

Social Monitoring Report

Semiannual Report
January 2018
January-June 2017

ARM: North-South Road Corridor Investment Program

Loan 2993-ARM: Tranche 3 (Talin-Lanjik), Yerevan-Artashat Section

Prepared by “Transport Projects Implementation Organization” State Non-Commercial Organization for the Ministry of Transport, Communication and Information Technologies of the Republic of Armenia and the Asian Development Bank. This social monitoring report is a document of the borrower.

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Prepared by “North South Road Corridor Investment Project Management Unit” State Non-Commercial Organization for the Ministry of Transport and Communications of the Republic of Armenia for the Asian Development Bank.

CURRENCY EQUIVALENTS

(As of 30 June 2017)

Currency unit	–	AMD
AMD 1.00	=	\$ 0.0020812
\$1.00	=	AMD 480.47

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ABBREVIATIONS

ADB	Asian Development Bank
AH	Affected Households
AMD	Armenian Dram
AP	Affected Person
EA	Executing Agency
EM	Entitlement Matrix
GoA	Government of Armenia
GRM/GRG/ GHP	Grievance Redress Mechanism/ Grievance Redress Group/ Grievance Focal Person
IMA/EMA	Independent Monitoring Agency/External Monitoring Agency
IC/IT	Implementation Consultant/Implementation Team
LAR	Land Acquisition & Resettlement
LARF	Land Acquisition & Resettlement Framework
LARP	Land Acquisition & Resettlement Plan
LGBs	Local Self- Governing Bodies
MFF	Multi-Tranche Financing Facility
MOTC	Ministry of Transport and Communications
NGO	Non-Government Organization
NSRCP	North South Road Corridor Project
PGC	Project Governing Council
PMC	Project Management Consultant
PMU	Project Management Unit
RA	Republic of Armenia
SCREC	State Committee of Real Estate Cadaster
SEU	Social and Environmental Unit
SPS	Safeguard Policy Statement
TPIO	Transport Projects implementation Organization SNCO
T1/T3	Tranche 1 and T3 of the North South Corridor Road Project

GLOSSARY

Affected Household (AH)	The affected household as a whole. This unit operates as a single economic and domestic unit and may consist of an individual, a single nuclear family or an extended family. This is the significant unit receiving compensation/rehabilitation.
Affected Person /People (AP)	Any person (individual) affected by Project-related changes in use of land, water, natural resources, or income losses.
Compensation	Payment in cash or in kind of the replacement cost of the acquired assets.
Eminent Domain	A regulatory measure by government to obtain land.
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.
Expropriation	Government's action in taking or modifying property rights in the exercise of the right of Eminent Domain.
Informal Tenants	An Affected Person who uses affected land or asset based on an informal agreement with an absent owner or the community as confirmed by a statement from a Community Leader.
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 compensation.
Relocation	The physical relocation of an AP/AH from her/his pre-Project place of residence requiring the rebuilding of housing or assets, in another location.
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.
Resettlement Plan	A time-bound action plan with budget setting out resettlement strategy, objectives, entitlement, actions, responsibilities, monitoring and evaluation.
Vulnerable Affected Households (AH)	Vulnerable households are: (i) Registered in the evaluation system of vulnerability of families (ESVF) and receive a family allowance, (ii) headed by a breadwinning women and not including other adult, working-age person with stable employment providing at least minimum monthly salary except for persons doing compulsory military service or full-time students under twenty-three years of age, (iii) households headed by persons entitled to old age pension and not including other adult, working-age person with stable employment providing at least minimum monthly salary except for persons doing compulsory military service or full-time students under twenty-three

	years of age.
Legalizable AP	APS who have no registered ownership or other property rights toward the affected land and/or adjacent building/asset but are legally eligible thereto based on actual possession and usage of property or law, or the possibility of obtainment of property rights of latters are directly resulting of or are disposed by RA legal acts.
Non - legalizable AP	APS who though actually possess and use affected land and adjacent asset but do not have legal possibility eligibility to obtain ownership or other property rights toward the affected land according to restrictive provisions and regulations of legislation

