</i>				
Stone construction with cement mortar and metal roof	26	8,891	167,247	1,486,993,077
Timber construction with cement mortar and metal roof	2	35	40,000	1,400,000
Metal framed construction with metal roof	6	792	26,977	21,365,784
<i>Secondary residential and business constructions</i>				
Stone construction with cement mortar and metal roof	18	1,103	97,701	107,764,203
Timber construction with cement mortar and metal roof	9	422	30,000	12,660,000
Metal framed construction with metal roof	2	61	25,723	1,569,103
<i>Special structures:</i>				
Petrol Station with concrete petrol forecourt, metal underground storage tanks and stone office building.	1	132	200,000	26,400,000
Total:	64	11,436		1,658,152,167

8.4.3 Trees

141. The total compensation cost for sapling fruit bearing trees is 0.98 million AMD as illustrated in table 8.4 below.

Table 8.4: Saplings fruit bearing tree budget

Tree type	No	Value of one sapling (AMD)	Total value (AMD)
Grapes	45	2,000	90,000
Apricot	15	2,000	30,000
Apple	69	2,000	138,000
Cherry	112	2,000	224,000
Plum	54	2,000	108,000
Peach	34	2,000	68,000
Mulberry	28	2,000	56,000
Walnut	17	2,000	34,000
Fig	39	2,000	78,000
Hazel	27	2,000	54,000
Pear	12	2,000	24,000
Almond	2	2,000	4,000
Pomegranate	19	2,000	38,000

Quince	17	2,000	34,000
Total:	490		980,000

142. The total compensation cost for not-yet productive fruit bearing trees is 3.94 million AMD as illustrated in Table 8.5 below.

Table 8.5: Not-yet productive fruit bearing tree budget

Tree type	No.	Yearly growth input (AMD)	Average tree age (years)	Total value (AMD)
Grapes	119	1,200	7	999,600
Apricot	25	800	9	180,000
Apple	94	1,500	5	705,000
Cherry	102	800	5	408,000
Plum	94	800	5	376,000
Peach	69	2,500	5	862,500
Mulberry	30	100	5	15,000
Walnut	31	500	5	77,500
Fig	33	400	4	52,800
Hazel	21	200	3	12,600
Pear	8	2,500	4	80,000
Almond	4	800	3	9,600
Pomegranate	6	500	3	9,000
Quince	38	1,000	4	152,000
Total:	674			3,939,600

143. The total compensation cost for productive fruit bearing trees is 56.24 million AMD as illustrated in Table 8.6 below.

Table 8.6: Productive fruit bearing tree budget

Tree type	No	Yearly production per tree (Kg)	Years to re-grow the tree (years)	Produce market value (AMD)	Total value (AMD)
Grapes	215	12	3	250	1,935,000
Apricot	63	300	8	150	22,680,000
Apple	30	110	6	100	1,980,000
Cherry	63	30	4	150	1,134,000
Plum	33	60	4	150	1,188,000
Peach	18	140	6	250	3,780,000
Mulberry	11	80	4	300	1,056,000
Walnut	23	80	12	1,000	22,080,000
Fig	4	30	3	350	126,000
Hazel	6	10	3	800	144,000
Pear	7	30	2	200	84,000
Almond	0	0	0	0	0
Pomegranate	0	0	0	0	0
Quince	2	30	6	150	54,000
Total:	475				56,241,000

144. Table 8.7 summarises the overall budget for fruit trees with a total compensation cost of 61.16 million AMD. The Majority of this budget will be spent on compensation for Apricot trees at 22.89 million AMD and Walnut trees at 22.19 million AMD

Table 8.7: Fruit Tree Budget

Tree type	Sapling		Not yet fruit bearing		Fruit bearing		TOTAL, AMD
	No.	Sub-total AMD	No.	Sub-total AMD	No.	Sub-total AMD	
Grapes	45	90,000	119	999,600	215	1,935,000	3,024,600
Apricot	15	30,000	25	180,000	63	22,680,000	22,890,000
Apple	69	138,000	94	705,000	30	1,980,000	2,823,000
Cherry	112	224,000	102	408,000	63	1,134,000	1,766,000
Plum	54	108,000	94	376,000	33	1,188,000	1,672,000
Peach	34	68,000	69	862,500	18	3,780,000	4,710,500
Mulberry	28	56,000	30	15,000	11	1,056,000	1,127,000
Walnut	17	34,000	31	77,500	23	22,080,000	22,191,500
Fig	39	78,000	33	52,800	4	126,000	256,800
Hazel	27	54,000	21	12,600	6	144,000	210,600
Pear	12	24,000	8	80,000	7	84,000	188,000
Almond	2	4,000	4	9,600	0	0	13,600
Pomegranate	19	38,000	6	9,000	0	0	47,000
Quince	17	34,000	38	152,000	2	54,000	240,000
Total:	490	980,000	674	3,939,600	475	56,241,000	61,160,600

145. The total cost for compensation for wood trees is 1.73 million AMD as presented in Table 8.8 below. The Majority of this budget will be spent on compensation for Ash trees at 0.79 million AMD.

Table 8.8: Wood Trees Budget

Thickness	No. of trees	Unit price	Total
<i>Type 1 Thuja</i>			
Small	1	5,000	5,000
Medium	2	7,000	14,000
Adult	9	10,000	90,000
Thuja sub-total:	12	22,000	109,000
<i>Type 2 Ash</i>			
Small	63	2,000	126,000
Medium	100	3,500	350,000
Adult	63	5,000	315,000
Ash sub-total:	226	10,500	791,000
<i>Type 3 Maple</i>			
Small	32	2,000	64,000
Medium	72	3,500	252,000
Adult	65	5,000	325,000
Maple sub-total:	169	10,500	641,000
<i>Type 4 Willow</i>			
Small	25	2,000	50,000
Medium	22	2,000	44,000
Adult	18	5,000	90,000
Maple sub-total:	65	9,000	184,000
Total:	472		1,725,000

8.4.4 Business

146. Based on the nature and scope of business, two types of business losses have been identified as follows:

- a. **Temporary impacts on mobile businesses:** there is 1 business in this category that will be compensated with a cash indemnity equivalent to one month of business stoppage at the maximum non-taxable salary rate (which is equivalent to the minimum salary for that type of business).
- b. **Permanent impacts on fixed businesses:** there are nine businesses identified in this category that are highly dependent on the location or physical infrastructure of the existing site and therefore cannot easily relocate and continue business as normal. They will be compensated with a cash indemnity of 12 months net income based on maximum non-taxable income for that type of business.

147. These costs are indicative, when the LARP is updated to make it implementation ready as specified in Chapter 1, this budget will need to be revised to be determined on a business-by-business basis according to actual incomes as presented in tax records.

Table 8.9: Businesses Compensation Costs

Business affected	Monthly income (AMD)	No of income months compensated for	No of businesses	Total (AMD)
<i>A. Mobile businesses (temporary impact)</i>				
Chargrill hot food vender	5,000	1	1	5,000
A: Sub-total:			1	5,000
<i>B. Fixed Business (permanent impact)</i>				
Sheep trade	30,000	12	1	360,000
Production of metallic products	400,000	12	1	4,800,000
Café	500,000	12	1	6,000,000
Flowers shop	800,000	12	1	9,600,000
food shop	500,000	12	2	12,000,000
Furniture Products	220,000	12	1	2,640,000
Mechanic's garage	15,000	12	1	180,000
Petrol station	1,000,000	12	1	12,000,000
B. Sub-total:			9	47,580,000
Total:			10	47,585,000

8.4.5 Employment

148. The total cost of compensation for employment losses will be 31.32 million AMD calculated according to permanent impacts on 29 identified employees who will lose their job. They will receive six months salary (estimated to be the maximum time taken to find a new job) of an approximate average minimum monthly salary at 180,000 AMD per employee.

149. These costs are indicative. When the LARP is updated to make it implementation ready, this budget will need to be revised and determined on an employee-by-employee basis according to actual incomes as presented in tax records.

