

RESETTLEMENT POLICY FRAMEWORK  
FOR  
ARMENIA GEOTHERMAL EXPLORATORY  
DRILLING PROJECT

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## LIST OF ABBREVIATIONS

<b>DC</b>	Design consultant
<b>DP</b>	Displaced persons
<b>R2E2 Fund</b>	Armenia Renewable Resources and Energy Efficiency Fund
<b>GoA</b>	Government of Armenia
<b>LA</b>	Local authorities (community authorities)
<b>NGO</b>	Non-governmental organization
<b>OP</b>	Operational policy
<b>PAP</b>	Project affected person
<b>PC</b>	Public consultations
<b>PDO</b>	Project development objective
<b>RA</b>	Republic of Armenia
<b>MENR</b>	Ministry of Energy and Natural Resources
<b>RAP</b>	Resettlement action plan
<b>RAPIU</b>	Resettlement action plan implementation unit
<b>RPF</b>	Resettlement policy framework
<b>SCREC</b>	State Committee of the Real Estate Cadastre under the GoA
<b>US</b>	United States of America
<b>WB</b>	World Bank

## DEFINITIONS

The terms used in this document are defined as follows:

**"Resettlement Policy Framework"** refers to the present document, which is the overall Policy Framework for Resettlement of Project Affected Persons for the Armenia Geothermal Power Project. The Resettlement Policy Framework describes the process and methods for carrying out resettlement under the Project, including compensation, relocation and rehabilitation of persons affected by the Project;

**"Project affected person (PAP)"**, refers to persons who are affected in economic or social ways that result from this project, caused by (a) the permanent or temporary involuntary taking of land resulting in relocation or loss of shelter; or lost of assets or access to assets; or loss of income sources or means of livelihood, whether or not the affected persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the affected persons.

**"The cut-off date"** for eligibility is a date publicly announced by the Implementing Agency and after which any improvement made after will not be eligible for compensation. The census of PAPs will be undertaken immediately after this announcement;

**"Resettlement"** is the general term related to land acquisition and compensation for loss of assets, whether it involves actual/physical relocation or economical displacement, loss of land, shelter, assets or other means of livelihood and includes all the measures taken to mitigate any and all adverse impacts of the Project on PAPs' property and/or livelihood, including compensation, relocation (where relevant), and rehabilitation;

**"Significant resettlement effect"** occurs if more than 200 people are physically displaced and/or 10% or more of their productive assets are lost.

**"Minor resettlement effect"** occurs if fewer than 200 people are displaced and less than 10% of their productive assets are lost;

**"Relocation"** means the physical relocation of PAPs from their pre-project place of residence;

**"Replacement Value"** is the value of the asset calculated based on the method of valuation of assets that helps determine the amount sufficient to replace lost assets including transaction costs, taxes or other applicable payments. In applying this method of valuation, depreciation of structures and assets should not be taken into account;

**"Compensation"** means payment in cash or in kind of the replacement value of the acquired property;

**"Rehabilitation"** means the compensatory measures provided under this RPF or RAP other than payment of the replacement value of acquired property;

**"Involuntary Land Acquisition"** means the process whereby a person is compelled by a public agency to alienate all or part of the land s/he owns or possesses to the ownership and possession of that agency, for public purpose, in return for compensation;

**"Right-of-Way Easement"** means the process whereby the owner or possessor of land is compelled to permit the continued use of a part of his land as a means of transit of persons or services, infrastructures, in return for compensation, but where the ownership of the land remains unchanged; In Armenian legislation this concept refers to "servitude".

**"Grievance Redress Committee"** means the committee established at Project level to hear and to make a decisions regarding the complaints and grievances of PAPs concerning resettlement, including acquisition of land, houses and other assets, and loss of livelihoods caused by the Project.

## SUMMARY

1. The National Energy Security Concept (2013), the Armenian Development Strategy and the National Security Strategy call for the development of indigenous renewable energy resources. The field investigation works implemented by the Government of Armenia (GoA) with financial support of the World Bank (WB) helped to evaluate the feasibility of exploratory drilling at Karkar Geothermal site. As a result, in the investment plan for Scaling-up Renewable Energy Program<sup>1</sup> GoA defined exploratory drilling at Karkar geothermal site (Armenia Geothermal Project) as one of the priority renewable projects. Armenia Geothermal Project (The Project) will be financed by the World Bank and implemented by the Armenia Renewable Resources and Energy Efficiency Fund (R2E2 Fund).

2. The purpose of the Resettlement Policy Framework (RPF) is to provide the general guidelines for timely, adequate and efficient action to address, and minimize and/or mitigate, potential adverse impacts of the project, in particular resettlement and resettlement issues, if and when these occur. In accordance with the WB resettlement policy, a RPF needs to be prepared for the projects with multiple components if the extent and location of resettlement cannot be known at appraisal, which is the case with the Project. The RPF is prepared in the framework of the World Bank's policy on Involuntary Resettlement (OP 4.12) and the Republic of Armenia (RA) legal requirements.

## 1. INTRODUCTION

### 1.1. Project Context

3. “Energy Security Concept of the Republic of Armenia (RA)” (2013) approved by the President of RA<sup>2</sup> states, that Armenia adopted a policy of sustainable economic development, which assumes concurrent development of the economy, in the context of which energy, as the most important sector, is called to ensure such a progress for the state that through coordination and balancing of environmental issues will create preconditions for sustainable development of future generations while reducing the loss of energy. As Armenia lacks own resources of fossil fuel, raising the energy efficiency of the economy, development of nuclear energy and efficient use of renewable energy resources are a prerequisite for energy security.

4. Armenia is located in a zone of high tectonic activity and recent volcanism. Several preliminary assessments carried out in the 1990s and 2000s, both with donor support<sup>3</sup> and by the Ministry of Energy and Natural Resources (MENR), confirmed the existence of geothermal resources in various parts of the country and identified potential areas where resources could be suitable for power generation. However, none of these assessments included comprehensive surface exploration works in any of those areas.

5. Armenia Geothermal Project, approved in 2009, provided financing to carry out comprehensive field investigation studies of the most promising geothermal sites, Gridzor and Karkar, in order to assess the feasibility of exploratory drilling at the site with the highest potential. In the

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<sup>1</sup> Approved on June, 2014

<sup>2</sup> October 23, 2013, NK-182-N

<sup>3</sup> Including USAID (1998), EBRD (2001) and GEF (2007).

investment plan to the SREP (2014) GoA defined Karkar as the most promising geothermal site as studies suggested the existence of geothermal resources at the site. However, Karkar located on Syunik plateau in the South Eastern part of Armenia should be further explored in order to confirm the quality and quantity of the resources.

## 1.2. Project Description

6. The objective of the proposed Armenia Geothermal Power Project is to estimate the potential of Karkar geothermal site for commercial power generation. The following scope is defined (i) construction of an access road, water supply infrastructure, and rig pad, and drilling of test wells; and (ii) technical assistance for well logging and mud logging; flow testing, chemical sampling and analyses; drilling supervision; and (iii) incremental operating costs of the R2E2 Fund, the implementing entity of the proposed project. The total project cost is estimated to be US\$2.4-11.45 million depending on the drilling scenarios. The total available financing for the project is estimated to be US\$11.45 million, including SREP grant of US\$8.55 million and Government co-financing of US\$2.90 million.

7. The project will have the following two components: exploratory frilling and associated civil works component and technical assistance component.

### Component 1. Exploratory drilling and associated civil works

8. This component will include (i) construction of an access road to the drilling site, (ii) construction of water supply infrastructure, (iii) construction of rig pad and (iv) drilling of one or two wells.

9. **Construction of an access road:** The only accessible path to the proposed drilling site is by a bumpy country 18 km length road/path of about 2-3 m wide which has been gradually created by farmer's driving smaller trucks for haymaking the land. The gravel access road to be constructed has to be capable of supporting transportation of heavy loads since heavy trailers and flat beds are used for mobilizing the rig equipment, containers and material. The number of truck-loads can be in the range from 50 and up to 80, depending on the type of rig with the heaviest loads to be around 60 metric ton. In order to accommodate such equipment, the road should have a width of at least 4 meters. In addition, the need to install pipes under the proposed gravel road can be expected due to the water flow crossing the proposed gravel road in the spring time.

10. **Construction of water supply infrastructure:** Fresh water needs to be supplied via a pipeline to the rig site during all time of the drilling operation. This may require construction of a small reservoir to ensure required water flow intensity to the site. Water source is found in the same area less than one km to the East of the drilling site, where there are water springs providing enough flow during dry seasons. Once the drilling operation is finalized, the dam could be removed.

11. **Construction of a rig pad:** Rig pad, a smooth surface where the rig, associated equipment, and drilling camp will be placed will be constructed. A rig pad has to be constructed at each of the chosen drilling locations (i.e. one for each well).

12. **Drilling of test wells;** This will include drilling of one or two slim wells to the depth of 1500 -1800m followed by intermediate or production-size wells.