TABLE OF CONTENTS

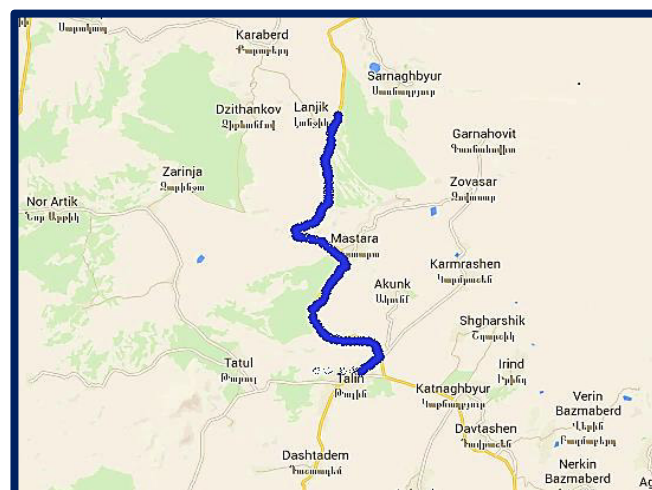
ABBREVIATIONS	3
A. LARP IMPLEMENTATION STATUS IN TALIN-LANJIK SECTION	7
1. PROJECT BACKGROUND	7
2. OBJECTIVE AND SCOPE OF INTERNAL AND EXTERNAL MONITORING OF LARP IMPLEMENTATION	8
3. PROGRESS OF LARP IMPLEMENTATION	8
4. STATUS OF EXPROPRIATION CASES	12
5. DESIGN CHANGES AND RELATED LAR IMPACTS	13
6. SOCIAL SAFEGAURDS CAPACITY FOR THE PROJECT	13
7. PUBLIC CONSULTATION AND GRIEVANCE REDRESS MECHANISM	14
7.1 Public Consultation and Information Disclosure	14
7.2 Grievance Redress	15
8. PLANNED WORKS FOR THE NEXT REPORTING PERIOD	16
B. YEREVAN-ARTASHAT SECTION: SOCIAL DUE DILIGENCE ON VOLUNTARY DONATION OF LANDS FOR THE CONSTRUCTION OF TWO NEW OVERPASSES	17
Annex 1. Tranche 3 LARP Implementation status and planned handover schedule	19

A. LARP IMPLEMENTATION STATUS IN TALIN-LANJIK SECTION

1. PROJECT BACKGROUND

2. The Asian Development Bank (ADB) has agreed to provide the Government of Armenia (GoA) with a US\$ 500 million Multi-Tranche Financing Facility (MFF) to finance the North-South Corridor Road Investment Program (the Project). The subject of T3 (Talin-Lanjik) Land Acquisition and Resettlement Plan (LARP) is the 18.7 km road section between Talin and Lanjik (km 71.500-90.200) to be upgraded under Tranche 3 of the North South Corridor Road Corridor Investment Project (the Project). The LARP has been prepared by the Ministry of Transport and Communications (MOTC) of Armenia¹, the Project's Executing Agency (EA) based on the requirements of the ADB Safeguards Policy Statement of 2009 (SPS 2009) and the Land Acquisition and Resettlement Framework (LARF) of the Project approved by the Government².
3. This Final LARP was preceded by a Draft LARP prepared in 2012 and covering a longer road section of 46.1 km linking Talin to Gyumri which was the scope of the original ADB project at that time. Following a parallel co-financing agreement with the European Investment Bank (EIB) in late 2013, the original ADB project has been reduced and re-scoped to the current Talin-Lanjik section (km 71+500 - km 90+200) with total length of 18.7 km financed by the Asian Development Bank (ADB), while Lanjik-Gyumri section (km 90+200 - km 117+670) with total length of 27.4 km – by the European Investment Bank (EIB). As a consequence, the GoA approved two different LARPs which, nevertheless, are based on the same principles and policy provisions. Accountability for safeguards compliance for the EIB project rests solely with the EIB.
4. The Project is classified as category A for the involuntary resettlement safeguard in accordance with ADB guidelines³ as, 200 or more persons (individuals) will experience major impacts, including loss of 10% or more of their cultivated land or income and relocation of residences and businesses.

Figure 1: The Project area and alignment



¹ Currently: Ministry of Transport, Communications and Information Technologies (MOTCIT).

² The LARF was adopted in 2010, then revised in 2012, and the final revised version adopted by the government in September, 2015, Government decision N 1092-N.

³ As per the ADB Operation Manual (OM) F1/OP (2010, revised in 2013) a project is classified as Category "A" if ≥ 200 Affected Persons suffer significant impacts (relocation or loss of $\geq 10\%$ of productive assets). A project will instead be classified as Category "B" when less than 200 persons suffer significant impacts. Category "C" projects have no LAR impacts.

5. The Government Decree on Eminent Domain for the affected lands in T3 Talin - Lanjik (18.7 km) section was approved by the GoA decree number 1244-N adopted on 19.11.2014 and entered into force on 29.11.2014⁴, in frame of which the field works under the preparation of final LARP have been implemented.
6. Based on the final detailed design, the ADB's Consultant (Appraisal Society LLC) under T3 LARP carried out the DMS, Census and SES works, as well as valuation and signing of property description protocols with APs.
7. The LARP for Talin-Lanjik was approved by Government of RA GoA by government decree number 1196-N adopted on 17 September 2015, which came into force on 5 November 2015⁵. The summary of LAR impacts defined by T3 LARPs are presented below in table 1.