8.4.6 Allowances

150. The total cost of rehabilitation allowances for relocation, severely affected and vulnerable families will be 17.64 million AMD as summarised below in Table 8.10 below.

Table 8.10: Allowances Budget

Type of allowance	Unit rate determinant	Unit rate	Number of AF	Total:
Relocation	1 month estimate of transport costs and livelihood expenses	140,000	41	5,740,000
Severe impacts	6 months minimum salary 30,000 per month	180,000	42	7,560,000
Vulnerable AF	1 month estimate of transport costs and livelihood expenses	140,000	31	4,340,000
		Total:	114	17,640,000

8.4.7 Summary Budget

151. The total cost of compensation and allowances 2,381 million AMD or 6.03 million USD. When the costs for the External Monitoring Agency, administration and contingencies is factored in, the final LARP budget stands at 2,819 million AMD or 7.14 million USD. The LARP Budget is summarised in Table 8.9 below.

Table 8.11: Summary Budget

ITEM	TOTAL	
	AMD	USD ¹²
Land	563,671,976	1,427,018 ¹³
Buildings and structures	1,658,152,167	4,197,854
Trees	62,885,600	159,204
Businesses	47,585,000	120,468
Employment	31,320,000	79,291
Sub-Total	2,363,614,743	5,983,835
Allowances	17,640,000	44,658
Sub-Total (Compensation):	2,381,254,743	6,028,493
External Monitoring Agency	126,400,000	320,000
Administration Costs	55,300,000	140,000
Total Compensation, Management and Monitoring Costs:	2,562,954,743	6,488,493
Contingency 10%	256,295,474	648,849
Total Land Acquisition and Resettlement Budget:	2,819,250,217	7,137,342

¹² Based on an exchange rate of 395 AMD/\$ in May 2010.

¹³ Land compensation value indicated for calculated affected land take, compensation value does not factor overall land plot

9. Monitoring and Evaluation

9.1 Overview

152. LAR under the Project will be subjected to both internal and external monitoring. Internal monitoring will be conducted by LARU. External monitoring will be assigned to an Independent Monitoring Agency to be hired by IA and approved by ADB. The IMA will be selected among Non-Governmental Organization (NGOs), academic Institutions, or consulting firms. ADB will advise IA on the IMA's terms of reference once Project implementation has begun.

9.2 Internal Monitoring

153. Internal monitoring will be carried out routinely by LARU both directly and through the services of the Design Consultants. The results will be communicated to ADB through the quarterly project implementation reports. Indicators for the internal monitoring will be those related to process and immediate outputs and results, which allow to assess the progress and results of LARP implementation, and to adjust the work program, if necessary. The monthly reports will be quarterly consolidated in the standard supervision reports to ADB. Specific monitoring benchmarks will be:

- a. Information campaign and consultation with APs;
- b. Status of land acquisition and payments on land compensation;
- c. Compensation for affected structures and other assets;
- d. Relocation of APs;
- e. Payments for loss of income;
- f. Selection and distribution of replacement land areas; and
- g. Income restoration activities

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

- a. Review of census information for all APs;
- b. Consultation and informal interviews with APs;
- c. In-depth case studies;
- d. Sample survey of APs;
- e. Key informant interviews; and
- f. Community public meetings.

9.3 External Monitoring

155. External monitoring will be carried out in parallel with the implementation of each LARP and will result in a quarterly report and in a final compliance report indicating whether the compensation program has been carried out based on the provisions of this LARF and ADB policy and with the satisfaction of the APs. The compliance report will be communicated to PIU/IA and ADB and will be a condition to start civil works. External monitoring for the first tranche will be carried out by an IMA to be selected and hired among NGOs, Academic Institutions or independent consultants by PIU. For tranches after the first external monitoring will be carried out by the supervision consultant. Indicators for External Monitoring tasks will include:

- a. Review and verify internal monitoring reports prepared by PIU /IA;
- b. Review of the socio-economic baseline census information of pre-displaced persons;
- c. Identification and selection of impact indicators;

- d. Impact assessment through formal and informal surveys with the affected persons;
 - e. Consultation with APs, officials, community leaders for preparing review report; and
 - f. Assess the resettlement efficiency, effectiveness, impact and sustainability, drawing lessons for future resettlement policy formulation and planning.
156. As part of the final compliance report the IMA will also assess the status of project affected vulnerable groups such as female-headed households, disabled/elderly and families below the poverty line. The following will be considered as the basis for indicators in monitoring and evaluation of the project:
- a. Socio-economic conditions of the APs in the post-resettlement period;
 - b. Communications and reactions from APs on entitlements, compensation, options, alternative developments and relocation timetables etc.;
 - c. Changes in housing and income levels;
 - d. Rehabilitation of informal settlers;
 - e. Valuation of property;
 - f. Grievance procedures;
 - g. Disbursement of compensation; and
 - h. Level of satisfaction of APs in the post resettlement period.
157. The IMA will carry out a post-implementation evaluation of the LARP about a year after completion of its implementation. The compelling reason for this study is to find out if the objectives of the LARP have been attained or not. The benchmark data of SES of severely affected APs conducted during the preparation of the LARP and Poverty Social Assessment (PSA) will be used to compare the pre and post project conditions. The IMA will recommend appropriate supplemental assistance for the APs should the outcome of the study show that the objectives of the LARP have not been attained.

Appendices

List of Project Affected Households and Relative Impacts

ID	Name	Family members	Land affected			Buildings affected			Trees affected		Businesses			Employment			Relocating		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area M2)	Type	No.	Type	Permanent	Temporary	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
1	Julhakyan Asya	11	residential	300	137				cherry	1								no	yes / single mother / below poverty line			no
									mulberry	1												
									ash	4												
									maple	2												
2	Harutyunyan Gegham	4	residential	834	675	primary stone construction with cement mortar and metal roof	1	152	apple	3							yes			no	yes	
						primary stone construction with cement mortar and metal roof	2	91	apricot	3												
						secondary stone construction with cement mortar and metal roof	1	25	plum	3												
						secondary timber construction with cement mortar and metal roof	1	17	cherry	6												
									grape	14												
									mulberry	2												
									walnut	1												
									hazelnut	3												
									quince	3												
									fig	4												
									ash	2												
									maple	2												
									willow	1												

ID	Name	Family members	Land affected			Buildings affected			Trees affected		Businesses			Employment			Relocating		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area M2)	Type	No.	Type	Permanent	Temporary	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
3	Harutyunyan Levon	8	residential	834	671	primary stone construction with cement mortar and metal roof	1	133	apple	3							yes			no		no
						primary stone construction with cement mortar and metal roof	2	91	apricot	2												
						secondary stone construction with cement mortar and metal roof	1	44	plum	3												
						secondary timber construction with cement mortar and metal roof	1	17	cherry	6												
									grape	14												
									mulberry	2												
									walnut	1												
									hazelnut	3												
									quince	2												
									fig	4												
									ash	2												
									maple	2												
									willow	1												
4	Zakharyan Amra	1	community	1474	1474	land only												no		no		no
5	Hovhannisyan Garnik	4	community	400	400	land only												no		no		no
6	Panosyan Anahit	4	community	491	160	land only			apple	10								no	yes / single mother / below poverty line			no
									cherry	1												
									mulberry	5												
7	Muradyan Aramayis	3	community	1365	1365	land only												no		no		no
8	Muradyan Arshavir	7				same land plot as AP 7			pear	8								no	yes / below poverty line			no
									apricot	4												
									plum	8												
									cherry	1												
									mulberry	2												
									quince	7												
									fig	6												