### Component 2. Technical Assistance



13. This component will finance consultant and non consultant services required under the project and will include (i), Well logging and mud logging: this will include analyses of the cuttings from the borehole, hole temperature and pressure measurements and gathering of essential data (such as drilling progress, changes in flow line temperatures, etc.), both as the drilling progresses and at the end of each drilling stage; (ii) Flow testing, chemical sampling and analysis: this will include an assessment of: the possible power output of the well, the ratio between the brine and the steam, and enthalpy. It will also include sampling of the brine to analyze the resource as well as estimation of possible problems during power production, such as scaling and/or corrosion. This will assist in deciding what kind of power conversion techniques should be used; (iii) Drilling supervision and implementation support consultant: this will include support to R2E2 Fund in the implementation and supervision of the drilling operation and review of the results and findings of well logging, mud logging, flow testing, and chemical analyses of cuttings (iv) Transaction advisory services: this will include support to the Government to structure a transaction to involve private sector in the construction and operation of a geothermal power plant (v) Operating costs of R2E2 Fund: this will include incremental operating costs of the R2E2 Fund associated with project implementation.

### **1.3 Projects' Anticipated Benefits**

14. With the project, the GoA aimed to help reduce the risk of developing the site for the private sector. If geothermal resource exists at the site, this support can help make geothermal power a financially attractive investment for private investors and an affordable source of electricity for Armenia's grid. It will also demonstrate the feasibility of geothermal power in Armenia in general. The first successful project can build domestic capacity in the development of additional geothermal resources in Armenia at other local prospective geothermal sites. It will also build investor confidence that geothermal is a viable and profitable investment opportunity in Armenia.

15. The Geothermal Power Project at Karkar would have a number of environmental, social co-benefits. Particularly, (i) minimization of land-use for energy generation: compared with other renewable energy generating technologies, such as solar and wind, geothermal power uses relatively small land area; (ii) reduction of pollutant emissions: a geothermal power plant has the potential to reduce greenhouse gas as well as local particulate matter emissions from gas-fired power generation in Armenia; (iii) job creation: potential short-term job creation during exploration of the geothermal site, particularly, during access road civil works; (iv) infrastructures, particularly an access road to be constructed during the Project will be used by community members in the future.

### **1.4. Rationale for Preparation of a Resettlement Policy Framework**

16. The WB funding for the Project will be provided subject to the condition that each Project component should conform (among others) to the WB Operational Policy (OP) on Involuntary Resettlement 4.12 (WB OP 4.12). WB OP 4.12 indicates that an RPF needs to be prepared if the extent and location of the resettlement/Project impacts cannot be known prior to Project Appraisal, as in the case of this Project.

17. Review and analysis of written documentation on the Project components as well as field visit to the potential construction site were conducted to identify the most likely range of potential impacts and to formulate the most appropriate and reasonable set of mitigation measures. However, the final design for the access road, water infrastructure, rig pad are not prepared yet, therefore unforeseen impacts may arise from certain project activities. Some of the impacts may also require other and

more adapted mitigation measures than the ones described in this report. Therefore, the findings and recommendations of this RPF will be adapted/adjusted if needed during Project implementation, based on mutual agreement of the World Bank and Borrower, and reported accordingly.

### **1.5. Objective and Principles of the Resettlement Policy Framework**

18. The RPF aims to prevent and/or mitigate the potential negative social impacts of project implementation activities associated with land use or land acquisition. The objective of the RPF is to: outline a brief description of the project and components for which land acquisition and resettlement are or may be required; describe the legal framework for the Project including both the RA legislation and WB OP 4.12 requirements and propose measures to bridge any gaps between the policies; specify eligibility criteria for defining various categories of Project Affected Person (PAPs); specify compensation approaches for the lost assets as well as methods of valuing of the affected assets; describe the process for preparing and approving resettlement plans; clarify institutional, implementation and monitoring arrangements for resettlement activities; specify grievance redress mechanisms; describe consultation mechanisms with PAPs and describe the arrangements for funding resettlement. In particular, the RPF is aimed to guide the preparation of Resettlement Action Plans (RAP) that will ensure that, in the event of any future resettlement issues, all persons affected by it will be compensated at replacement cost at market value for their losses, and provided with rehabilitation measures so that they are at least as well off as they would have been in the absence of the Project.

19. The Project will follow the principle that involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternatives in project design<sup>4</sup>. If unavoidable, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced or adversely affected by the Project to share the benefits of the Project. Furthermore, displaced persons should be meaningfully consulted and should be involved in the planning and implementing of the resettlement programs; and be assisted in their efforts to improve their livelihoods and living standards; or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of Project implementation, whichever is higher. These principles – and resettlement measures stemming from them – apply to the Project and all its components, whether or not the scale, magnitude and complexity of resettlement issues require preparation of resettlement plans.

### **1.6. Extent and Scope of the Resettlement within the Project**

20. The construction works for the project, namely, access road to the drilling site, water infrastructure and rig pad, will be implemented on the border of Tsghuk, Spandaryan and Sarnakunk rural communities<sup>5</sup>. In this stage of R2E2 preparation it is difficult to have clear information on possible resettlement impacts that might be associated with the proposed activities as the design is not prepared yet. Probably the road will follow the existing alignment: the only accessible path to the proposed drilling site is by a bumpy country 18 km length road of about 2-3 m wide which has been gradually created by farmer's driving smaller trucks mostly for haymaking by community members.

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<sup>4</sup>World Bank Operational Policy on Involuntary Resettlement (WB OP 4.12); January 2002, p.1

<sup>5</sup> Civil works are anticipated under Component 1. Component 2 is not expected to include activities that would require land use or acquisition.

In this case, it will be minor linear impact with no any severe impact. A new alignment will be needed for the water infrastructure and location of the rig pad. Although the design is not prepared yet, examination of cadastral maps and a field visit to Karkar site, supplemented by interviews with village mayors were implemented for the initial impact assessment. The findings are provided below.

### 1.6.1. Land Usage and Structures

21. As a result of general examination of cadastral maps of Tsghuk and Spandaryan communities it is discovered, that on the Karkar site, (including foot of the hill where access road will be constructed, geothermal site) there are mostly community owned lands. Under the existing access road there are near 50 privately owned land plots that are dispersed, which will allow the designer to minimize impact on the private land plots and to avoid land acquisition or any other interference with land usage, wherever possible. However, the designer should examine cadastral maps, work closely with local authorities and do geological survey. Based on the interview with Tsghuk community village mayor, on the upper part of the hill<sup>6</sup> there are near 10 rented land plots. Project impacts on these land plots can also be avoided in case of close cooperation of design team with local authorities. Farming and cattle ranging was observed in some of the adjacent lands during the field visit, although most of them seemed unused for crop cultivation. As the site is a rocky hill with steep slope it is not suitable for cultivation.

22. Land plots are used by Community members for haymaking and as pastures. Shepherds pasture sheep of community members in the area. Usually they rise the hill and stay on the top for 6-8 months. They set up a camp and use the existing structures (concrete pipes, bunker etc.) for organization of their everyday life. The structures are located next to the existing road, but they are dispersed, so new designed road can easily bypass them.



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<sup>6</sup> Based on the information from Cadastral map, it is located at 5 km from the beginning of access road.

23. Community members are mostly involved in animal breeding, so the fodder collected from the community land is very important source of livelihood. After the construction of the access road, community members will be able to use the improved road to bring the graze on cars.



24. Several unfinished structures and a metal movable kiosk are in 30-50 meters from the anticipated road. One household uses the metal movable structure without any registration, which is located at 30 m from the beginning of the access road. The structure is 30 m far from the anticipated road. The irrigation infrastructure, as well as the remains of unused irrigation infrastructure, several geodesic points from concrete are located next to the road. They all could and should be avoided by the selected route.



### 1.6.2. Crops and trees

25. There are no cultivated crops or trees in the potentially affected area.

### 1.6.3. Conclusion

26. It has been illustrated in this chapter, that available community owned land plots in the project area and dispersed location of the privately owned land plots, structures, including unfinished and non registered structures will allow designers to avoid or minimize impact on the privately owned and/or used lands during the selection of the alignment of and location for the infrastructure. However, the final impact assessment should be done at the moment of the establishment of cut-off date following the procedure described in the RPF that will be done on the design stage of the project. Nevertheless, it is unlikely that substantial adverse social impacts will be induced. The project is not expected to require involuntary land acquisition, PAPs physical displacement or any severe impact on PAPs livelihood and income.

27. Although the project is not expected to require private land loss, during the construction period, temporary or permanent land impact on community owned land is possible for organization of construction works (machinery, waste), construction camps etc. In case of temporary or permanent impact on community or private lands, a set of measures will be taken to minimize the negative impact on the community and PAPs. During the design preparation, in addition to the lands needed for widening of the access road as well as water infrastructure and rig pad, the locations where impact is possible during the construction period for accesses to the construction sites or for machinery operation etc. will be identified where and if possible, and compensation will be paid as per this RPF. In addition, R2E2 Fund will compensate for any loss as a result of impacts incurred during the project activities based on the principles and provisions defined by this RPF.

28. Since the Project is not expected to include activities that may lead to physical relocation or private land loss of PAPs, provisions in this RPF that refer to physical relocation or private land acquisition are included on a precautionary basis and for completeness purposes only.

