

Resettlement Plan

December 2020

Armenia: Sustainable Urban Development Investment Program – Tranche 2

Corrective Action Plan (CAP)-3 to LARP for Tichina-Babajanyan Highway

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CORRECTIVE ACTION PLAN (CAP)-3 LARP for Tichina –Babajanyan Highway (S7-8)

Armenia: Sustainable Urban Development Investment Program Tranche 2

Project Number: 42417

Loan Number: L3293 (T2)

Prepared: December 2020

Prepared by the Yerevan Municipality, Yerevan Project Implementation Unit

ABBREVIATIONS

SUDIP	Sustainable Urban Development Investment Program
MFF	Multi Tranche Financial Facility
PIU	Project Implementation Unit
ADB	Asian Development Bank
EMA	External Monitoring Agency
SESF	Social Evaluation System of Families
AP	Affected Person
AH	Affected Household
LARP	Land Acquisition and Resettlement Plan
AMD	Armenian Dram
USD	United States Dollar

TABLE OF CONTENTS

1.1. Project Status.....	4
1.2. Scope and Objectives	4
1. IMPACT ASSESSMENT	5
2.1 Survey Methodology.....	5
2.2 Impact on Land	6
2.3 Census of Affected Household.....	6
2. COMPENSATION BUDGET.....	6
3.1 Compensation for Acquired Land	6
3.2 Relocation Allowances	7
3.3 Summary Budget.....	7
3. CONSULTATION AND INFORMATION DISCLOSURE	7
4. IMPLEMENTATION ARRANGEMENT	8
5. CAP MONITORING	8
Annex 1. Photos of AH's land plot.....	9

LIST OF TABLES

Table 1 Land impact.....	6
Table 2 Compensation for Illegal Land.....	7
Table 3 Transportation Costs for Construction materials.....	7
Table 4 Summary Budget.....	7

INTRODUCTION

1.1. Project Status

1. The Sustainable Urban Development Investment Program (SUDIP) is financed by the Asian Development Bank (ADB) under a Multi Tranche Financial Facility (MFF) and entails so far two Tranches. Tranche 1: covering the improvement of Shirak Street and Artashat Highway, the widening of Arshakunyats Avenue and North South Corridor Interchange (Category A for Involuntary Resettlement (IR)). Tranche 2: covering the improvement of Argavand-Shirak Road Link, Davtashen-Ashtarak Road Link and Babajanyan-Ashtarak Road Link (Category A for IR).

2. The Babajanyan-Ashtarak Road Link has been divided in two sections: Babajanyan-Tichina and Tichina-Ashtarak, hence two separate LARPs have been prepared. The Tichina-Ashtarak as the part of the Babajanyan-Ashtarak Road Link located in the north-west and south-west area of Yerevan in the administrative districts of Ajapnyak and the Malatia-Sebastia (approximately 6 km south-west of Yerevan City center). This part of the project comprises the main following components: Tichina-Old Silikyan (section 7) and Old Silikyan-Ashtarak Highway (section 8).

3. These sections comprise the construction of approximately 4.3 km of urban dual carriageway with central reserve and footways either on new alignment (2.8km) within an urban context, or by widening the existing urban carriageway (1.5km).

4. The LARP for Tichina-Ashtarak Road Link was approved by ADB on November 15, 2016 and by the RA Government on November 24, 2016. The LARP implementation started after its approval by ADB and by the RA Government and has completed in September 2017. Compliance report prepared by External Monitoring Agency (EMA) has been approved by the ADB on December 6, 2017. The commencement of construction works for Tichina-Babajanyan Road Link was granted on February 1, 2018.

1.2. Scope and Objectives

5. During the construction works there were complaints addressed to ADB on 13 March, 2019 and 4 June, 2019 by an AP living in the residential house located at Shahumyan street. The AP requested compensation for illegally used land plot and improvements such as foundation of a house, underground pipes and trees on that particular land plot.

6. By a letter dated January 21, 2020, addressed to YM ADB requested YM to check and take actions for compensation of the AP for illegal usage of a land plot located at Shahumyan Street, in a row of illegally used land plots and houses. The AP was missed in the list of APs during the preparation of the LARP in April-May 2016 since the AP was away at that time.

7. Upon receipt of the complaint, YM and ADB conducted additional field visits and surveys. As per surveys conducted by YM, the trees for which he was claiming compensation were already claimed by his neighbor¹ who had already been provided with compensation. This compensation was included as his neighbor's loss based on supporting documents provided at that time. As the complainant did not provide any supporting documents on the trees, this part of the claim was agreed to be excluded from the complainant's scope of the losses.

8. As for his claim regarding other improvements such as foundation and the house and underground pipes, ADB team conducted an independent verification and did not find any

¹ The fact of cultivating of those trees by the neighbor was confirmed by the reference provided by the head of district. No supporting documentation and proves regarding cultivation of trees by the complainant has been provided by the complainant to PIU and ADB.

evidence to such improvements after conducting a visual assessment?.

9. This verification and finalized scope of impact were conducted with supporting documents from the AP and his agreement. The proofs of his use of the land included: constructions materials found on the plot, signed confirmation by some of his neighbors, and Google earth photos showing improvements made on the plot from November 2013 prior to the project's cut-off date for eligibility of entitlement for non-legalizable² APs. This CAP has been prepared to compensate this final scope of the impact.