ID	Name	Family members	Land affected			Buildings affected			Trees affected		Businesses			Employment			Relocating		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area M2)	Type	No.	Type	Permanent	Temporary	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
									pomegranate	2												
									maple	1												
									willow	4												
9	Grigoryan Razmik	9	residential	427	301				apple	11								no	yes / below poverty line			no
									apricot	2												
									peach	4												
									plum	18												
									cherry	17												
									grape	11												
									mulberry	3												
									walnut	2												
									hazelnut	7												
									quince	2												
									fig	2												
									pomegranate	1												
									ash	2												
									maple	2												
10	Avetisyan Dukhik	1	residential	2233	1082	primary stone construction with cement mortar and metal roof	1	272									yes		yes / below poverty line		yes	
11	Antonyan Emma	7				primary stone construction with cement mortar and metal roof	2	109						illegal	permanent		yes		yes / below poverty line		yes	
12	Antonyan Shushanik	2	residential			primary stone construction with cement mortar and metal roof	1	52									yes		yes / below poverty line		yes	
13	Siradeghyan Narine	2	residential			secondary stone construction with cement mortar and metal roof	1	91										no	yes / below poverty line			no
14	Antonyan Artur	2	residential			secondary timber construction with cement mortar and metal roof	1	34										no				no
						secondary stone construction with cement mortar and metal roof	1	69												No		
15	Dalaqyan Laura	5	residential	49	49	primary stone construction with cement mortar and metal roof	2	240									yes		yes / below poverty line		yes	
16	Davdyan David	5				same flats block as AP 15												no				no

ID	Name	Family members	Land affected			Buildings affected			Trees affected		Businesses			Employment			Relocating		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area M2)	Type	No.	Type	Permanent	Temporary	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
17	Torosyan Piruza	5				same flats block as AP 15																
18	Barseghyan Barsegh	5				same flats block as AP 15																
19	Eghoyan Anahit	1				same flats block as AP 15																
20	Ghazaryan Khachatur	9				same flats block as AP 15																
21	Khachatryan Marietta	8				same flat block as AP 15																
22	Unknown, not in the city	6				same flat block as AP 15																
23	Iskandaryan Margarit	3				primary stone construction with cement mortar and metal roof	2	408														
24	Kagramanova Bella	3				same flats block as AP23																
25	Mnatsakanyan Alik	7				same flats block as AP23																
26	Martirosyan Roman	3				same flats block as AP23																
27	Saroyan Tigran	4				same flats block as AP23																
28	Davdyan Anna	5				same flats block as AP23																
29	Abrahamyan Lida	5				same flats block as AP23																
30	Badoyan Harutik	4				same flats block as AP23																
31	Meliqyan Pap 2 legally owned plots	7	residential	326	326	primary stone construction with cement mortar and metal roof	1	181														
				932	932	secondary stone construction with cement mortar and metal roof	1	25														
32	Baghdasaryan Artur	4	residential	494	494	primary stone construction with cement mortar and metal roof	1	120														
						secondary stone construction with cement mortar and metal roof	1	47														
33	Abajyan Yurik	7	residential	339	156	primary stone construction with cement mortar and metal roof	2	131	apple	10							yes				yes	
						secondary stone construction with cement mortar and metal roof	1	109	pear	1												

ID	Name	Family members	Land affected			Buildings affected			Trees affected		Businesses			Employment			Relocating		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area M2)	Type	No.	Type	Permanent	Temporary	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
									apricot	1												
									peach	3												
									plum	10												
									cherry	9												
									grape	8												
									mulberry	1												
									walnut	1												
									fig	4												
									pomegranate	3												
									ash	2												
									maple	2												
34	Asatryan Serob	9	residential	282	128				apple	1								no	yes / below poverty line			no
									apple	1												
									pear	1												
									peach	4												
									plum	4												
									cherry	10												
									mulberry	1												
									almond	1												
									maple	1												
35	Stepanyan Karine	5	residential	491	160													no	yes / below poverty line			no
36	Mkrtchyan Volodya	5	residential	638	304													no	yes / below poverty line			no
37	Vardanyan Ishkhan	12	residential	727	445				apple	9								no	yes / below poverty line			no
									apricot	3												
									peach	5												
									plum	6												
									cherry	15												
									grape	9												
									mulberry	9												
									walnut	5												
									hazelnut	5												
									quince	7												
									fig	5												
									pomegranate	3												
									willow	3												

ID	Name	Family members	Land affected			Buildings affected			Trees affected		Businesses			Employment			Relocating		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area M2)	Type	No.	Type	Permanent	Temporary	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
38	Papoyan Artashes	6	residential	385	179				apple	8								no	yes / below poverty line			no
									apricot	2												
									peach	1												
									plum	3												
									cherry	4												
									grape	1												
									mulberry	2												
									walnut	1												
									quince	1												
									ash	4												
									maple	3												
39	Araqelyan Varechka	5	residential	332	154				apple	8								no	yes / below poverty line			no
									apricot	1												
									plum	16												
									cherry	9												
									grape	9												
									pomegranate	1												
									maple	1												
40	Aloyan Karen	5	residential	707	324	primary stone construction with cement mortar and metal roof	1	106									yes		yes / below poverty line		yes	
41	Sahakyan Arayik	12	residential	608	459	primary stone construction with cement mortar and metal roof	2	128	apple	6							yes		yes / below poverty line		yes	
						secondary stone construction with cement mortar and metal roof	1	154	apricot	6												
						secondary metal framed construction with metal roof	1	27	peach	4												
									plum	3												
									cherry	10												
									grape	11												
									walnut	3												
									hazelnut	4												
									quince	1												
									pomegranate	4												
									ash	1												
									maple	1												
42	Margaryan Ararat	9	residential	513	491				apple	10								no	yes / below poverty line			no
									apricot	1												
									peach	5												
									plum	4												
									cherry	15												
									grape	3												

ID	Name	Family members	Land affected			Buildings affected			Trees affected		Businesses			Employment			Relocating		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area M2)	Type	No.	Type	Permanent	Temporary	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
									walnut	1												
									hazelnut	1												
									quince	2												
									fig	4												
									ash	5												
									maple	6												
									willow	3												
43	Gevorgyan Sahak	13	residential	199	10				apple	6								no	yes / below poverty line			no
									plum	13												
									cherry	20												
									grape	10												
									mulberry	3												
									walnut	9												
									hazelnut	10												
									quince	6												
									fig	7												
									ash	21												
									maple	12												
									willow	4												
44	Vardanyan Hratsin	6	residential	502	502				apple	2								no	yes / below poverty line			no
									apricot	8												
									peach	7												
									plum	2												
									cherry	3												
									grape	11												
									walnut	3												
									hazelnut	3												
									quince	4												
									fig	7												
									pomegranate	1												
									ash	5												
									maple	5												
45	Araqelyan Yeranuhi	3	residential	699	279				ash	11								no	yes / below poverty line			no
									maple	5												
									willow	16												
46	Vardanyan Grigor	10	residential	1067	849				apple	7									yes / below poverty line		yes	
47	Vardanyan Valya	2	residential			primary stone construction with cement mortar and metal roof	1	63	pear	2							yes			no	yes	
						secondary stone construction with cement mortar and metal roof	1	27	apricot	7												

ID	Name	Family members	Land affected			Buildings affected			Trees affected		Businesses			Employment			Relocating		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area M2)	Type	No.	Type	Permanent	Temporary	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
48	Vardanyan David	6	residential			primary stone construction with cement mortar and metal roof	1	45	peach	7							yes		yes / below poverty line		yes	
						secondary timber construction with cement mortar and metal roof	1	108	plum	3												
49	Vardanyan Gegham	8	residential			primary stone construction with cement mortar and metal roof	1	140	cherry	9							yes		yes / below poverty line		yes	
50	Harutyunyan Gagik	4	residential			secondary timber construction with cement mortar and metal roof	1	71	grape	6								no		no		no
51	Grigoryan Shmavon	5	residential	812	61				grape	10								no	yes / below poverty line			no
52	Melqonyan Qnarik	4	residential	3439	233				grape	5								no	yes / below poverty line			no
									apricot	1												
									apple	7												
									cherry	7												
									plum	3												
									peach	3												
									mulberry	4												
									walnut	1												
									quince	2												
53	Badalyan Jirayr	7	residential	451	58				apple	4								no	yes / below poverty line			no
									peach	1												
									mulberry	2												
									walnut	2												
54	Klekchyan Borik	6	residential	529	62	primary stone construction with cement mortar and metal roof	1	85									yes		yes / below poverty line		yes	
						secondary stone construction with cement mortar and metal roof	1	27														
						secondary timber construction with cement mortar and metal roof	1	96														