Table 1. Impact of the Tranch 3 (Talin-Lanjik and Lanjik-Gjumri sections)

N	Section	Communities, N	Total size of land takes (sq.m.)	Plots, N	AHs, N	Severely AHs, N	APs, N
1	Talin-Lanjik (ADB)	5	785,546.8	348	332	155	1,544
2	Lanjik-Gyumri (EIB)	9	1,243,054.6	666	530	274	2,677

2. OBJECTIVE AND SCOPE OF INTERNAL AND EXTERNAL MONITORING OF LARP IMPLEMENTATION

8. LARP implementation is subject to both internal and external monitoring. Internal monitoring is carried out by the TPIO's Resettlement Coordination Team (RCT) consists of TPIO specialists and consultants. Internal monitoring results for Talin-Lanjik section are summarized in Semi-annual Social Monitoring Reports (SSMR) and Quarterly Progress Reports (QPR) submitted to the ADB.
9. External monitoring is carried out by an External Monitoring Agency (EMA)⁶. EMA is responsible for the compliance review, preparation and submission of Compliance Reports for each subsection to be acceptable to ADB as a condition to the start of civil works. The EMA will also carry out a post-implementation evaluation of the LARP program about a year after the completion of LARP implementation.

3. PROGRESS OF LARP IMPLEMENTATION

10. The LARP is implemented by an Implementation Consultant (IC)⁷ hired by TPIO in close coordination and consultation with TPIO's RCT team.

⁴ http://northsouth.am/uploads/2_soc_i_r/1244-n.pdf

⁵ http://northsouth.am/uploads/2_soc_i_r/GD_9-N-ARM_T3_LARP_for_%20Lanjik-Gyumri-14.01.16.pdf

⁶ The "Economic Development and Research Center" (EDRC), which is an independent research institution specializing on public policy monitoring and evaluation⁶, serves as an EMA for the T3 Project. The EMA was selected and mobilized in April 2016.

⁷ The IC was hired and mobilized on 01 December 2015.

11. The LARP implementation is divided into 6 subsections. LARP implementation subsections were defined based on several factors such as: number of affected lands/AHs in community; legalization cases in the affected communities; preliminary defined schedule of works for relocation of public utilities; as well as the preliminary defined priorities of archeological works. Each defined subsection has minimum 3 km length according to the signed Contract of the Talin-Lanjik section's Contractor. The subsections can be revised during the LARP implementation process based on the progress and emerging issues (if any). During the reporting period, taking into account the defined deadline for handover of site to the Contractor by the Contract, the initially divided 6 subsections have been revised and the 6th subsection of Talin-Lanjik section (Talin and Akunq communities) has been combined with 5th subsection, thus currently the LARP implementation will be completed by 5th subsection. The details on defined subsections with LARP implementation status are presented in the table 2 below (see also the Annex 1).

Table 2. T3 LARP Implementation status per subsections

		Under construction	Under construction	LARP is completed, external monitoring will start soon	LARP is completed, external monitoring will start soon	
N	Community	Section	Road PK by km	LARP Subsection	Length, m	
1	Talin	Talin-Lanjik (ADB)	km 71+500 – km 74+020	5 th	4900	
2	Akunq		km 74+020 – km 74+900			
			km 74+900 – km 76+400			
3	Mastara		km 76+400 – km 77+400	4 th	1000	
			km 77+400 – km 78+500	3 rd	1100	
			km 78+500 – km 86+300	2 nd	7800	
4	Sarnaghbyur	Talin-Lanjik (ADB)	km 89+000 – km 90+200	1 st	ADB-3900 EIB-5030	
		Lanjik-Gyumri (EIB)	km 90+200 – km 91+440			
5	Lanjik	Talin-Lanjik (ADB)	km 86+300 – km 90+200			
		Lanjik-Gyumri (EIB)	km 90+200 – km 92+030			
6	Dzorakap	Lanjik-Gyumri (EIB)	km 92+030 – km 95+230			

12. The 1st subsection of T3 LARP has been completed (km 86+300 – km 90+200, 3900m) and the commencement was given to the Contractor to start the civil works in 1st subsection during the previous reporting period (July 2016).

13. The 2nd subsection of T3 LARP (km 78+500 – km 86+300, 7800m, Mastara community) has also been completed for which the Compliance Report (CR) prepared by EMA was reviewed by EIB. The revised CR was submitted to ADB on 16.01.2017. However, 2nd set of comments have been received by ADB which have been addressed by TPIO and the revised CR was submitted to ADB in March 2017. Based on ADB's no-objection, the commencement was given to the Contractor to start the civil works in 2nd subsection on 17.03.2017 (besides the ongoing expropriation cases).