Figure 1 Photos of the affected land plot (June 2016)



10. Given this, this Corrective Action Plan (CAP) was prepared to provide compensation to the AP according to the LARF provisions and the principles of ADB safeguard policy statement 2009 and agreement with the complainant.

1. IMPACT ASSESSMENT

2.1 Survey Methodology

² All the land plots/houses in this row are in “red zone” and are considered non-legalizable as per Yerevan Master Plan.

11. For this document, the data were collected on October 2020. In order to accurately assess the extent of the impacts the following surveys were undertaken:

- (i) **Detailed Measurement Survey (DMS)** - to measure the affected area of the land, structures and improvements,
- (ii) **Census Survey** - to identify the exact number of AHs and their members, including some elementary social characteristics such as gender and ethnicity.
- (iii) **Inventory of Losses**- to identify and evaluate the characteristics of the land
- (iv) **Valuation of Replacement Cost of the Affected Assets** - to identify the cost of compensation of lost assets, income and other livelihood sources and allowances for development of the LAR budget.

12. The Survey and valuation methodology are the same as in the LARP for Tichina-Ashtarak Road link, which was prepared based on LARF and entitlement matrix.

2.2 Impact on Land

13. There is one permanent affected land plot with an area of 688.23m². Based on the legal status the affected land plot is a community land plot, illegally used by the AP. The land plot is in a row of land plots/houses which all were illegally used/build by the APs. All those land plots were considered non-legalizable as were included in the “red zone” per Yerevan Master Plan. The actual usage of the land plot is residential.

Table 1 Land impact

Type of Land	Residential Land		
	No of AH	No of Land plots	m ²
Illegal	1	1	688.23

2.3 Census of Affected Household

14. According to the Census conducted on 18 December, 2020 the AH consists of 4 members (1 female and 3 male). The household resides in a house on the opposite side of the existing road in front of the affected illegally used land plot (see the photo in the annex). The head of the family is a 63 years old and his wife is 60 years old. Their sons are 39 and 32 years old and both are disabled. All male members of the AH are employed and receive salary, meantime two sons receive also disability allowance. The mother of the family is not employed and is a pensioner. In total, the AH monthly income amounts to 646,000 AMD. All APs are Armenian.

15. According to the Census data, the household is not considered as vulnerable per definition of SUDIP LARF addendum³. The AH is not registered in the Social Evaluation System of Families which has been checked with the data published in website of Ministry of Labor and Social Affairs.

2. COMPENSATION BUDGET

3.1 Compensation for Acquired Land

16. The valuation of affected assets was done on December 2020. In total, 3,664,824.75 AMD will be paid for the illegal land plot. The rehabilitation allowance for the illegal land was calculated as 25% of the market value of the affected land plot.

³Persons registered in the Social Evaluation System of Families (SESF) and receive a family allowance. Socially vulnerable persons are households who are headed by breadwinning women or by person entitled to the old age pension and not including other adult, working-age person with stable employment providing at least minimum monthly salary except for persons doing compulsory military service or full-time students under twenty-three years of age.

Table 2 Compensation for Illegal Land

Land type	Land plot	Affected area	Unit price	Market Value	Total compensation (25% of Market Value)
	No	m ²	AMD	AMD	AMD
Residential	1	688.23	21,300	14,659,299	3,664,824.75

3.2 Relocation Allowances

17. The relocation allowances were calculated taking into account the costs that will be incurred for the transportation of movable assets (construction materials as per photos in Annex 1). Transportation costs were determined according to the average cost for such services offered by several freight shipping organizations accepted in the market. It was calculated in such a manner that the AP can move his construction materials within a 20 km radius. In total 70,500AMD will be paid.

Table 3 Transportation Costs for Construction materials

Type of allowance	Trips required	Unit rate	Total
	No	AMD	AMD
Transportation costs	2	35,250	70,500

3.3 Summary Budget

18. The total relocation budget amounts to 3,735,324.75AMD which is equivalent to USD 7,174.76 as shown in the table 4 below and will be financed from the contingency of the LARP for Tichina-Ashtarak.

Table 4 Summary Budget

Item	Source of Finance	Total/AMD
Compensation Budget		
Compensation for land	YM	3,664,824.75
Transportation cost	ADB loan	70,500
Total LAR budget (AMD)		3,735,324.75
Total LAR budget (USD)		7,174.76
<i>520.62 AMD, Exchange rate on December 14 2020, Central Bank of the Republic of Armenia</i>		

3. CONSULTATION AND INFORMATION DISCLOSURE

19. Several meetings have been conducted with the AP. In particular on 30 August, 2020 a meaningful consultation was held with the AP. Representatives of ADB, PIU and PIU's Consultant participated in the consultation. The GRM, entitlement matrix, results of measurements and the valuation methodology were presented to the AP in detail. The AP expressed his disagreement with the results of measurements which were further corrected. After corrections the AP agreed with the size and type of impacts identified during actual DMS and confirmed his agreement by signing the Assets Description Protocol.

4. IMPLEMENTATION ARRANGEMENT

20. The CAP will be implemented immediately after its approval by ADB. PIU will sign a compensation agreement with the AP and the compensation amount will be transferred to the APs bank account. A bank account will be opened by PIU in case if the AP has no bank account.

5. CAP MONITORING

21. The implementation of the CAP will be monitored by the External Monitoring Agency and reflected in the addendum to the Compliance report of the LARP for Tichina-Ashtarak.

Annex 1. Photos of land plot illegally used by AH