## **2.INSTITUTIONAL FRAMEWORK**

29. Several institutions, each with different roles and responsibilities, will be responsible for overseeing and implementing the principles and objectives of the RPF, particularly while developing and implementing subsequent RAP(s). Functional roles of the involved institutions are listed below.

### **2.1. Armenia Renewable Resources and Energy Efficiency Fund**

30. In the renewable energy sector, the Armenia Renewable Resources and Energy Efficiency Fund (R2E2 Fund) plays a critical role. The R2E2 Fund is an independent organization which facilitates investments in renewable energy by sponsoring renewable energy studies and projects, and supporting local renewable energy companies and stakeholders. Among numerous other projects, the R2E2 Fund implemented the project for development of HPPs in Armenia, comprehensive surface exploration at the Karkar geothermal site, as well as the assessment of hydropower resource potential and the evaluation of the potential for solar PV manufacturing and bioethanol production in Armenia, and some other renewable energy related studies.

31. R2E2 Fund will be responsible for overall project management including all procurement, financial management, reporting, and monitoring and evaluation responsibilities. R2E2 Fund bears overall responsibility for the oversight and monitoring of all the activities under this RPF. Environmental and social safeguards specialists of the R2E2 Fund will be responsible for safeguards management. R2E2 Fund will guide, supervise and report on progress in the components, and will handle resettlement issues requiring action and coordination at the local authorities. R2E2 Fund can be supported by different consultants in the resettlement-related tasks and activities, particularly:

a.Design Consultant (DC) will prepare designs for the Project. DC will be responsible for the determination of the project alignment and location in accordance with RPF principles to avoid or minimize the Project impact. DC can be responsible for the collection of the data on the affected land plots, assets as well as PAPs and their families/households for Census and Socio-economic survey as needed, conduct consultations and information sharing with affected communities, dissemination of Project and component related information during design stage. For this purposes, DC could have a Safeguards Specialist.

b.Licensed valuator will be temporary contracted to carry out assessment of the affected assets and calculation of the compensation in accordance with the RA Valuation law and standards, WB OP 4.12 and this RPF as needed.

### **2.2. State Governing Organisations**

#### **2.2.1. Ministries and Committees**

32. A set of Ministries and Committees that R2E2 Fund can associate and coordinate within the context of resettlement with main relevant functions are presented below. All the ministries might be consulted in the process of preparation of the RAP.

#### **RA Ministry of Territorial Administration (MoTA);**

33. The MoTA has the following roles and responsibilities, among others, that may pertain to resettlement-related issues: (i) development and enforcement of policy provisions for territorial

administration, laws, programs and plans for social-economic development of territorial administrations and local self-governments through the bodies of territorial administration and local self-governments; (ii) management and safe and secure use of the state owned water infrastructure; (iii) development and implementation of investment policy for water infrastructure, organization of expertise of the investment policy; (iv) development and coordination of implementation of the policy on state regulation of migration processes; (v) formation and management of the state mobilization reserves, etc.

34. The MoTA, state authorized body in this area, might have, but not be limited to the following role in the RAP process: (i) assistance in the RAP preparation and implementation process within its jurisdiction of the state authorized body in resettlement activities; (ii) member of the Grievance Redress Committee if appropriate; etc.

#### **RA Ministry of Nature Protection**

35. The RA Ministry of Nature Protection is responsible, among others, for protection and conservation of all natural resources through: (i) development, management and implementation of the state policy on effective management use, and protection of atmospheric air, water, land and mineral resources, mitigation and prevention of adverse negative impacts on flora and fauna, especially protected areas; (ii) development and enforcement of environmental legislation, including, but not limited to environmental norms and standards, permits and associated fees and charges, etc.

#### **RA Ministry of Energy and Natural Resources**

36. The RA Ministry of Energy and Natural Resources is, among others, responsible for protection, sustainable use, and regeneration of natural resources, and implements its relevant functions through the Agency of Mineral Resources and Subsoil Concession Agency.

#### **RA Ministry of Health**

37. The RA Ministry of Health, among others, is responsible for development and enforcement of policy principles of sanitary protection zones of land use for different purposes.

#### **RA Ministry of Culture**

38. The RA Ministry of Culture, among others develops the principles, parameters, norms for inventory, protection, use of historical and cultural monuments, as well as approve the designs and protection regime of protection zones of cultural and historical monuments.

#### **RA Ministry of Emergency Situations**

39. The RA Ministry of Emergency Situations elaborates and implements the policies of the GoA in the area of civil defense and protection of population in emergency situations. Armenian State Hydro-meteorological and Monitoring Service SNCO is among the structural entities acting within the Ministry of Emergency Situations.

#### **RA Ministry of Urban Development**

40. The RA Ministry of Urban Development, among other functions, develops the policy provisions on establishment of urban development limitations and norms for use and development of certain types of land defined in accordance with the Land Code requirements.

## **State Committee of the Real Estate Cadastre under the GoA (SCREC)**

41. The SCREC under the GoA has the following roles and responsibilities, among others, that may pertain to resettlement related issues: (i) Development and implementation of the state policy on the unified national cadastre of the real property (including land); (ii) Within its jurisdiction, development of the principles of land resources management and use policy, implementation of the state supervision of the land use to support the establishment of land rights institution and land market; (iii) Development of cadastral maps, including for lands; (iv) Creation and maintenance of the real property information system and provision of cadastral data; (v) State registration of the real property rights; (vi) Development of the land balance of the RA Land fund and lands classification by types; (vii) Cadastral valuation of the real estate, including lands; (viii) Setting of the base tax for the real property, including land tax; etc.

42. The SCREC under the GoA has its regional subdivisions and closely works with bodies of local self-governance. The Cadastre will be consulted in the process of development of the RAP, specifically in relation to identification and validation of the PAPs assets and property rights, assets and property rights registration and re-registration etc.

### **2.2.2. Marzpetarans (Regional Authorities)**

43. State authorities in Marzpetarans implement the GoA's regional policies in the following areas: finance, urban development, housing and utilities, transport and road construction, agriculture and land use, education, healthcare, social security, culture and sports, nature and environmental protection, commerce, public catering, and services. The regional policies in the aforementioned sectors are implemented by means of Marzpetarans, as well as organizations subordinate to the respective Marzes. A summary of the role of local self-governing bodies in regulation of land relations is as follows:

a. Development of basic settlement plans and implementing land zoning and use of mechanisms within the administrative territory of the community, according to defined procedures;

b. According to basic settlement plans, within the administrative territory of the community and according to defined procedures, provide and take away land belonging to the community and the State due to the Law on Property;

c. Dispose the land belonging to the community due to the Law on Property, according to defined procedures;

d. Implement: (i) Contiguous registration of the land; (ii) Charges of land taxes and rent for the use of community land; (iii) Control over use of the land and maintenance of the restrictions on use; (iv) Other authorities defined by the law;

e. Support in: (i) State registration of the land; (ii) Provision of protection of the land allocated to administrative territories of the communities; (iii) Performance of nature protection and historical-cultural norms and implementation of measures directed to that; (iv) Implementation of Republican and regional plans of the mechanisms for the utilization of forestland.

44. Representatives of the Marzpetarans might be involved in the Grievance Redress Committee and consulted in the process of preparation and implementation of the RAP as the regional state authorities for regulation of land relations.



## **2.3. Local Self-Governing Bodies**

45. Community Authorities<sup>7</sup> (Local Authorities (LA)) will play an important role both during general implementation of the Project and during resettlement-related activities. LAs will be consulted and actively involved in the preparation and execution of resettlement processes in the area of their jurisdiction starting from design preparation stage, particularly in the identification of the ownership status of the affected land plots, identification of PAPs etc. They will be consulted and involved as mediators in the processes of redressing the complaints/grievances where possible, before those are deposited with the Grievance Redress Committee. Community Authorities may also provide community owned lands for temporary usage or permanent acquisition for project activities, including access roads, construction camps, new alignment for pipelines etc. In such cases, LAs act as a counterpart for community lands acquisition/use contracts.

## **2.4. Resettlement Action Plan Implementation Unit**

46. In cases where the scale of resettlement is significant and R2E2 Fund is not able to implement all the activities related to it, a Resettlement Action Plan Implementation Unit (RAPIU), the entity authorized by R2E2 Fund, can carry out the resettlement activities. The decision will be made on the stage of RAP preparation. If and when necessary RAPIU will provide oversight and advisory services to assist PIU in the implementation of RAP (The details are provided in Chapter 5.5).

## **2.5. Grievance Redress Committee**

47. A Grievance Redress Committee (GRC) at Project level will be established to address complaints and grievances pertaining to resettlement and to pre-empt all disagreements being referred to the court (Details are provided in the Chapter 6).

## **2.6. Non-Governmental Organisations**

48. Non-governmental organizations (NGOs) functioning in Armenia and particularly in the project related regions are closely involved in community life. Particularly, NGOs<sup>8</sup> help to resolve community issues, promote interests of vulnerable groups, protect the environment, provide basic social services, organize awareness campaigns etc. In any Project resettlement related activities, NGOs will be involved, including in the process of the preparation and implementation of any RAPs. Particularly, NGOs will be invited to participate in all public consultations to be organized in the affected communities to present their views and recommendations on the process, and to assist PAPs during the process at their convenience.