14. The third subsection of T3 LARP (km 77+400– km 78+500, 1100m, Mastara community) was completed in December 2016. The external monitoring has been completed in March-April 2017 and the CR has been submitted for ADB's review and has been approved in June 2017.

15. The forth subsection of T3 LARP (km 76+400 – km 77+400, 1100m, Mastara community) is has been completed in April 2017 and the 5th subsection has been mainly completed in May 2017. Currently the Completion Reports submitted by the IC for 4rd and 5th subsections are in process of revision by TPIO, after which the external monitoring will start.

16. As of the reporting date (June 30, 2017), totally 261 land plots have been acquired in Talin-Lanjik section, meantime, the acquisition of 1 land plot is still in process, meanwhile 86 lands plots are under expropriation. The overall progress of LARP implementation per subsections presented in table below.

Table 3. LARP implementation status per acquired lands and expropriation cases

N	LARP subsection ⁸	Road PKs/KM	Length, m	No of affected lands	No of acquired lands	No of affected lands in acquisition process	No of lands under expropriation
1	1st	km 86+300 – km 90+200	3900	71	71	0	0
2	2nd	km 78+500 – km 86+300	7800	58	54	1	3
3	3rd	km 77+400 – km 78+500	1100	60	52	0	8
4	4th	km 76+400 – km 77+400	1000	99	66	0	33
5	5th	km 71+500 – km 76+400	4900	60	18	0	42
	Total		18.700	348	261	1	86
LARP implementation actual performance: 75%							
Expropriation current percentage: 24,7%							

17. The logical structure of acquisition process is presented in the Figure 2.

18. According to the logistic structure of acquisition process, an action plan and a schedule are developed for each community and subsection, in the frame of which IC implemented the following main steps:

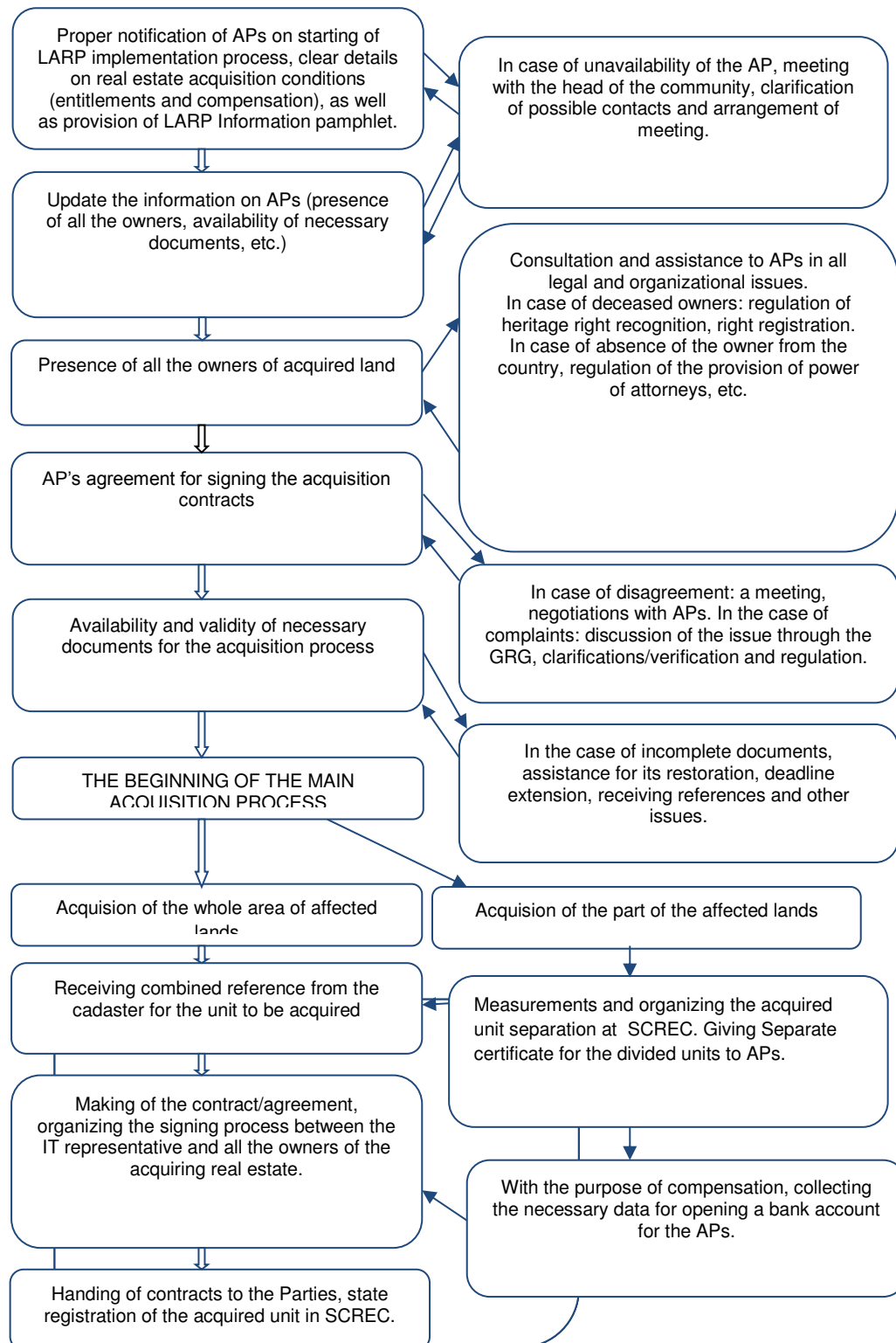
- 1) Preparation of acquisition contracts and agreements, cover letters, the arrangement and implementation of each AP notification procedure in accordance with the terms and requirements of Law and RA legislation,
- 2) Meetings with the APs of the affected communities (owners/co-owners, leaseholders, not registered tenants/land users), discussions of concerning issues of APs, provision APs with legal advice and assistance,
- 3) Checking, correcting, updating of the necessary documents for acquisition contract signing, including also the assistance to APs towards the correction, update and restoration of their incomplete or incorrect documents,
- 4) Organization and implementation of the measures approved by LARP's "Legalization plan" for the legalization cases, including the rights registration process for APs possessing the heritage rights of real estate; receiving power of attorneys for APs out of the RA etc.,
- 5) Assistance to owners of partly acquired lands for splitting real estate units and for receiving new ownership certificates, as well as for receiving combined references on the restrictions of the real estate to be acquired⁹,
- 6) Provision of the documents package required for the conclusion of acquisition contracts/agreements to the regional notarial office in order to implement notarial operations for ratification of contracts/agreements.