ID	Name	Family members	Land affected			Buildings affected			Trees affected		Businesses			Employment			Relocating		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area M2)	Type	No.	Type	Permanent	Temporary	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
55	Manasyan Varujan	3	residential	1195	662	primary stone construction with cement mortar and metal roof	1	61	apple	1							yes		yes / below poverty line		yes	
						secondary stone construction with cement mortar and metal roof	1	46	apricot	4												
									plum	2												
									grape	1												
									mulberry	2												
									walnut	2												
56	Antonyan Varduhi Add	5	residential	561	113	primary stone construction with cement mortar and metal roof	2	354									yes		yes / below poverty line		yes	
57	Harutyunyan Julieta	2				same flat block as AP 56	0	0									yes		yes / below poverty line		yes	
58	Avetisyan Albert	4				same flats block as AP 56											yes			no	yes	
59	Zaqaryan Lyusya	2				same flats block as AP 56											yes			no	yes	
60	Ghazaryan Karapet	4				same flats block as AP 56											yes			no	yes	
61	Ghazaryan Karapet	2				same flats block as AP 56											yes			no	yes	
62	Poghosyan Tamara	7	residential	976	695	primary stone construction with cement mortar and metal roof	1	196	cherry	1							yes			no	yes	
									grape	100												
									walnut	3												
									ash	1												
									maple	1												
63	Poghosyan Edik	4				same residential property as AP 62	0	0	grape	22								no				no
64	Nazaryan Artavazd	7				same residential construction as AP 63																
65	Nazaryan Hamlet	6				same residential construction as AP 63																
66	Gevorgyan Sahak	19	residential	199	10													no		no		no
67	Tunyan Razmik	5	residential	524	502	primary stone construction with cement mortar and metal roof	1	99	apple	4							yes			no	yes	

ID	Name	Family members	Land affected			Buildings affected			Trees affected		Businesses			Employment			Relocating		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area M2)	Type	No.	Type	Permanent	Temporary	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
						secondary stone construction with cement mortar and metal roof	1	25	pear	3												
						secondary timber construction with cement mortar and metal roof	1	17	apricot	2												
									peach	3												
									plum	2												
									cherry	6												
									grape	8												
									mulberry	2												
									hazelnut	2												
									almond	1												
									quince	1												
									fig	1												
									pomegranate	4												
									ash	4												
									maple	6												
68	Hayryan Sergey	5	industrial	660	545	primary stone construction with cement mortar and metal roof	1	164	apple	4							yes			no	yes	
						secondary stone construction with cement mortar and metal roof	1	115	peach	3												
									plum	1												
									cherry	17												
									grape	5												
									mulberry	3												
									walnut	2												
									quince	1												
									fig	7												
									pomegranate	1												
									ash	4												
69	Baghdasaryan Kamsar	6	residential			primary stone construction with cement mortar and metal roof	2	240									yes			no	yes	
70	Asatryan Boris	4	residential	982	982	primary stone construction with cement mortar and metal roof	1	136									yes			no	yes	

ID	Name	Family members	Land affected			Buildings affected			Trees affected		Businesses			Employment			Relocating		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area M2)	Type	No.	Type	Permanent	Temporary	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
71	Hovhannisyan Arman	4	residential	636	239				apple	7								no		no		no
									pear	2												
									apricot	3												
									peach	3												
									plum	7												
									cherry	16												
									grape	14												
									mulberry	2												
									walnut	4												
									hazelnut	8												
									quince	2												
									fig	2												
									ash	4												
72	Torosyan Grisha	6	residential	287	134													no		no		no
73	Bakhsyan Lyova	5	residential	281	109				apple	2								no		no		no
									peach	4												
									plum	6												
									cherry	4												
									grape	3												
									mulberry	3												
									ash	7												
									maple	6												
									willow	9												
74	Adamyany Zhirayr	5	residential	2062	125				apple	3								no		no		no
									peach	1												
									mulberry	1												
75	Vardanyan Edik	6	residential	856	394	primary stone construction with cement mortar and metal roof	1	80	apple	3							yes			no	yes	
									peach	2												
									grape	4												
									mulberry	1												
									pomegranate	2												
									thuja	12												
									ash	4												
									maple	1												
76	Badalyan Manuk	6	residential	1819	65				apricot	2								no		no		no
									cherry	3												
									peach	1												
									mulberry	2												
									ash	2												
									maple	3												

ID	Name	Family members	Land affected			Buildings affected			Trees affected		Businesses			Employment			Relocating		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area M2)	Type	No.	Type	Permanent	Temporary	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
77	Papyan Babken	6	residential	1475	119				grape	3								no		no		
									apple	1												
									cherry	10												
									peach	5												
									mulberry	2												
									walnut	2												
									quince	1'												
78	Zetlyan Angin	4	residential	778	778				apple	3								no		no		no
									apricot	6												
									peach	3												
									plum	17												
									cherry	10												
									grape	10												
									walnut	5												
									ash	5												
									maple	2												
									willow	2												
79	Sargsyan Martin	4	residential	1153	815	primary stone construction with cement mortar and metal roof	1	122	ash	35	production of metallic products	permanent					yes			no	yes	
									maple	32												
									willow	17												
						primary metal framed construction with metal roof	1	345														
80	Eghiazaryan Harutyun	1													permanent			no		no		no
81	Khachatryan Artur	2													permanent			no		no		no
82	Sargsyan Margarit	4													permanent			no		no		no
83	Harutunyan Arayik	5													permanent			no		no		no
84	Zakharyan Margush	9	residential	1589	1175	primary stone construction with cement mortar and metal roof	1	113			mechanic's garage	permanent					yes			no	yes	
						secondary stone construction with cement mortar and metal roof	1	6														
85	Martirosyan Siranush	4	commercial	783	333	primary stone construction with cement mortar and metal roof	1	249			food store	permanent					yes			no	yes	
						primary stone construction with cement mortar and metal roof	2	252														
						primary timber construction with cement mortar and metal roof	1	19														

ID	Name	Family members	Land affected			Buildings affected			Trees affected		Businesses			Employment			Relocating		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area M2)	Type	No.	Type	Permanent	Temporary	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
86	Madatyan Armen	6	commercial	150	150	concrete petrol forecourt metal underground storage tanks and stone office building	1	132	ash	2	petrol station	permanent					yes			no	yes	
						Primary metal framed construction with metal roof	1	18	maple	1												
									willow	1												
87	Ozmanyany Jamal	5	commercial								hot food vending		temporary					no		no	yes	
88	Ozmanyany Aziz	2														temporary		no		no		no
89	Ozmanyany Hamig	6	commercial	54	41	primary metal framed construction with metal roof	1	54			sheep trade shop	permanent					yes			no	yes	
90	Chatoev Karen	1													permanent			no		no		no
91	Gevorgyan Aramayis	5	commercial	85	19				grape	1	flowers selling	permanent					yes			no	yes	
									ash	3												
92	Gevorgyan Areqnaz	1													permanent			no		no		no
93	Gevorgyan Amine	1													permanent			no		no		no
94	Danielyan Nairuhi, Danielyan Aram	5	commercial	752	282	primary stone construction with cement mortar and metal roof	2	97	apple	1	furniture Products	permanent					yes			no	yes	
									apricot	1												
									peach	1												
									grape	5												
									walnut	2												
									fig	2												
									maple	2												
						secondary stone construction with cement mortar and metal roof	1	18														
						secondary timber construction with cement mortar and metal roof	1	43														
						primary stone construction with cement mortar and metal roof	1	285														
95	Shmavonyan Gnel	7	commercial	1206	1206	primary stone construction with cement mortar and metal roof	1	30	apple	2	café	permanent					yes			n	yes	
						primary timber construction with cement mortar and metal roof	1	16	plum	2												
									cherry	1												