## **2.7. World Bank**

49. WB will be the funding agency of the project. Besides supervising the Project on regular basis, WB will review and approve Project RAPs, Due Diligence Reports, and Compliance reports.

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<sup>7</sup> Local Self Governing Bodies of Tsghuk, Spandaryan and Sarnakunq rural communities.

<sup>8</sup> In Attachement 11 the list of NGOs working in the project region is presented.



### **3. LEGAL FRAMEWORK**

#### **3.1. Legislation of the Republic of Armenia**

50. In the RA the legal framework for land takings and resettlement issues mainly consist of the following legal acts:

- The Constitution of the Republic of Armenia (adopted in 1995 amended in 2005),
- The Law on Alienation of Property for the Needs of Society and State (adopted on 27.11.2006, entered into force from 30.12.2006, revised in 2014),
- The Land Code of the Republic of Armenia (adopted on 02.05.2001, entered into force from 15.06.2001),
- The Civil Code of the Republic of Armenia (adopted on 05.05.1998, entered into force from 01.01.1999),The Law on Real Estate Valuation Activity (adopted on 04.10.2005, entered into force from 26.11.2005),
- The Code of Civil Procedure (adopted on 17.06.1998, entered into force from 01.01.1999),
- The Code of Administrative Procedure (adopted on 28.11.2007, entered into force from 01.01.2008).

#### **The Constitution**

51. Article 8 of the Constitution of the RA (hereinafter referred to as the Constitution) generally acknowledges that the right to property (ownership right) is recognized and protected in the RA. Article 31 of the Constitution states that the property can be alienated for society and state needs only in case of exceptional priority public interest, in accordance with the procedure set by the law and on the basis of appropriate compensation. In this context special attention shall be paid to Article 1 of Protocol 1 of the European Convention of Human Rights, stating that “Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided by law and by general principles of international law”.

#### **The Civil and Land Codes**

52. Though the process of land/property takings are mainly governed by the law mentioned above there is a separate group of issues that may arise during the implementation of the project related to the right of limited use of the other’s property. These issues are addressed in the Civil and Land Codes of the Republic of Armenia.

53. Article 210 of the Civil Code (as well as Article 50 of the Land Code) states that the owners/users of a land plot can demand from the owner of the land plot neighboring with theirs and/or from the owners of other land plots to grant the right of limited use of their land plots (servitude).A servitude may be established to provide for walking and riding through the neighboring land parcel, installation and exploitation of lines of electric transmission, communication and pipelines, provision of water supply and melioration. The servitude can be voluntary or compulsory, if the agreement on servitude is not reached between the parties. Article 212 (3) of the Civil Code stipulates that for preservation and maintenance of pipelines, engineering infrastructures established to serve the public needs, a compulsory permanent free of charge servitude shall be established. Servitude is to be registered in State Cadaster.

## **The Law on Alienation of Property for the Needs of Society and State**

54. The most important legal act dealing with the issues of land/property takings and resettlement is the Law on Alienation of Property for the Needs of Society and State (Eminent Domain Law). The Eminent Domain Law stipulates the cases when the alienation of the property needs to be executed and the procedure how the alienation should be conducted. It applies to all objects (immovable and movable property, property rights, securities etc.) that belong to the physical persons and legal entities as well as communities by ownership right, which are officially registered in RA in accordance with the law.

55. Article 3 of the Law stipulates the exceptional public interest as the constitutional basis for the alienation and sets the following requirements for execution of the alienation in question: (i) alienation in accordance with the procedure set by the law, and (ii) prior payment of appropriate compensation against the property to be alienated. Moreover, it defines, that public and state purposes cannot be considered as an exceptional priority public interest, if the realization of acquisition aim is not applied within seven years, after the government decision on acknowledgement of exceptional priority public interest enter into force.

56. Article 4 of the Law sets the principals/conditions in accordance to which the exceptional priority public interest should be determined. Thus, the Law stipulates that (i) the public interest must be superior over the interests of the owner of the property, (ii) the effective implementation of the public interest cannot be achieved without the alienation of the property, (iii) the alienation of the property must not do unjustified harm to the owner of the property, (iv) the public interest must be acknowledged as superior through the Government decision, (v) the fact of existence of the exceptional public interest may be argued through litigation in the court .

57. The same article states that exceptional public interest shall serve the following purposes: (a) protection of public and state security, (b) implementation of the obligations assumed by the Republic of Armenia under international treaties, (c) preservation of historical and cultural values or monuments of international and national importance, and creation and preservation of special protected nature areas, (d) protection of the environment, (e) development of education, healthcare, sport as well as science and culture, (f) implementation of projects of community and intercommunity importance in the fields of communication, transport, energy, land use, city construction, energy and water supply, (g) protection of the property, health and private life of citizens, (h) prevention and/or mitigation/reduction of the possible effects of emergencies.

58. The Law also regulates the issues related to the determination of the scope of the property under alienation. In particular, Article 5 of the Law stipulates that, in case of alienation of a land parcel, all the items of real estate (buildings and other property) as well as all the improvements on the land parcel are also subject to alienation. In case of alienation of a building, the land plot necessary for the usage of the property is also subject to alienation. If a part of the property is alienated, the owner shall be entitled to demand that the non-alienated part be alienated as well in cases below: (i) the non-alienated part of the property loses either the economic or functional significance it used to have to the owner before the expropriation of the alienated part, regardless of the proportion of the alienated and non-alienated parts of the property; (ii) the non-alienated part of the property is insignificant in comparison with the alienated one. The owner may demand within two months after the government decree on approving the exceptional prioritized public interest becomes effective. In the event the Acquirer refuses to obtain the non-alienated part of the property, the owner shall be entitled to bring his/her claim before a court of law.

59. In this respect it should also be noted, that the European Court of Human Rights has well-established case-law concerning the interpretation of the notion of “possessions” (ownership, property) used in Article 1 of Protocol 1 of the European Convention which is highly desirable to take into consideration while determining the scopes of the property to be alienated. The following illustrate are of interest here.

60. Case of Broniowski v. Poland, point 129: “The concept of “possessions” in the first part of Article 1 of Protocol 1 has an autonomous meaning which is not limited to the ownership of material goods and is independent from the formal classification in domestic law. In the same way as material goods, certain other rights and interests constituting assets can also be regarded as “property rights”, and thus as ‘possessions’ for the purposes of this provision. In each case the issue that needs to be examined is whether the circumstances of the case, considered as a whole conferred on the applicant title to a substantive interest protected by Article 1 of Protocol 1” ,

61. Case of Kopechky v. Slovakia, point 25: “The Court recalls that according to the case-law, “possessions” within the meaning of Article 1 of Protocol 1 can be “existing possessions ” or assets, including claims, in respect of which applicant can argue that he or she has at least “legitimate expectations” of obtaining effective enjoyment of a property right”.

62. The Law furthermore stipulates that the state, a community and/or an organization can act as the acquirers of the property being alienated for public and state needs.

63. Article 7 of the Law states that the restrictions arising from the resolution of the Government on acknowledging the exceptional superior public interest shall be registered in accordance with the procedure set by the law within 15 days upon entering into force of the resolution of the Government. The resolution is sent to the owners of the property and other persons having registered property rights in that property within 7 days after the subject Government resolution enters into force. The Government resolution shall be published in the Official Bulletin of the Republic of Armenia and in mass media being published in not less than 3000 copies and can be appealed in the court within one month from the day it enters into force.

64. The same article also stipulates that, after the Government resolution enters into force, the asset description protocol should be prepared by the authorized authority whereas the owner/co-owners and the persons having property rights over the property subject to alienation are entitled to take part in the preparation. The copy of the asset description protocol is sent to the owner and to the parties having property rights over the property within 3 days after it is completed. The protocol can be challenged / appealed before the government authorized body or the court within 10 days after they receive the copy.

65. The Eminent Domain Law recognizes also the option to conduct preliminary study of the property subject to alienation (which includes also the preparation of assets description protocol) before the adoption by the Government of the resolution mentioned above at the request of the potential acquirer. The preliminary study is conducted based on the resolution of the Government. The law also defines rights and obligations of investigators.

66. Article 9 of the Eminent Domain Law defines that the government decree on exceptional priority public interest acknowledgment can be appealed in the court by the owner of the property subject to expropriation or other interested persons within a month from the moment government decision on exceptional priority public interest acknowledgment entered into force.

67. Article 10 of the Law states that the acquirer/purchaser of the property shall, before the deadline to start the alienation of property for public and state needs set in the GoA decree, send to the

owners and other persons having property rights over the property draft agreement/contract for alienation of the property. The owners of the property are obliged to inform the acquirer/purchaser within two weeks from the date of receipt of the agreement on the persons having property rights over the property who have not registered their rights or are not subject to registration. If the owner does not inform the acquirer about the mentioned persons then he/she bears the liability for the losses of those persons arising out of the alienation without their participation. The owner can provide his/her comments on the draft contract and start negotiations.