⁸ The 6th subsection of LARP includes only land plots from EIB financed section.

⁹ In the territories, which are subject to AP within the framework of LARP, mainly one part of the property is subject to acquisition, which according to the law on "State registration on Property rights" of the RA is a subject to separation then to acquisition.

- 7) Organization of the acquisition contract/agreement conclusion itself with APs (in the notarial offices or out of them).
- 8) Provision of state registration application for the signed contracts to regional SCREC office and receipt of real estate ownership certificate registered to the Republic of Armenia.

Figure 2. The logistic structure of land acquisition process via contract signing



4. STATUS OF EXPROPRIATION CASES

19. For all those cases when, due to disagreement of APs or any other objective circumstances (absent APs, heritage issues etc.), the acquisition contract has not been signed within 3 months of notification on the draft acquisition contract, the TPIO initiated acquisition through court decision (expropriation) processes in accordance with the RA Law on Alienation of Property for Public and State Needs. In particular:

- (i) compensation amount per each AP was deposited at the court's account,
- (ii) thereafter, if the contract is not signed within 7 days, the TPIO applied to the court with the objective to acquire the property within a month's period.
- (iii) Once the decision of the court on compensation amount for the acquired property is effective, the property is considered acquired with the amount of compensation as defined by the court. In cases of acquisition through court proceeding, the rights of the previous owner towards the property are terminated.

20. As of the reporting date 86 land plots were in the process of expropriation. The list of all expropriation cases with detailed description are given in the CRs prepared by EMA for each subsection. The main part of cases is related to the absent APs who cannot provide power of attorney (31.3%), as well as inheritance issues (25.5%) and properties (27.9%) which are under the arrest. The breakdown of current expropriation cases with categorization of expropriation reasons are presented in the table 4 below, and the details on cases solved during the reporting period are shown in table 5.

Table 4. Total number of current expropriation cases with categorization of expropriation reasons

N	Case's expropriation reason	Number of cases
1	Property under arrest	24
2	Inheritance issue	22
3	Cadastral discrepancy	1
4	Absent AP(s), who cannot provide power of attorney	27
5	Absent/Unidentified AP(s) and inheritance issue	7
6	Disagreement with the amount of compensation	1
7	Mixed issues	4
	Total	86

Table 5. Number of expropriation cases solved during the reporting period

Reason for expropriation	Number of cases (land plots)	Result of expropriation (court resolution process)
Property under arrest	3	For two cases the arrest has been removed, for the other one-no. The lands have been acquired via court decision based on LARP provisions.