ID	Name	Family members	Land affected			Buildings affected			Trees affected		Businesses			Employment			Relocating		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area M2)	Type	No.	Type	Permanent	Temporary	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
									walnut	2												
									ash	74												
									maple	55												
96	Vardanyan Edik	6	commercial	2017	860	primary metal framed construction with metal roof	1	43			food store	permanent					yes			no	yes	
						secondary metal framed construction with metal roof	1	34														
97	Sargsyan Hayk	9												legal	permanent			no		no		no
98	Exiazaryan Harutyun	4												legal	permanent			no		no		no
99	Sargsyan Makar	4												illegal	permanent			no		no		no
100	Harutyunyan Arayik	5												illegal	permanent			no		no		no
101	Khazaryan Frunze	8												illegal	permanent			no		no		no
102	Gevorgyan Areqnaz	5												legal	permanent			no		no		no
103	Gevorgyan Armine	5												legal	permanent			no		no		no
104	Institute of Aviation / Ministry of Defence	0	government	27372	1462	land only												no		no		no
105	Mnatsakanyan Sarkis	1	dis-used commercial	1961	312	non completed primary stone construction with cement mortar and metal roof	3	777										no		no		no
106	Arshakyan Abraham	1	dis-used community land	256	68	land only												no		no		no
107	Simonyan Astghik	1				same plot of land as AF 106												no		no		no
108	Sergsyan Mikael	6	residential	490	204	primary stone construction with cement mortar and metal roof	2	490										no		no		no
109	Galstyan Robert	6	commercial	3126	802	primary stone construction with cement mortar and metal roof	1	536									yes			no	yes	
						primary metal framed construction with metal roof	1	250														
110	Unknown	1	dis-used community land	676	235	land only												no		no		no
111	Unknown	1	dis-used community land	298	137	land only												no		no		no
112	Unknown	1	dis-used community land	387	176	land only												no		no		no

ID	Name	Family members	Land affected			Buildings affected			Trees affected		Businesses			Employment			Relocating		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area M2)	Type	No.	Type	Permanent	Temporary	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
113	Unknown	1	dis-used community land	873	263	land only												no		no		no
114	Unknown	1	dis-used community land	281	109	land only												no		no		no
115	Electric substation No. 1377 'Electric Networks of Armenia" CJSC	0	public Land	25	25													no		no		no
116	Samvel	1	dis-used community land	933	550	land only			apple	4								no		no		no
									pear	3												
									apricot	8												
									peach	7												
									plum	2												
									cherry	3												
									grape	11												
									walnut	3												
									hazelnut	3												
									quince	4												
									fig	7												
									pomegranate	1												
117	Gevorkyan Gurchen	1	community land	671	304				apple	10								no		no		no
									pear	7												
									apricot	7												
									peach	19												
									plum	18												
									cherry	10												
									grape	18												
									mulberry	5												
									walnut	4												
									hazelnut	3												
									quince	4												
									fig	5												
									willow	3												
118	Unknown	6	dis-used	285	28	primary stone construction with cement mortar and metal roof	2	285										no		no		no

ID	Name	Family members	Land affected			Buildings affected			Trees affected		Businesses			Employment			Relocating		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area M2)	Type	No.	Type	Permanent	Temporary	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
119	Mukhayelyan Rubik	2	residential	1710	120	primary stone construction with cement mortar and metal roof	1	143	apple	7							yes			no	yes	
									apricot	6												
									peach	1												
									plum	2												
									cherry	3												
									mulberry	1												
									almond	1												
									fig	2												
									pomegranate													
									ash	1												
									maple	1												
									willow	1												
120	Hayrapetyan Yurik	2	residential	931	273	primary stone construction with cement mortar and metal roof	1	251	apricot	3							yes			no	yes	
						secondary stone construction with cement mortar and metal roof	1	26	peach	3												
									plum	6												
									cherry	1												
									grape	2												
									almond	2												
									quince	1												
									fig	1												
121	Sergsyan Meliq	2				same construction as AP 120											yes			no	yes	
122	Arshakyan Armen	5	residential			primary stone construction with cement mortar and metal roof	3	292	apple	9							yes			no	yes	
						secondary stone construction with cement mortar and metal roof	1	100	apricot	6												
									peach	8												
									plum	7												
									cherry	7												
									grape	26												
									mulberry	1												
									walnut	2												
									hazelnut	2												
									almond	1												
									quince	2												
									ash	1												
									maple	1												

ID	Name	Family members	Land affected			Buildings affected			Trees affected		Businesses			Employment			Relocating		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area M2)	Type	No.	Type	Permanent	Temporary	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
123	Manasyan Ashot	1	community land	1195	662				apple	7								no		no		no
									apricot	6												
									peach	2												
									plum	6												
									cherry	6												
									grape	5												
									mulberry	1												
									walnut	2												
									quince	2												
									fig	5												
124	Pashinyan Yura Plant	0	industrial	34480	3315	land only												no		no		no
125	Nairit CJSC	0	industrial	40709	2422	land only												no		no		no
126	Railway Security Watchbox "South Caucasus Railway" CJSC	0	public land	38	29		1	36										no		no		no
127	Karapetyan Vrezh	5	commercial	445	9	primary stone construction with cement mortar and metal roof	1	63	cherry	2							yes			no	yes	
						primary metal framed construction with metal roof	1	82	ash	6												
									maple	4												
128	Sargsyan Samvel	3													permanent		yes			no		no
129	Gevorg	4													permanent		yes			no		no
130	Hovik	3													permanent		yes			no		no
131	Vardan	3													permanent		yes			no		no
132	Ashot	6													permanent		yes			no		no
133	Slavik	4													permanent		yes			no		no
134	Arayik	2													permanent		yes			no		no
135	Karapetyan Vahan	1	community land	373	8				cherry	3								no		no		no
									ash	7												
									maple	6												
136	Hakhverdyan Borya	1	community land	305	65				apricot	2								no		no		no
									apple	1												
									cherry	2												
									peach	1												
137	Telonc Aram	1	community land	222	45				cherry	11								no		no		no
									walnut	2												
									ash	4												
138	Manukyan Razmik	1	community land	899	97				apricot	4								no		no		no
									apple	4												
									peach	6												
									walnut	2												
									maple	3												
									ash	3												

ID	Name	Family members	Land affected			Buildings affected			Trees affected		Businesses			Employment			Relocating		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area M2)	Type	No.	Type	Permanent	Temporary	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
139	Manukyan Karlen	1	community land	860	47				grape	12								no		no		no
									apricot	3												
									cherry	6												
									plum	1												
									mulberry	1												
									walnut	1												
140	Unknown	1	dis-used community land	745	51	land only												no		no		no
141	Unknown	1	dis-used community land	670	56	land only												no		no		no
142	Unknown	1	dis-used community land	705	84	land only												no		no		no
143	Unknown	1	dis-used community land	529	47	land only												no		no		no
144	Harutyunyan Andranik	1	dis-used community land	2231	149				apricot	2								no		no		no
									mulberry	1												
									walnut	2												
									fig	1												
145	Unknown	1	dis-used community land	1950	82	land only												no		no		no
146	Unknown	1	dis-used community land	367	154	land only												no		no		no
147	Melkonyan Qnarik	1	dis-used community land	1940	199	land only												no		no		no
148	Unknown	1	dis-used community land	351	69	land only												no		no		no
149	Grigoryan Shmavon	1	dis-used community land	812	61	land only												no		no		no
150	Unknown	1	dis-used community land	478	42	land only												no		no		no
151	Unknown	1	dis-used community land	486	39	land only												no		no		no
152	Unknown	1	dis-used community land	654	74	land only												no		no		no
153	Mnatsakanyan Serkis	6	commercial	1961	312	incomplete primary stone construction with mortar and metal roof	3	777										no		no		no
154	Margaryan Siranuysh	1	commercial	783	333	incomplete primary stone construction with mortar and metal roof	2	252										no		no		no
						secondary stone construction with cement mortar and metal roof	1	149														
						secondary timber construction with cement mortar and metal roof	1	19														

ID	Name	Family members	Land affected			Buildings affected			Trees affected		Businesses			Employment			Relocating		Vulnerable AF allowance		Severe Impact allowance	
			Type	Area (M2)	Area affected (M2)	Type	Number of floors	Area M2)	Type	No.	Type	Permanent	Temporary	Type	Permanent	Temporary	Yes	No	Yes	No	Yes	No
155	Muradyan Marine	6													permanent			no		no		no
156	Khachatryan Regina	6													permanent			no		no		no
157	Harutunyan Gevorg	7													permanent			no		no		no
158	Sargsyan Sargis	4													permanent			no		no		no
159	Sargsyan Varduhi	1													permanent			no		no		no
160	Muradyan Aman	5													permanent			no		no		no
161	Karapetyan Aperak	5													permanent			no		no		no
162	Harutyunyan Zaven	1	community land	676	235	land only												no		no		no
163	Harutyunyan Arsen	1	community land	281	109	land only												no		no		no

Minutes of Consultation Meeting

URBAN INFRASTRUCTURE AND SUSTAINABLE CITY DEVELOPMENT PROGRAM HIGHWAYS PROJECT 3 LARP - PUBLIC CONSULTATION MINUTES

Topic:

Public consultation undertaken by PPTA Consultants to disclose the draft LARP to the AP's in the Shengavit district of Yerevan.