68. Article 11 of the Law stipulates that equivalent compensation shall be paid to the owner against the property to be alienated. Equivalent compensation is the market price increased by 15%. The market price shall be determined in accordance with the RA Law on Activity of Real Estate Valuation. As per Real Estate Valuation Law the valuation is to be conducted by licensed valuers/appraisers. The results of valuation should be reflected in the valuation report, which structure is defined by State Valuation Standard. Market price shall not include any increase or decrease, which is connected with the following reasons: (i) the aim the property is expropriated for; (ii) by circumstance on property expropriation for public and state purposes; (iii) any preliminary action of the acquirer connected with property expropriation (preliminary study including); (iv) existing property rights to property. The acquirer compensates to the expropriated property owner all the financial responsibilities (taxes, charges mandatory fees etc.) related to property acquisition. The Law also stipulates that the persons having property rights over the property under alienation are compensated from the amount of the compensation paid against the property being alienated.

69. As per articles 12 of the Law, if no agreement on alienation of the property is signed between the acquirer and the owners/persons having property rights over the property within three months after sending the draft alienation agreement to them, the acquirer must deposit the compensation amount with the notary public or the court, whereas the amount of compensation shall be calculated as of not more than one week prior of the date when the deposit is made. If in 7 days the amount of deposit is received by the owners and/or persons having property rights, the agreement of alienation is deemed to be made.

70. Article 13 of the Law provides that if no agreement on alienation is signed within 7 days after the acquirer deposits the amount of compensation, then, for the alienation of the property, the acquirer must resort to the court within one month. In this case only the issue on the size of the compensation amount can be the matter for dispute. The court's decision on the amount of compensation shall be the basis for alienation of the property.

71. The Eminent Domain Law defines restrictions on the property to be alienated for public and state purposes. Particularly, improvements, other than those prescribed under Article 14(1) of this Law, on the property alienated following the day of the expropriated property descriptive record under the procedure established by the GoA as well as the rights granted to or received by third party shall not be subject to compensation.

72. The law also provides for the grounds when the GoA decree on Eminent Domain will become invalid. In particular, Article 16 states that if the acquirer does not send the draft alienation agreement to the owner and/or persons having property rights, or does not deposit the amount of compensation with the notary public or court within the time set by the Law, or does not resort to the court within the time period set by the Law then it will be construed as waiver from the right to acquire the property and all the documents on recognizing the superior public interest related to that item of property shall be deemed invalid. The mentioned resolution may be recognized as void by the court if the acquirer, inter alia, have not started the activity serving as a basis for property alienation for two years from the enactment of the GoA decree.

73. Last revision of the Eminent domain law defined limitations for the courts in terms of decision making. Particularly, the court must examine and rule on fixing the compensation amount for the property alienated within 2 months upon receiving the claim.

74. These resolutions shall be challenged / argued in the Administrative Court of the Republic of Armenia in accordance with the requirements of the Code of Administrative Procedure. As per Article 3 an individual or a legal entity shall be entitled to resort to the Administrative Court, if the actions and/or inactions and administrative acts of state or municipal bodies or their officials have violated or will violate his rights and freedoms guaranteed by the Constitution of the Republic of Armenia, international treaties, laws and other legal acts. In the meantime, it should be noted that the Code does not set a time frame for the proceedings in the Administrative Court. Article 81 states that the court proceedings shall as a rule be completed in one session, without delays. The preparation to court proceedings and the proceeding itself shall be completed within a reasonable period of time. Along with the above-mentioned, the Code of Administrative Procedure provides for simplified/accelerated proceedings in several cases, among which the most applicable in our case are the following: (i) when the presented claim is evidently well-substantiated or (ii) when the presented claim is evidently groundless. The decision of the Administrative Court enters into force from the moment it is publicized.

75. The case is a bit different when the case goes to court in the cases provided by article 13 of the Law (the signing of alienation agreement by resort to court). These cases are heard by the court of General jurisdiction if the amount of compensation in dispute is less than AMD 5 mln and by the civil court if it is equal to or exceeds AMD 5 mln. The proceedings in court are conducted as per the requirements of the Code of Civil Procedure of the Republic of Armenia. As in the previous case, the Code of Civil Procedure also does not stipulate any strict time limits for case hearings and set that the case should be heard in the court within a reasonable time period (Article 111). Here also the court may use accelerated hearings. Article 125 of the Civil Procedure Code stipulates that the court is entitled to use accelerated hearings if (i) the nature of the case requires immediate hearing; (ii) the claim is evidently substantiated; (iii) the claim is evidently groundless.

76. The decisions of the courts of general jurisdiction and the civil court enter into force after one month and can be appealed to the appeal court for civil cases. In its turn, the appeal court also is not bound by strict time-frames and shall hear the case within reasonable period taking into consideration the time period when the case was heard by the general jurisdiction / civil court. The decision of the appeal court enters into force from the moments it is publicized.

### **3.2. World Bank Policies**

77. The primary objective of the WB OP 4.12 is to explore all alternatives to avoid, or at least minimize, involuntary resettlement. Where resettlement is unavoidable, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits. Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs. Displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

78. The policy applies to the taking of land and other assets when land acquisition results in the loss of shelter, the loss of all or part of productive assets, or access to them, and the loss of income sources or other means of livelihood. This policy also applies to other activities resulting in

involuntary resettlement, which in the judgment of the Bank, are (a) directly and significantly related to the Bank-assisted project, (b) necessary to achieve its objectives as set forth in the project documents; and (c) carried out, or planned to be carried out, contemporaneously with the project. OP 4.12 prevails over local legislation in all cases of contradiction, aside from cases in which local legislation provides PAPs with higher compensation.

### 3.3 Comparison of Armenian Laws and the World Bank’s Involuntary Resettlement Policy

**Table 1. Comparison of Armenian Laws and the World Bank’s Involuntary Resettlement Policy**

Legislation of the Republic of Armenia	WB Involuntary Resettlement Policy	Conclusion on gaps	Actions to address the gaps
<b>1. Eligibility and Entitlement</b>			
<p>a) Persons registered their rights over the property in the State Cadaster (land, buildings, other improvements) are eligible to receive compensation for the land being alienated, damages/ demolition and lost crops caused by a project (the Law on Property Alienation for Social/Public and State Needs), or in the cases their lands are not alienated but partially used for public projects (servitude) (the Civil Code (Articles 210-218), Land Code (Articles 50-and 100),</p> <p>Persons enjoying other property rights over the property (right to lease, right to free use, etc.) are eligible for compensation, whereas the amount of compensation for these persons is included and paid from the compensation paid to titled owners, (the Law on Property Alienation for Social/Public and State Needs (Article 11).</p> <p>Persons constructed buildings on their own lands but not registered them are eligible for compensation if they have legalized their rights in 15 days after Eminent Domain GoA decree enters into force.</p>	<p>a) Persons who have formal legal rights to land are provided compensation for the land they lose;</p>	<p>In general the provisions of the Armenian legislation and WB’s OP are the same, except of provisions to persons lacking the formal legal right over the property.</p>	<p>To address this gap the WB OP 4.12 is followed</p>
<p>PAPs that have legal opportunity to get property rights should get the right and will be compensated as owner if register their ownership rights in 15 days after Eminent Domain Enters into force.</p>	<p>b) Persons who do not have formal legal rights to land but have a claim to such land or assets – provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan – are provided compensation for the land and all other assets they lose;</p>		
<p>c) Persons who does not register their rights to the property in the State Cadastre are not eligible for compensation</p>	<p>c) Persons who have no recognizable legal right or claim to the land they are occupying are provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance as necessary, if they occupy the project area prior to the cut-off date.</p>		
<p>The compensation should be paid to the owner in case of alienation, whereas the amount of</p>	<p>Compensation levels should be sufficient to replace the lost land</p>	<p>Both Armenian legislation and WB</p>	<p>To address this gap: RA law</p>



Legislation of the Republic of Armenia	WB Involuntary Resettlement Policy	Conclusion on gaps	Actions to address the gaps
<p>compensation will be market value plus 15%, without any deductions for tax or registration costs</p> <p>The expenses that occur in the process of property expropriation for society and state needs are covered by means of the acquirer.</p>	<p>and other assets at full replacement cost in local markets, including transaction costs.</p>	<p>OP 4.12 provide for compensation of lost land and assets. National legislation appears to be more beneficial for the PAPs.</p>	<p>requirement for land and structures compensation is followed, as it is more beneficial for PAPs. The provisions of OP 4.12 will be followed in case that it is more beneficial with the owner.</p>
<p>No provision for income/livelihood rehabilitation measures</p>	<p>The WB policy requires rehabilitation for income/livelihood</p>	<p>RA legislation does not provide provisions for income/livelihood compensation and/or expenses incurred by the PAPs during the relocation process.</p>	<p>To address this gap WB OP 4.12 is followed</p>
<p>No specific allowances for severely affected PAPs, vulnerable groups, and/or resettlement expenses</p>	<p>Particular attention is paid to the needs of vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples, ethnic minorities, or other displaced persons who may not be protected through national land compensation legislation.</p>	<p>RA legislation does not provide provisions for vulnerable groups</p>	<p>To address this gap WB OP 4.12 is followed</p>
<p><b>2. Public Consultation, Participation and Information Requirements</b></p>			
<p>APs should be properly notified during several important stages of the acquisition process. Particularly, they should be notified on government decision on exceptional priority public interest, survey results reflected in the asset description protocol, about the purpose, importance and juridical consequences of survey, proposal of acquire, including compensation amounts in the draft contract, compensation amount is sent on court deposit account. Delivery of notifications or documentation provided by RA eminent domain law (documentation, applications, proposals and others) to addressees is considered to be proper in case: it has been sent to them by ordered letter, with the note on delivery, or by other means providing assurance of communication, or by return receipt signed by addressee. Local municipalities are required to acknowledge the communities through mass media and public discussions on expected changes in their living environment (Government Resolution No 660 dated 28 October 1998).</p>	<p>Displaced persons and their communities, and any host communities receiving them, are provided timely and relevant information, consulted on resettlement options, and offered opportunities to participate in planning, implementing, and monitoring resettlement.</p>	<p>Requirements of the Armenian legislation and the WB OP 4.12 are different but not contradictory.</p>	<p>To address this gap use both RA and WB OP 4.12 requirements as supplementary</p>