Reason for expropriation	Number of cases (land plots)	Result of expropriation (court resolution process)
Inheritance issue	2	For the one case the inheritance issue has been solved, while for the other one couldn't be solved. The lands have been acquired via court decision based on LARP provisions.
Cadastral mistake/discrepancy/ registration	1	The cadastral issue has been solved (corrected) and the land has been acquired via court decision based on LARP provisions.
Unidentified owner	2	The legalization of the ownership right has been done and the lands have been acquired via court decision based on LARP provisions.
Cadastral mistake/discrepancy/ registration; Request to acquire the not affected part of the land	1	The cadastral issue has been solved (corrected), but the request of additional acquisition hasn't been satisfied. The land has been acquired via court decision based on LARP provisions.
Disagreement with the amount of compensation	1	The affected part was very small, that's why the owner was disagreeing with the compensation amount, however, the land has been acquired via court decision based on LARP provisions.
Request to acquire the not affected part of the land	2	The request of additional acquisition hasn't been satisfied and the land has been acquired via court decision based on LARP provisions.
Cadastral mistake/discrepancy/ registration in the whole block (section) of the lands	1	The cadastral issue hasn't been solved (corrected), as the data of cadastral map and ownership certificate were matching each other. The land has been acquired via court decision based on LARP provisions.
Absent AP(s), who cannot provide power of attorney	3	The absent owners were not communicating with TPIO and hadn't provide power of attorneys, thus the land plots have been acquired via court decision based on LARP provisions.
Total	10	

5. DESIGN CHANGES AND RELATED LAR IMPACTS

21. There were no any design changes during the reporting period.

6. SOCIAL SAFEGAURDS CAPACITY FOR THE PROJECT

22. The TPIO is adequately staffed to ensure the social safeguards compliance of the project implementation. Particularly, the TPIO has a Social Impact Management Service, as well as a Legal unit consists of the following specialists:

- (i) Head of Social Impact Management Service
- (ii) Social Development and Resettlement Specialist,

- (iii) Leading Lawyer (responsible for claim and dispute management)
23. The Contractor has a social safeguards specialist on board, who is actively involved in implementation of activities required to ensure the compliance of construction process in terms of social safeguards, including the public consultations and grievance redress.
24. Meantime, the Supervision Engineer is not currently staffed in terms of social safeguards specialist on board: the consultant applied to TPIO to replace the initially appointed specialist, which is not done yet confirmed, therefore, currently the TPIO is directly work with the social safeguards specialist of the Contractor.

7. PUBLIC CONSULTATION AND GRIEVANCE REDRESS MECHANISM

7.1 Public Consultation and Information Disclosure

25. No public consultations have been organized during the reporting period under the LARP implementation, while the individual consultations are provided to each AP during the acquisition process via written notifications and verbal clarifications (the IC specialist are available on a daily manner). Consultation and assistance were given to APs in all legal and organizational issues on day to day basis during whole Implementation process. In case of deceased owners: the issue of heritage right recognition and right registration was regulated. In case of absence of the owner from the country, the provision of power of attorneys was regulated, etc.
26. Actions taken as part of dissemination of information included the followings:
- Notification of APs in accordance with the legislation: (i) provision of notification on recognizing the prevailing public interest, (ii) land plot layout, (iii) Description Protocol, (iv) draft Acquisition Contract, (v) provision of notification on depositing the amount of payment,
 - Development and dissemination of information leaflets (includes information of the rights and responsibilities of parties, compensation calculation principles, process of signing the contract and receiving compensation, acquisition process thought depositing the compensation amount, as well as grievance redress mechanism),
 - Publication and dissemination of Project Information Brochure
27. Meantime, after the commencement of civil works in each subsection, the Contractor initiates pre-construction public consultation (PC) in each community. During the reporting period, the PC has held in Mastara community on April 27, 2017 During the PC(s) the main questions raised by the community members related to the involvement of local people in construction works, possible damages to the lands plots or community roads during the construction, construction of secondary roads, as well as access issues. The relevant clarifications were provided to community members by the representatives of the Contractor, Engineer and TPIO. During the PCs all social and environment related issues (including the GRM), as well as details on construction process are presented to the community members. The grievance logbook is prepared and established in community administrative office and project construction site, which checked regularly by Contractor's social specialist and reported accordingly.

7.2 Grievance Redress

28. During the reporting period 6 complaints have been received by TPIO, of which 3 were resolved in favor of AP, while the other 2 were not satisfied. The summary of grievances with respective details is provided in table 5 below.