Date/Time:

Presentation took place from 12.00 to 14.00 on May 11, 2010.

Location:

School No. 98 in Shengavit district of Yerevan.

Chair:

PPTA Consultants: Artashes Arakelyan, Director, "AdInfoSys" Management Institute, Local Team Leader; Lianna Mkhitarian, Social and Resettlement Specialist, "AdInfoSys" Management Institute.

Attendees:

Gohar Mousayelyan, Project Implementation Officer, ADB;

Mkrtchyan Artur, Chief Specialist, PIU;

Khachatryan Andranik, Senior Specialist, PIU

There were present 135 residents of the project area mostly attending as couples, representatives of Shengavit district authority, representatives of non-governmental organizations (NGOs).

Pre-prepared Agenda Points:

1. Overview of Shirak Street – Artashat Highway project;
2. Actual presentation to introduce principles used in preparation of the LARP.
3. Question and answer session.

Minutes:

A Public Information leaflet was prepared for the purpose of information disclosure, translated into Armenian and distributed to the APs.

Overview of Shirak Street – Artashat Highway project.

Artashes Arakelyan briefly introduced the project to the audience, specifying the purpose of the public consultation event.

Presentation to introduce principles used in preparation of the LARP.

Lianna Mkhitarian conducted the presentation disclosing the principles of the LARP and explained how the core involuntary resettlement principles and the process of land acquisition and resettlement adopted by the EA would be implanted and the aims in reducing negative impacts of the project on APs by timely and proper compensation of their losses. Entitlements for compensation, conditions for property legalization, restoration and rehabilitation provisions adopted for the implementation of the project as well as the indicative timeframe of the actions to be undertaken were presented.

Question and answer session.

The following questions were asked by the residents of project area and NGO representatives:

Q1. (Mirzoyan Gayane Arshakuniats 135b, apt 2): When does works begin? How much time will we be given for residents to vacate properties?

A1. (Artashes Arakelyan): Work will commence after the last person receives compensation. The time given for relocation will be defined by Yerevan Municipality.

Q2. (Klekchyan Borik Arshakuniats 286):How is the cadastre price defined?

A2. (Lianna Mkhitarian): Yerevan is divided into zones. Each zone has calculated its cadastral price.

Q3. Hunanyan Sargis who are you and what organizations do you represent?

A3. Mott McDonald and "Adinfosys" Management Institute are international and local consultants correspondingly.

Q4. We have a territory and want to take a license for building construction.

A4. (Artashes Arakelyan):You will need to apply for permission to the Municipality.

Q5. (Arakelyan Mikael Arshakuniats 135b, apt 11): We live in a state owned building so will we be given compensation ? Shall we look for new accommodation ?

A5. (Lianna Mkhitarian): You need to apply to the Municipality and start the process of legalization for the accommodation that you live in. After that you will be compensated as legal owners.

Q6. We have been applying for three years for privatizing the land, but the authorities don't do anything. Now what can I do?

A6. (Lianna Mkhitarian): You will need to apply to the Municipality and start the legalization process. In the framework of the current project you will be legalized if you land is "legalizable".

Q7. (Vardanyan Ishkhan Arshakuniats 286):What about crop compensation ?

A7. (Lianna Mkhitarian): Crops will be compensated at market rates for the gross value of one years yield.

List of Attendance at the Public Consultation Event for URBAN INFRASTRUCTURE AND SUSTAINABLE CITY DEVELOPMENT PROGRAM Highways Project 2 Land Acquisition and Resettlement Plan (LARP) held on

May 11, 2010

NN	Name	Address	Phone number
1	Saprichyan R. M.	Arshakuniats 135 ^b apt 10	48 89 01
2	Chobanyan Sh. M.	Arshakuniats 135 ^b apt 8	48 89 36
3	Asatryan B. G.	Arshakuniats 324/4	44 00 80
4	Sahakyan A. N.	Arshakuniats 318/2	49 17 47
5	Grigoryan R. L.	Arshakuniats 286	48 95 25
6	Gharibyan G. B.	Arshakuniats 296, apt 10	20 54 04
7	Arshakyan Armen	Noragavit 1 st str, 1 st deadend, house 6	010 48 48 45 091 51 16 69
8	Tunyan Razmik	Noragavit, 1 st str, 1 st deadend, house 8	010 48 13 71
9	Vardanyan Eduard	Arshakuniats 119/5	094 98 97 89 099 99 01 95
10	Mkrtchyan Arsen	Arshakuniats	010 48 79 07 093 19 75 71
11	Zakaryan Sofya	Arshakuniats 296, apt 13	055 80 88 53
12	Hovhannisyan Samvel	Arshakuniats 296, apt 4	010 56 48 04
13	Zakharyan Margush	Arshakuniats 294a	010 48 81 70
14	Danielyan Mairuhi	Arshakuniats 322/3	010 48 33 31
15	Vorskayan Emma	Arshakuniats 135b, apt 14	010 48 73 40
16	Hayrikyan Sergey	Noragavit 1 st str, apt 1 st	010 48 59 61
17	Asatryan Serob	N. Shengavit 14 th 9/6	010 48 07 91
18	Torosyan Grisha	N. Shengavit 14 th house 3 ^a	010 48 18 11
19	Papoyan Artash	N. Shengavit 14 th house 4 ^a	010 48 11 78
20	Papoyan Andranik	N. Shengavit 14 th house 4	010 48 95 84
21	Aloyan Karen	N. Shengavit 14 th house 2 ^a	091 49 49 77
22	Apozyan Alisa	N. Shengavit 14 th house 2 ^a	01048 08 31
23	Abajyan Yura	N. Shengavit 14 th house 4 ^a	010 48 66 35
24	Shmavonyan Armenak	Airport territory	093 75 34 65
25	Shmavonyan Gnel	Airport territory	093 58 06 55
26	Melikyan Pap	Arshakuniats avenue, 135/15	093 96 30 08
27	Melikyan Pap	Arshakuniats avenue, 135 ^a	010 48 72 72
28	Baghdasaryan Artur	Arshakuniats avenue, 135/2 house	093 51 61 24
29	Dalakyan Laura	Arshakuniats 135 ^a apt 1	010 48 55 44
30	Zakaryan Amra	Arshakuniats 133	093 36 04 76
31	Hovhannisyan Garnik	Arshakuniats 135/3	094 23 69 90
32	Pogosyan Edik	Noragavit 1 st str, 2 nd deadend, 3 rd house	010 48 83 16
33	Antonyan Babken	Arshakuniats str, apt 288	094 32 13 11
34	Margaryan A.	Arshakuniats 286	010 48 01 62
35	Vardanyan Hratin	Arshakuniats 286/5	010 48 01 62
36	Vardanyan Ishkhan	Arshakuniats 286	010 48 91 15
37	Abrahamyan Gegham	Shengavit 16 th str, 3 rd apt	010 48 26 91
38	Klekchyan Borik	Arshakuniats 286	010 48 24 96
39	Barseghyan Barsegh	Arshakuniats 135a, apt 7	010 48 58 04
40	Mirzoyan Gayane	Arshakuniats 135b, apt 2	010 48 89 59
41	Ghazaryan Nvard	Arshakuniats 135b, apt 13	010 48 25 91
42	Ishoevo Valeri	Arshakuniats 135b, apt 11	010 48 89 31
43	Arakelyan Mikael	Arshakuniats 135b, apt 2	010 48 89 59
44	Vardanyan Grigori	Noragavit 1 st str, apt 10	010 49 80 21
45	Muradyan Aramajis	Internal Shengavit 16 th str, 1 st house	098 52 56 70
46	Muradyan Artush	Internal Shengavit 16 th str, 1 st house	098 52 56 70
47	Hovhannisyan Arman	Internal Shengavit 16 th str, 7 th house	098 15 09 30
48	Badalyan Vahram	Arshakuniats 135	094 00 46 76