### 3.4. Conclusions: Bridging the Gaps

79. In principle, Armenian laws and regulations relevant to land acquisition and resettlement and WB OP 4.12 adhere not only to the objective of compensation for affected families or persons, but also to the objective of rehabilitation. However, Armenian laws are unclear on how rehabilitation is to be achieved and in practice the provision of rehabilitation is left to ad hoc arrangements taken by the local governments and the specific project proponents. Another significant difference between the RA laws and the WB policies is that WB OP 4.12 recognizes titled and non-titled owners/users as well as registered and unregistered tenants, i.e. lack of legal title is no bar to compensation and rehabilitation. Bridging the gaps between the Armenian laws and regulations and WB OP 4.12 this RPF envisions compensation to both titled and non-titled land users for all affected assets, as well as rehabilitation assistance to non registered users of the assets. In addition, RPF envisions that RAPs should include appropriate rehabilitation packages for PAPs that may be vulnerable and/or need to be relocated, and/or may suffer business losses, and/or may be severely affected. Furthermore, while public disclosure and consultation are not well articulated in the RA laws and are limited only with information disclosure activity, the project will ensure due inclusion of (potential) PAPs and their advocates or representatives (e.g. civil society organizations), in particular, of vulnerable groups affected by the project, in the public consultation and participation process prior to and during project implementation (see also section 7 below). In addition, an accessible grievance redress mechanism will be instituted (see also section 6 below) and physical project implementation works will not commence until all compensation and rehabilitation measures of a project or sub component are completed, in line with any relevant Resettlement Action Plan.

80. The WB OP 4.12 prevails in all cases of contradiction with national legislation, aside from cases in which the local legislation is more beneficial for PAPs.

81. In line with the Paragraph 4 of WB OP 4.12, these measures apply to all components of the project that result in involuntary resettlement, regardless of the source of financing.

## 4. COMPENSATION ELIGIBILITY AND ENTITLEMENTS

82. Resettlement tasks under the Project will be implemented according to a compensation eligibility and entitlements framework developed in line with both the RA legislation and WB OP 4.12. The basic principle of the RPF is that PAPs should be assisted in their efforts to improve their living standards, income earning capacity, and production levels, or at least to restore them to pre-project level whereby lack of legal title does not exclude individuals from the eligibility to receive compensation or rehabilitation assistance.

83. In the Annex 1 provisional entitlement matrix is provided. During identification of the impacts associated with particular Project component, the entitlement matrix and description of compensation entitlements shall be revised and updated accordingly.

### 4.1. Compensation and/or Rehabilitation Eligibility

84. PAPs eligible for compensation and or rehabilitation assistance include the following three groups:

- i. those who have formal legal rights to land that are properly registered as per the RA law;
- ii. those who do not have formal legal rights to land at the time the census begins but have a claim to such land provided that such claims are recognized under the RA laws or become recognized through a process identified in the resettlement plan;
- iii. those who have no recognizable legal right or claim to the land they are occupying.

85. Lack of legal rights or titles do not make them ineligible for entitlements.

86. WB OP4.12 covers the following direct economic and social impacts of the project to be compensated/rehabilitated that are caused by

- a. the involuntary taking of land resulting in
  - i. relocation or loss of shelter;
  - ii. permanently or temporarily affected land;
  - iii. loss of assets or of access to assets including: houses or other structures, crops, trees, or other assets; businesses and or factors of production; and/or,
  - iv. loss of income sources or means of livelihood, whether or not the affected persons must move to another location; or
- b. the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the project affected persons.

87. Compensation eligibility will be limited by a cut-off date. All PAPs living and/or have/use assets (such as structures, trees, crops etc.) in the project area before the cut-off date may be considered for compensation for their losses and/or rehabilitation assistance. The OP 4.12 recognizes that PAPs who occupy project-affected areas after the cut-off date are not eligible for compensation. The fact that the Project will define a cut-off date for compensation eligibility will be communicated to affected communities during public consultations on the project design stage. The precise cut-off date will be publicly announced by the R2E2 Fund and LAs in advance and the census survey of PAPs and assets inventory will commence immediately following this announcement. During preparation of design, LAs will not only approve the design following local procedures and requirements, but also can prepare a protocol stating that there will not be any private land or used community land affected by

the approved design. The cut-off date will be the date of commencement of the census survey of PAPs and or assets inventory of affected assets. All people, organizations moving into the project area and/or people conducting construction works, planting trees, making other improvements after the cut-off date are non-eligible PAPs and thus will not receive any compensation and/or assistance. They, however, will be given sufficient advance notice, requesting them to vacate their premises and dismantle affected structures prior to project implementation. The materials of their dismantled structures will not be confiscated and they will not pay any fine or suffer any sanction.

## **4.2. Compensation and Rehabilitation Entitlements**

88. The compensation entitlements are based on the premise that resettlement, rehabilitation and compensation programs should improve or, at a minimum, restore the PAPs' pre-project living standards and ensure their participation in Project benefits. All the PAPs that are eligible (para. 83-86) for compensation and/or rehabilitation will be compensated prior to construction works. PAPs covered under para. 83(i) and (ii) are provided compensation for the land they lose, and other assistance in accordance with RAP. PAPs covered under para.83 (ii) can be compensated for the land only after the legalization of their ownership rights. Legalization process and action plan should be defined in the RAP. PAPs covered under para. 83(iii) are provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance, in accordance with a RAP. All persons included in para. 83 (i), (ii), or (iii) are provided compensation for loss of assets other than land.

89. Persons who encroach on the area after the cut-off date (para. 86) are not entitled to compensation or any other form of resettlement assistance.

### **General Principles of Compensation**

90. The preliminary compensation rates for the economical and/or physical displacement will be proposed to the PAPs to give them an opportunity to compare those with the prevailing market rates;

91. The competent government authorities will give preferential treatment to PAPs reconstructing their houses on their own, and support them in obtaining the necessary property titles and official certificates;

92. In case if community infrastructure and services such as schools, factories, water sources, roads, sewage systems, electrical supply is affected, or other community resources such as a woodlot or pasture is lost, this will be replaced at no cost to the community or utility owner. They will be re-built and/or improved, so that their pre-project function/purpose will be restored and the PAPs will have access to these services. Details on the restoration approaches and mechanisms should be provided in the RAP.

### **Resettlement Strategies and Cash Compensation**

93. Preference will be given to land-based resettlement strategies for PAPs whose livelihoods are land-based. These strategies may include resettlement on public land or on private land acquired or purchased for resettlement. Whenever replacement land is offered, resettlers are provided with land for which a combination of productive potential, location advantages and other factors is at least equivalent to the advantages of the land taken. In the relocation area, community infrastructure and services will be built and improved if possible, so that the PAPs will have access to these services.

94. If land is not the preferred option of the PAPs, or the provision of land would adversely affect the sustainability of a park or protected area, or sufficient land is not available at a reasonable price<sup>9</sup>, non-land-based

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<sup>9</sup>The lack of adequate land shall be demonstrated and documented to the satisfaction of the WB.

options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost.

95. Payment of cash compensation for lost assets will be appropriate where (a) livelihoods are land-based but the land taken for the project is a small fraction (less than 20% of the productive area) of the affected asset and the residual is economically viable; (b) active markets for land, housing, and labor exist, displaced persons use such markets, and there is sufficient supply of land and housing; or (c) livelihoods are not land-based. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.

96. Compensation will not be deducted for salvageable materials, registration costs, taxes and other applicable payments.

### **Rehabilitation Cost and Livelihood Restoration**

97. In addition to compensation for lost assets, PAPs are entitled to rehabilitation support for livelihood restoration. For example, PAPs can be entitled to transitional assistance, which includes moving expenses, temporary residence (if necessary), employment training and income support while awaiting employment. Specific attention should be paid and assistance should be provided to vulnerable groups as well as to the households facing to severe impact.

- a. Vulnerable households, including poor, women headed, and elderly headed households<sup>10</sup> shall receive a lump sum allowance as well as employment priority in project related works.
- b. When more than 10% of a PAP's income-generating assets are affected, PAPs will get an additional allowance for severe impact equal to the market value of a year's gross yield of the land lost.

98. The compensatory measures will be provided under the particular RAP in addition to payment of the replacement value of acquired property.