Table 5. Grievance/request redress cases registered and addressed

Total (no.)	Ongoing (no.)	Resolved in favour of AP (no.)	Resolved /AP is not satisfied (no.)	Description	Comments
6	-	-	1	The request was received from AP (Mastara, lot code: 02-069-0304-0008) to acquire the entire land plot, including the non-affected part of his land. The request wasn't satisfied taking into account that the timeframe and conditions of submission of such request is regulated by the RA law on Eminent Domain. The timeframe for such request for T3 was expired in January 2015. The written response was sent to AP with relevant justification.	
	-	-	1	The request was received from AP (Mastara, lot code: 02-069-0317-0130, -0131, -0132) to acquire the entire land plots, including the non-affected part of the lands. The request wasn't satisfied taking into account that the timeframe and conditions of submission of such request is regulated by the RA law on Eminent Domain. The timeframe for such request for T3 was expired in January 2015. The written response was sent to AP with relevant justification.	
	-	1	-	The request was received from AP (Mastara, lot code: 02-069-0347-0102) to provide him allowance for the vulnerability under the Project's LARF. The submitted documents have been studied and the allowance has been provided accordingly.	
	-	1	-	The request was received from AP (Mastara, lot code: 02-069-0347-0088) to provide her allowance for the vulnerability under the Project's LARF. The submitted documents have been studied and the allowance has been provided accordingly.	
	-	1	-	The request was received from AP (Mastara, lot code: 02-069-0304-0007) to acquire 3 (three) non-affected parts of her land arguing that those cannot be used by AP after acquisition because of unavailability of access. Also, not acquired part of the land plot was damaged by the Contractor during the construction works. The compliant was sent to the design consultant for investigation and clarification. Compensation for damages was given by Contractor to the AP and 2 (two) non-affected parts of the land plot were acquired due to lack of access.	The conclusion on lack of access the non-affected part of land has been provided by the design Engineer.
	1	-	-	The request was received from the owner (Mastara, lot code: 02-069-0052-0002) to acquire the incomplete structure for security reasons, as the constructed road passes too close to it (3 meters). The compliant was sent to the design consultant for investigation and clarification. The written response will be sent to the owner as soon as the response from the design consultant is received.	The claimant is not an AP under the LARP
Total	1	3	2		

8. PLANNED WORKS FOR THE NEXT REPORTING PERIOD

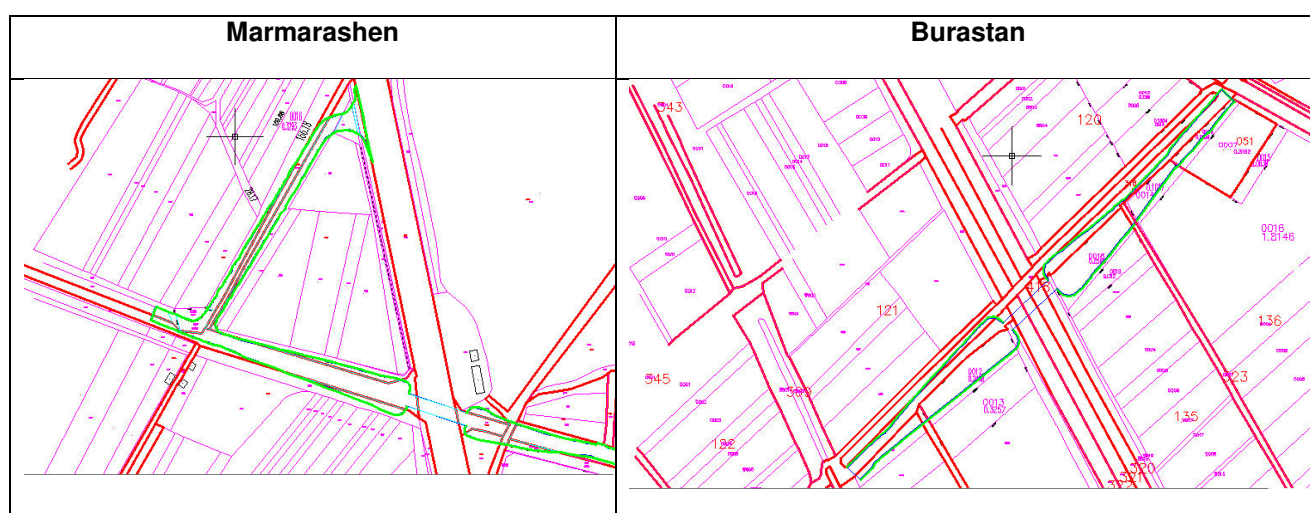
29. During the next reporting period the following actions are planned to implement: It is planned to finish the preparation of CR for 4rd and 5th subsections by EMA. It is expected that the CR will be approved by ADB in by August 2017 and subsequently the commencement of construction works will be given after the completion of expropriation cases.