49	Sargsyan Martin	Arshakuniats 131	091 41 74 52
50	Khachatryan Gegham	Arshakuniats 131 "Davit" CJSC	093 44 97 00
51	Hovhannisyan Ruben	Arshakuniats 135 ^v apt 3	010 48 19 38
52	Badalyan Manuk	Arshakuniats apt 32	010 49 07 32
53	Papoyan Babken	Arshakuniats apt 26	010 49 05 47
54	Badalyan Enok	Arshakuniats apt 32	010 49 08 32
55	Vardanyan Valya	Arshakuniats 1 st str, 1 st deadend, apt 10	010 49 17 87
56	Vardanyan Davit	Arshakuniats 1 st str, 1 st deadend, apt 10	010 49 07 86
57	Margaryan Sirand	Arshakuniats 118/1	010 48 02 85
58	Bachshyan L.	Internal Shengavit 16 th str, apt 5	010 48 02 85
59	Stepanyan Karine	Internal Shengavit 16 th str, apt 3	094 23 01 20
60	Hunanyan Sargis	Arshakuniats 292a, apt 3	010 49 01 97
61	Melkonyan Azat	Arshakuniats 135/4	093 35 50 18
62	Sargsyan Robert	Arshakuniats 135/6	093 34 19 57
63	Sargsyan Henrikh	Arshakuniats 135b/7	091 11 22 30
64	Samvel Melkumyan	Arshakuniats 135b/3	094 88 49 87
65	Mkrtchyan Svetlana	From school staff	
66	Gasparyan Donara	From school staff	
67	Nelli Simonyan	From school staff	
68	Khachatryan Andranik	Isakov 52/1, apt 25	091 49 80 19
69	Mkrtchyan Artur	Galshoyan apt 32	091 45 04 59
70	Barsegyan Areg	AdInfoSys	
71			

Impacts Compensation / Rehabilitation: Information Booklet

Introduction

1. The Asian Development Bank (ADB) has agreed to provide the Armenian Government with a \$400 million Multi-tranche Financial Facility (MFF) to finance the Urban Infrastructure and Sustainable City Development Program(the Program). Tranche 1 of the Program includes sub-projects to construct missing road links to complete the Yerevan west bypass. One such project is the construction of the 3.7 km Shirak St. – Artashat highway Section, otherwise known as Project 2.
2. This Land Acquisition and Resettlement Plan (LARP) have been prepared to specify the compensation, resettlement and rehabilitation requirements and arrangements for Highways Project 2. The LARP identifies i) the extent of losses; ii) the policy and framework for compensation payments and relocation; (iii) institutional framework for participation and implementation; and (iii) responsibilities for monitoring the implementation measures.

Project Location, Description and Potential Impacts

3. The Project 2 area is located in the South-West area of Yerevan in the administrative District of Shengavit, approximately 6km south-west of Yerevan City centre. The project location is depicted in Figure 1.3 below.
4. The objective of Highways Project 2 is to facilitate road transport flows from Arshakuniats Avenue. to Artashat along the Artashat Highway and in the opposite direction. The 3.7km alignment includes widening of Arshakuniats Avenue, connecting Artashat Highway (M-2) to Shirak Street and widening Artashat Highway to Noragavit 1st Street.
5. A total of 159 AFs and 676 APs would be affected by land acquisition and resettlement resulting from this project. Impacts have been preliminarily determined as including acquisition or displacement of:
 - 35,674 m² of land, the majority of which is for residential and business use;
 - 67 residential and business buildings;
 - 1,639 fruit bearing trees and 472 non-fruit bearing trees;
 - 1 mobile business and 9 permanent businesses; and.
 - 29 employees.
6. The LARP specifies how all of these impacts will be compensated for through cash and other relocation and rehabilitation assistance. This preliminary impacts assessment and the specifications of this plan will be verified and finalised through consultation with affected communities and further survey work to be completed no later than February 2011.

Figure 9.1: Location of Highways Project 2



Source: Municipality of Yerevan (2010)

Principles for Compensating and or Rehabilitating the AF/AP

7. Based on Armenian laws and ADB's SPS, 2009, core involuntary resettlement principles are developed for this MFF which are as follows:
 - Land acquisition, and other involuntary resettlement impacts will be avoided or minimized exploring all viable alternative project designs;
 - 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;

- 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;
- Vulnerable and severely affected APs will be provided special assistance;
- 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;
- Legalizable APs will be legalized and fully compensated for land losses;
- Provision of income restoration and rehabilitation;
- The LARP will be disclosed to the APs in the local language;
- 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;
- Appropriate redresses mechanisms to solve APs grievances are established.

Compensation and Rehabilitation Eligibility and Entitlements

8. All families residing in affected areas and holding affected assets or incomes before the eligibility cut-off date for the project 2nd April 2010 (the date of the end of the impact survey) will be entitled to compensation and/or rehabilitation for their losses in accordance with the entitlements matrix presented below.

Entitlements Matrix

Type of Loss	Application	Definition of APs	Compensation Entitlements
1. Agricultural land Loss	AF losing agricultural land regardless of impact severity	Owner with full registration	Compensation at market rate +15% either in cash or through replacement plots acceptable to the AP.
		Legalizable Owner	Same compensation as above after APs legalization
		Leaseholder	When possible these AF 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 value of the affected land + 15% in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
		AFs without title or lease	AP to be legalized and provided compensation as above. If legalization is impossible a rehabilitation allowance equal to the affected land cadastral value.
2. Non-Agricultural Land loss	AF losing their commercial/ residential land	Owner with full registration	Compensation at market rate +15% either in cash or through replacement plots acceptable to the Aps.
		Legalizable Owner	Same compensation as above after APs legalization
		Renter/Leaseholder	When possible these AF 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 value of the affected land + 15% in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
		AFs without title or lease	AP to be legalized and provided compensation as above. If legalization is impossible they will be given a rehabilitation allowance equal to the affected land cadastral value
3. Residential buildings		All AF regardless of legal status.	Cash compensation + 15% for loss of building at full replacement cost free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs.
		Relocated Renters	Relocation and severe impact allowance as entitlement 9 and 10 below
4. Non-residential buildings/assets		AFs with valid registration	Cash compensation + 15% for loss of building at full replacement cost free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs.
		AFs without title or lease	As above but after building is legalized/registered
		Relocated Renters	Relocation and severe impact allowance as entitlement 9 and 10 below
5. Common property Loss	Community/Public Assets	Community/Government	Reconstruction of lost structure in consultation with community and restoration of their functions
6. Crop Losses	Standing crops affected	All AF regardless of legal status	Crop compensation in cash at market rate by default at gross crop value of expected harvest.
7. Tree Losses	Trees affected	All AF regardless of legal status..	Cash compensation at market rate based on type, age and productive value of the trees.
8. Business losses	Business	All AF regardless of legal status.	Owner: (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. Mobile business will receive 1 month's net income. Assessment to be based on tax declaration. In absence of tax declaration the AF 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..
Employment Losses			Permanent Worker/Employees: Indemnity equal to: (i) Permanent job loss 6 months of minimum salary; (ii) Temporary loss minimum monthly salary x the number of months of job loss up to 6 months.
9. Allowances for Severe Impacts	AF with >10% agricultural income loss or to be relocated	All severely affected AFs including informal settlers and relocated renters	i) 1 additional crop compensation covering 1 year yield for APs affected by severe agricultural income losses
			ii) a rehabilitation allowance of 6 months at minimum salary for relocated AFs..
10. Relocation allowances	Transport/transition costs	All relocated AF including relocated renters	Provision of funds to cover transport costs and livelihood expenses for 1 month – this is estimated to be 140,000 AMD
11 Vulnerable People Allowances		AFs below poverty line or headed by Women	Allowance equivalent to 6 months of minimum salary and employment priority in project-related jobs
12. Temporary impacts		All AFs	Due rent and rehabilitation for temporarily affected assets will be provided.
13. Unforeseen impacts, if any			IA will consider the unforeseen resettlement impact during project and will compensate them based on the above provisions.