99. In relation to losses that cannot easily be valued or compensated for in monetary terms (e.g., access to public services, customers, and suppliers; or to fishing, grazing, or forest areas), attempts will be made to establish access to equivalent and culturally acceptable resources and earning opportunities.

### **Consultation, Planning and Timing**

100. PAPs will be compensated at full replacement and substitution costs without depreciation, and relocated after due consultation with them.

101. Resettlement plans will be developed and implemented in consultation with the PAPs.

102. Effective and timely design, planning and implementation of resettlement and rehabilitation measures will be conducted to avoid unnecessary delays and consequent inconveniences to the PAPs.

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<sup>10</sup> Vulnerable households are (a) households headed by women, where there are no family members of working age (this does not include family members that undertake mandatory service in the armed forces of RA, hold 1<sup>st</sup> or 2<sup>nd</sup> degree of disability, or serve as full-time student of up to 23 years old); (b) households, headed by people of the pension age (elderly), (this does not include family members that undertake mandatory service in the armed forces of RA, hold 1<sup>st</sup> or 2<sup>nd</sup> degree of disability, or serve as full-time student of up to 23 years old); (c) poverty-stricken households, which are registered in the Family Benefit System of the RA Ministry of Labor and Social Issues (MLSI) and receive corresponding allowance according to the order, set forth under the RA legislation; if AH is identified as poor based on the impact assessment survey, but is not registered in the Family Benefit System, R2E2 Fund will assist the AH to get registered. As soon as these households are registered in the Family Benefit System, they become eligible for the allowance.

103. Resettlement, compensation and rehabilitation programs for PAPs will be timed so as to guarantee the availability of new land and residences, prior to commencement of project or sub component related construction activities;

104. Land clearance or any project related construction works that affect PAPs will not start before the PAPs have received compensation and rehabilitation assistance.

### **Relocation**

105. PAPs will be provided full assistance for transportation of personal belongings, inventory and/or movable assets/structures if any and will be given a relocation allowance in addition to the compensation at replacement cost of their houses, lands and other assets.

### **Monitoring**

106. Institutional arrangements will be made for internal monitoring of resettlement activities. If deemed necessary in RAP an external monitoring entity will be involved to ensure independent monitoring of RAP preparation and implementation activities.<sup>11</sup>

## **4.3. Valuing Affected Assets**

107. The R2E2 Fund will engage the services of a competent and acknowledged independent valuator, responsible for determining replacement cost of the affected assets particularly during RAP preparation. During the valuation process, PAPs, LAs and relevant government offices (such as the SCREC under the GoA) can be consulted. Valuation will be done in the framework of the RA Valuation Law and RA Valuation Standard. Where domestic law does not meet the standard of compensation at full replacement cost, WB policies, guidelines and technical specifications for compensation at replacement cost will be applied. Subsequently, compensation and rehabilitation measures will be developed by R2E2 Fund based on the valuation reports. Guiding principles for the valuation of the predictable types of losses are listed below.

### **4.3.1. Valuation of Land and Structures**

108. With regard to land, the replacement value is defined as follows:

109. For agricultural land, it is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes done based on the comparative method as per the RA Valuation Standard (details are provided in the ANNEX 7);

110. For land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes done based on the comparative method as per the RA Valuation Standard (details are provided in the ANNEX 7);

111. Structures will be valued at replacement cost based on construction type, materials cost, labor, transport/other construction costs. If PAP does not wish to relocate, partial impacts may be paid only for the affected portion of the building or repairs.

112. In determining the replacement cost to be compensated to the PAP, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project

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<sup>11</sup>For further details see section 5.3 below

deducted from the valuation of an affected asset. No deduction for transaction costs and/or taxes derived from acquisition process will be applied. It will be paid by the project.

#### **4.3.2 Valuation of Crops**

113. Annual crops will be valued at net annual market value for the one-year crop.

#### **4.3.3. Valuation of Trees**

114. There is not any tree in the potential affected area.

## 5. IMPLEMENTATION ARRANGEMENTS

### 5.1. Resettlement Requirements and Screening Process during Design Stage

115. Resettlement related planning process should start with planning of preliminary infrastructure alignment at the design stage. The avoidance of the permanent land loss/resettlement impact and minimization of temporary land loss is the main precondition of the construction design of infrastructures in the frameworks of the Project.

116. In order to identify possible permanent and/or temporary land loss under each component/subcomponent, process of Due Diligence/preliminary investigations should be initiated within the framework of the project, including the following steps:

a. Potential impacts will be identified and followed up by the R2E2 Fund with assistance of DC and, when necessary, through visits to those sites where impacts are expected. The DC should provide R2E2 Fund with an initial and documented description of the existing baseline situation, in particular related, but not limited, to resettlement, land required for the component (either permanent or temporary), as well as identification and mapping of land ownership and affected assets if any in the affected area. Prior to each design, DC will examine the cadastral maps as well as community maps for each community to identify the location of private and/or used lands as well as community lands. LAs should provide the verified data on the type of ownership of the lands and structures potentially to be affected by the Project. Verification of the cadastral and community maps should be done also in the field based on the observations and measurement where applicable. After the exercise, impact on the legally/illegally used lands/structures will be avoided/minimized. The activity should be implemented in close cooperation with Local Authorities of the community.

b. R2E2 Fund will organise site visits as needed. The last will include (i) initial discussions with local authorities; (ii) verification of information provided by the DC; and (iii) if required obtaining additional information on the scale and magnitude of the potential impacts;

c. The Component thus confirmed to include potential resettlement or resettlement effects should be subsequently scheduled for an intensive sensitization and consultation process to involve the potentially impacted communities; The consultation process should be properly documented by the DC and the outcome presented to the R2E2 Fund for further processing and eventual approval to proceed (or otherwise) with the specific design;

d. If approval to go ahead is obtained and a cut-off date for eligibility declared, PAPs and the local authorities are informed about the impending compensation and resettlement;

e. Subsequently, a PAPs census survey as well as inventory of losses should be undertaken and combined to limit the inconvenience for the PAPs and speed up the process of RAP preparation. If required, a baseline survey should be simultaneously undertaken<sup>12</sup>.

f. Once the results of the survey are available, a decision is made whether a RAP (abbreviated or full, as applicable) for that component needs to be drafted by R2E2 Fund, or if Due Diligence is sufficient.

g. If RAP is required, the outlines shown in Annex 5 will be used. Sufficient detail should be provided and the RAPs should be in conformity with (the principles of) this RPF.

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<sup>12</sup> A baseline survey is required if physical relocation of PAPs is unavoidable and/or if some of the PAPs lose more than 10% of their productive assets; footnote 6, WB OP 4.12, Annex A.



## 5.2. Types of Resettlement Action Plans

117. According to WB OP 4.12, all projects that entail resettlement require a RAP. The scope and level of detail of the resettlement plan vary with the magnitude and complexity of resettlement based on the Project Category (OP 4.12, para 25; Annex A, para2-22).

- a. A full RAP is required whenever land acquisition in a project affects more than 200 people, takes more than 10 percent of any holding, and/or involves physical relocation of population.
- b. An abbreviated RAP is acceptable if fewer than 200 people are affected.

118. The specific RAPs prepared under this RPF will include baseline census and socio-economic survey information; specific compensation rates and standards; policy entitlements related to any additional impacts identified through the census or survey; description of resettlement sites; programs for improvement or restoration of livelihoods and standards of living; implementation schedule for resettlement activities; and detailed cost estimates. While carrying out these tasks, specific attention will be paid to the needs of vulnerable groups among those displaced, especially those below the poverty line, the disabled, the elderly, women and children or other displaced persons who may not be protected through national land/property compensation legislation.

119. After approval has been obtained, compensation, resettlement and rehabilitation activities will be initiated, and will be completed before commencement of construction works.

120. The RA legislation requires the same level of protection for all groups of the society, including those mentioned as vulnerable groups. This principle is reflected in the RA Constitution. In particular, Article 14.1 of the Constitution states: All the people shall be equal before the law. Discrimination based on sex, race, ethnicity, political or other views, belonging to ethnic minorities, property status, birth, disability, age or other personal or social circumstances is prohibited.

121. Article 6 of the Constitution states that the Constitution has superior legal force and its norms shall be applied directly. All the laws and other legal acts shall be in conformity with the Constitution.