B. YEREVAN-ARTASHAT SECTION: SOCIAL DUE DILIGENCE ON VOLUNTARY DONATION OF LANDS FOR THE CONSTRUCTION OF TWO NEW OVERPASSES¹⁰

1. Project background

31. The necessity of construction of two new overpasses has been emerged in Marmarashen community at KM 15+439 and in Burastan community at KM 24+147, which are located in Yerevan-Artashat section of the NS Project (Ararat marz). This section of the road has been initially donated as Tranche 1 under the MFF. According to the Loan Agreement of Tranche 1 (Loan Number: 2561 -ARM (SF) from Oct 12, 2009) the Project wasn't envisaged LAR impacts, it was categorized as Category C for the Involuntary resettlement taking into account that the civil works would entail the improvement of an existing four-lane highway and would take place within the existing right-of-way or on unused state-owned land. No relocation of households or acquisition of productive land was expected. Thus, no relevant budget was planned/ available for LAR-related issues. However, as the necessity of the construction of new overpasses has been emerged after the approval of the Tranche 1 project, it was decided that the new overpasses will be constructed under the Tranche 3 loan budget.
32. As a result of design it was identified that the construction of new overpasses may impact private and community land plots causing land acquisition and resettlement issues. Hence, the community leaders have been informed that in this case the land acquisition and resettlement plan should be prepared and losses of APs/AHs will be subject for acquisition and compensation.
33. At the same time, a decision was made to avoid the impacts of the Project on privately owned lands and avoid any impact on APs/AHs. The original Project was revised, the design was changed and now the re-scoped Project has impacts only on community-owned land plots. The maps of final revised designs of overpasses are presented below in Figure 1.

Figure 1: The location of new overpass in Marmarashen and Burastan communities of T1



¹⁰ The overpasses are located in the Tranche 1 section; however, they have been financed from Tranche 3 loan.

2. Social due diligence and status of voluntary donation

3. There is no land acquisition and resettlement issues envisaged for the Project due to the readiness of the communities to voluntarily donate the community-owned land plots for the construction of overpasses, as the communities are the direct beneficiaries. The respective communities' administrations expressed willingness to donate the community-owned land plots impacted by the design of new overpasses in Marmarashen and Burastan to the Republic of Armenia for the purpose of construction of overpasses.
4. The Due Diligence Report (DDR) on Voluntary donation of lands was prepared by the MOTCIT for the Project. The DDR was reviewed and approved by ADB's during the previous reporting period (July, 2016). At the same time, the government decree (GD) on donation of community owned lands for the construction of two overpasses in Marmarashen and Burastan communities has been adopted by GoA decree N 708-A from 07.07.2016 and the further procedures on donation have started start. The TPIO has completed the implementation of DDR during the previous reporting period (November 2016 and October 2016).

1. External monitoring

5. At present, the negotiations are in process with T3 External Monitoring Agency (EMA) to sign a VO and include the monitoring and preparation of compliance report for implementation of DDR in T3 EMA's scope. As soon as the VO is signed, the EMA will start the monitoring and preparation of compliance report to be submitted to ADB for review and approval.

Annex 1. Tranche 3 LARP Implementation status and planned handover schedule

LARP Subsection ¹¹	Length, m	LARP Implementation status	Expected LARP Implementation Completion deadline	Number of initiated/ongoing court cases ¹²	Expected Completion of (i) External Monitoring, (ii) ADB/EIB review and approval	Subsection handover to the Contractor
1 st subsection	ADB- 3900 EIB- 5030	Completed	-	ADB- 0 EIB- 1	Completed	Handed over (Construction commencement date is 22.07.2016)
2 nd subsection	ADB- 7800 EIB- 4070	Completed	-	ADB- 3 EIB- 0	Completed	Handed over (Construction commencement date is 20.03.2017)
3 rd subsection	ADB- 1100 EIB- 5370	Completed	-	ADB-8 EIB-1	Completed	Handed over (Construction commencement date is 26.05.2017)
4 th subsection	ADB- 1000 EIB- 3970	Completed (external monitoring hasn't started yet)	-	ADB- 33 EIB- 24	(i) Mid- July 2017 (ii) Beginning of Aug 2017	End of Aug 2017
5 th subsection	ADB- 4900 EIB- 1980	Completed (external monitoring hasn't started yet)	-	ADB- 42 EIB- 1	(i) Mid- July 2017 (ii) Beginning of Aug 2017	End of Aug 2017
6 th subsection	EIB- 7070	Not-yet started ¹³	June 2017	-	(i) End of Aug 2017 (ii) Beginning of Sept 2017	Mid-Sept 2017

¹¹ Each subsection includes both ADB and EIB financed sections as per presented KMs in Table 1.

¹² The sections with ongoing expropriation court cases cannot be handed over to the Contractor.

¹³ The subsection hasn't started because final decision on Tranche 5: Gyumri-Bypass design section is needed.