9. Entitlement provisions for APs losing land, houses, and income and rehabilitation subsidies will 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:
- a. **Agricultural land impacts:** will be compensated at market rates in: (i) cash at current market rates plus a 15% allowance, or (ii) through replacement land equal in value/productivity to the plot lost acceptable to the AP. Non-directly affected sections of a plot which become inaccessible or unviable for cultivation or any use after the impact will be included in the affected land. When >10% of an AP agricultural land 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. Transaction taxes and fees will be paid by the EA/IA or waived. Legalizable APs will be legalized and paid as titled owners. Non-legalizable APs will be compensated with one time self-relocation allowances in cash equal to the cadastral value of the affected land. Leaseholders 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 value of the affected land + a 15% allowance in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
 - b. **Non agricultural land (Residential/commercial land):** Legal/legalizable settlers will be compensated at replacement rate either (i) in form cash at current market rates plus a 15% allowance, or (ii) in form of a replacement plot acceptable to the AP. Non-directly affected sections of a plot which become inaccessible or unviable for cultivation or any use after the impact will be included in the affected land. Legalizable APs will be legalized and paid as titled owners. Non-legalizable APs will be compensated with one time self-relocation allowances in cash equal to the cadastral value of the affected land. Leaseholders 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 value of the affected land + 15% in the following proportions based on the remaining years of lease: i) < 1 year 5%; ii) < 15 years 14% ; iii) < 25 years 20%; iv) >25 years 25%.
 - c. **Residential Buildings:** will be compensated to all APs irrespective of the house registration status in cash at replacement cost plus a 15% allowance. However house owners without registration will have to be legalized in order to obtain this provision. Compensation will be free of deductions for depreciation, transaction costs and salvageable materials. In case of partial impacts and unwillingness of the owner to relocate, building impacts will 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).
 - d. **Non-Residential Buildings** will be compensated in the same fashion as residential buildings (see above). However APs without registration in order to be legalized will have to pay all relevant registration fees. Relocated renters will be given all relocation and severe impacts allowances (see below).
 - e. **Crops:** Cash compensation at current market rates for gross value of 1 year's harvest by default. Crop compensation will be paid both to landowners and tenants based on their sharecropping agreements.
 - f. **Trees:** Cash compensation at market rate based on type, age and productivity of trees.
 - g. **Businesses:** Permanent loss (up to 1 year) will be compensated in cash equal to a 1-year net income based on tax declaration; temporary losses will be compensated in cash equal to the monthly income based on tax declaration x the number of months of business stoppage (for this item it is assumed that the impact will last 3 months). Mobile business will receive 1 months of

business allowance. In absence of tax declaration the AP will be compensated as above but based on the maximum non-taxable salary (minimum salary).

- h. **Permanent business workers and employees:** Indemnity for lost wages for the period of business interruption up to a maximum of 6 months.
- i. **Relocation subsidy:** APs forced to relocate (including renters) will receive a relocation subsidy sufficient to cover transport costs and living expenses for 1 month.
- j. **Community Structures and Public Utilities:** Will be fully replaced or rehabilitated so as to satisfy their pre-project functions.
- k. **Severe impacts allowances:** These will be given to AF losing >10% of agricultural income (see above) or to relocated AF (including renters).
- l. **Vulnerable people's livelihood:** Vulnerable people (APs below poverty line and widow or elder headed households) will be given a rehabilitation allowance equal to 6 months at minimum salary and priority in employment in project-related jobs.

Assessment of Unit Values

10. The unit values for the allowances provided under the project are presented in Table 8.1, Table S.3 and Table S.4 below.

Allowance Unit Rate Values

Allowance Category	Impact / AP characteristic Triggering Impact	Unit	Rate Determinant	Rate Value AMD / month
Severe impact allowance	Relocation of property renters	6 months Minimum salary	Minimum monthly salary as of 21.04.10	30,000
Relocation allowance	Relocation of property renters	1 Month	Estimate of transport costs and livelihood expenses	140,000
Vulnerable People Allowance	Relocation of AH (including renters) that are below the poverty line and widow or elder headed households	6 months Minimum salary	Minimum monthly salary as of 21.04.10	30,000

Land Unit Rates

Type of use	Unit rate AMD /m ²
Residential	16,985
Commercial	18,954
Industrial	15,437
Unused	16,407

Buildings and Structures Unit Rates

Building types and category	Unit rate AMD / m ²
<i>Primary residential and business constructions:</i>	
Stone construction with cement mortar and metal roof	167,247
Timber construction with cement mortar and metal roof	40,000
Metal framed construction with metal roof	26,977
<i>Secondary residential and business constructions</i>	
Stone construction with cement mortar and metal roof	97,701
Timber construction with cement mortar and metal roof	30,000
Metal framed construction with metal roof	25,723
<i>Special structures:</i>	
Petrol Station with concrete petrol forecourt, metal underground storage tanks and stone office building.	200,000

Rehabilitation and Relocation Allowances

11. AFs affected by the project will be entitled to allowances for rehabilitation, relocation and whether the AFs are severely affected and vulnerable families. The Table below indicates the level of allowance according to the type of impact.

Allowances Budget

Type of allowance	Unit rate determinant	Unit rate AMD
Relocation	1 month estimate of transport costs and livelihood expenses	140,000
Severe impacts	6 months minimum salary 30,000 per month	180,000
Vulnerable AF	1 month estimate of transport costs and livelihood expenses	140,000

Grievance Redress

12. All APs have the right to file complaints and/or queries on any aspects of land acquisition compensation, and resettlement. In order to ensure that grievances and complaints are addressed in a timely and satisfactory manner and that all possible avenues are available to APs to air their grievances, following mechanism for grievances have been set up.
- Step-1: AP or APs submit his/her/their complaint to the Social and Resettlement Specialist (SRS) within the Land Acquisition and Resettlement Unit (LARU) of the Project Implementation Unit (PIU) with the involvement of informal mediators. The complaint will be signed by the AP and it will explain the nature of complaint, the location and the complainant's complete address.
 - Step-2: The PIU will issue a formal response no later than 30 days after receipt of the grievance. This response will either be an offer for compensation to the complainant, and invitation to discuss the issue further at a private meeting or an explanation for the dismissal of the complaint.
 - Step-3: If the AP does not agree with the PIU's compensation offer or reasons for dismissal, the APs should present their grievance to the relevant IA. The AP must lodge the complaint within 1 month after receiving response on the original complaint from the PIU and must produce documents supporting his/her claim.

- d. Step-4: IA must consult the Project Governing and Coordinating Council (PGCC) for their decision on whether to settle or go to Court. The PGCC must provide a response within 15 days of registering the complaint. The PGCC decision must be in compliance with the LARP provisions.
 - e. Step-5: If the complainant is still not satisfied with the decision of the PGCC and is willing to continue with his complaint, he/she can register/file his case in the court whose decision will be final.
13. All efforts will be made to settle the issues at the LARU/PIU level through community consultation. If not, possible attempts will be made to resolve the issues at the PGCC level to avoid the judiciary to minimize litigation as much as possible. All complaints and resolutions will be properly documented by the LARU/PIU and be available for review and monitoring and evaluation purposes.