## 5.3. Process of the Resettlement Action Plans Preparation and Approval

122. This RPF guides the preparation of Resettlement Action Plans (RAP). RAPs, as needed, will be developed by the R2E2 Fund with the help of relevant social experts, civil engineers, valuation consultants etc. The R2E2 Fund will as needed revise and submit the final version of the RAPs to the WB for approval. After approval has been obtained, compensation, resettlement and rehabilitation activities will be initiated, and will be completed before start of civil works under the Project

123. RAP preparation will commence immediately after the draft design is ready and approved by R2E2 Fund and the relevant authorities have publicly announced the cut-off date for the PAP identification purposes. Main activities to be undertaken include, but may not be limited to, the following:

- a. Establishment of Cut-off date
- b. Census and measurement survey as well as inventory of losses of PAPs;
- c. Consultations with PAPs as well as public consultation in the affected community
- d. Establishment of Grievance Redress mechanism in the affected community
- e. Development of compensation matrix;
- f. Valuation of lost land and assets;

- g. Documenting the implementation arrangements for resettlement, including asset acquisition, compensation, relocation and rehabilitation
- h. Preparation of indicative budget and schedule for implementation.
- i. Endorsement of the RAPs by R2E2 Fund and WB

## **5.4. RAP Information Requirements**

### **5.4.1 Census and Inventory of Project Affected Persons**

124. A census of families and persons adversely affected by Project activities will be conducted by the Project. The census will include a complete inventory of all losses to be incurred by each PAP. This information will include as minimum: (a) the number of persons, main occupation and level of income; (b) the number, type, and dimension of the houses; (c) the number, quality, and area of all the residential plots; (d) the number, category, type, and area of agricultural land held and to be lost by each PAP; (e) the tenure status of agricultural land and amount of rent paid by tenant/lessee, where applicable; (f) the quantity, category, and dimension of all rent of other fixed assets adversely affected; (g) the productive assets lost as a percentage of total productive assets; (h) the temporary damage to productive assets; (i) the quantity, category, and quality of non-agricultural livelihood adversely affected; (j) the quantity, type, and quality of community resources to be acquired.

### **5.4.2. Identification of Losses**

125. Assets inventory will include: (a) the description of the land plot to be affected (type, size, other applicable description); (b) data on the crops to be affected per type and quantity; (c) data on the trees to be affected per type and quantity; (e) data on the structures to be affected or to be relocated.

126. If the project involves physical relocation of PAPs, or provision of replacement land, data will be collected on the location, area, type, and category of the replacement land available for residential and/or agricultural purposes. Care will be taken to ensure that the relocation site or replacement land is in the vicinity of the PAPs' previous location to avoid social dislocation and unrealistic division of the PAPs' economic livelihood.

### **5.4.3. Baseline Survey**

127. In addition to the census and inventory of affected land and assets, the RAP should include a baseline survey of the affected population. The baseline survey will provide data on the existing social structure, tenure arrangements and resource use, access to common property resources, social services and infrastructure facilities by different social groups in the project area, clearly identifying all special interest groups, particularly those who are poor and vulnerable (e.g. tenants, landless labourers, and female-headed households), and describing their special characteristics in relation to the project.

## **5.5. Resettlement Action Plan Implementation Process**

128. R2E2 Fund will establish/ appoint an entity to act as the RAP Implementation Unit (RAPIU) and to implement approved RAP(s) for the Project. RAPIU will work under the supervision of the R2E2 Fund and WB. All activities indicated in the RAP shall be covered from loan funds, and be completed prior to commencing related construction activities. In case of the small scale of the impact, R2E2 Fund can decide to delegate these functions to one of the R2E2 Fund units. In that case, as needed R2E2 Fund capacity will be strengthened with

the short-term services of some specialists (for example licensed measurement specialist) as needed. Major responsibilities and activities of the RAPIU include, but may not be limited to, the following:

- a. Closely consult with PAPs and Local Authorities. Provide the public with necessary information, and ensure transparent and timely awareness-raising and communications around resettlement issues with all affected communities (not only PAPs);
- b. Verify the RAP census and asset inventory data;
- c. Undertake cadastral and topographic surveys and ensure correction of data of measuring and inventory if required by possible design changes;
- d. Prepare contracts and/or agreements to be signed by PAPs. Negotiate and agree them with PAPs;
- e. Prepare documentation for registration of new land plots or cadastral registration of servitude writes for the land as needed;
- f. Deliver compensation. Cash compensations will be paid by bank transfer. If PAP will not have bank account, the last will be opened for him/ her by the Project free of charge.
- g. Observe grievance procedures;
- h. Court processing of cases where no agreement is reached;
- i. Construction of infrastructure (in case the resettlement is necessary) and arrangement of relocation of PAPs;
- j. Prepare RAP Completion Report.

129. It should be emphasized that satisfactory completion of the RAP and a RAP completion report is a condition for physical construction works on the component to start (Details are provided in the Chapter 8). A table which provides at-a-glance overview of steps and responsibilities for each proposed task/step of RAP preparation and implementation is presented below.

<b>N</b>	<b>Action</b>	<b>Responsibility*</b>
A	Preparation of Resettlement Action Plan (RAP)	
1	Assessment of RPF	DC
2	Finalization of Detailed Design	DC
3	Preparation of the survey instruments for census and detailed inventory of losses, Public Communication Development Plan and timeline for RAP preparation	DC/ R2E2 Fund
4	Acquiring of cadastral information and maps	R2E2 Fund /DC
6	Walk with community leaders and representatives of affected persons along the proposed alignment	R2E2 Fund /DC
7	Approval of the government decree for preliminary studies, if needed	GoA, to be prepared by R2E2 Fund
8	Establishment of Cut-off date	R2E2 Fund
9	Conducting of Public Consultation with PAPs	DC/ R2E2 Fund
10	Conducting of the Census	DC
11	Verification of land ownership and identification of non-entitled land users, legalization of land where applicable	DC
12	Conducting of detailed measurement survey	DC through licensed company
13	Conducting of the assets inventory	DC
14	Conducting of the Valuation of the Affected Assets	DC through licensed valuers
15	Signing of the assets description protocols	DC/ R2E2 Fund
16	Decree for Eminent Domain	GoA, to be prepared by R2E2 Fund

N	Action	Responsibility*
17	RAP report preparation	DC
18	RAP approval by WB	WB
19	Disclosure of the RAP	DC/ R2E2 Fund
20	Revision of the RAP based on the comments of the stakeholders	DC
21	WB final review and approval	WB
22	Submission of RAP to Government of RA	R2E2 Fund
B	RAP implementation preparatory actions	
1	Establishment of RAP implementation unit	R2E2 Fund
2	Establishment of Grievance redress mechanism, including grievance redress committee	R2E2 Fund
3	Identification of the payment method as well as Commercial Banks, if any, for compensation disbursement/ transfer	R2E2 Fund
C	RAP implementation	
1	Compensation payments	R2E2 Fund /RAPIU
2	Preparation of the Compliance report	R2E2 Fund
3	Approval of Compliance report	WB
4	COMMENCE CIVIL WORKS	Contractor
D	Continuous tasks	
1	Internal Monitoring of RAP implementation	R2E2 Fund
2	Grievance Redress	R2E2 Fund

\* Responsibilities can be revised based on the ToRs and Contracts of the respective consultants

## 6. COMPLAINTS AND GRIEVANCES

130. In order to receive and facilitate the resolution of PAPs and beneficiary community members' concerns, complaints, and grievances concerning the project performance a grievance redress mechanism (GRM) presented below will be established to be used for addressing any complaints that can arise during the design, RAP preparation and construction phases.

131. The grievance redress mechanism will address affected people's concerns and complaints proactively and promptly, using an understandable, communicated, and transparent process that is gender responsive, culturally appropriate, and accessible to all segments of the PAPs and beneficiary community at no costs. Prior to RAP preparation as well as construction works, R2E2 Fund will inform the beneficiary community about the grievance redress mechanism and provide contact details of persons responsible for grievance collection and response in the community during public consultations at the earliest stages of RAP preparation and/or before commencement of construction works. The mechanism will not impede access to the Country's judicial or administrative remedies. The GRM will have 2 levels: R2E2 Fund and Grievance Redress Committee. Each level is described below.

Figure 2. Grievance Redress Mechanism



## **Local Authorities: involvement in GRM**

132. R2E2 Fund, in order to provide a direct channel to the affected PAPs and community members for approaching R2E2 Fund and having their grievance recorded and redressed in an appropriate time frame, will establish a first level of grievance redress mechanism in cooperation with Local Authorities. During public consultations for this particular RPF to be done in the communities, a local focal person from the community will be selected in consultation with community members and local authorities. A local focal person from the community will register the complain and transfer it to a focal person from R2E2 fund. In addition, all PAPs will be able to bring their complaints to R2E2 directly.

## **Grievance Redress Committee: Tasks and composition**

133. If the grievance persists, PAP's can submit a grievance form personally or through Local Authorities/R2E2 Fund to the Grievance Redress Committee (GRC) that will be organized by the R2E2 Fund. A Grievance Redress Committee (GRC) at Project level will be established immediately following project effectiveness (and not later than the start of the design stage) to address complaints and grievances pertaining to resettlement and to pre-empt all disagreements being referred to the court. GRC will include R2E2 Fund staff, and representatives of the relevant Local authorities and/or Marzpetaran in the project area, and representatives of local NGOs and community members. A GRC will have chairperson (representative of R2E2 Fund) and at least 4 members. A GRC will be convened by the R2E2 Fund on a case by case basis, to address complaints and grievances pertaining to resettlement. R2E2 Fund will ensure, that GRC meeting was convened no later than in 5 days after receiving of a complaint. All supporting documents (photos, opinions of technical, legal experts, required certificates etc.) should be prepared prior to the meeting by R2E2 Fund. The minutes of each meeting should be prepared by R2E2 Fund, agreed and signed by all GRC members in 2 days after the discussion.

134. Within one week after establishment, the GRC will submit to R2E2 Fund the procedure of work. The procedure will explicitly define rules of sending complaints and addressing them, including grievance reporting mechanisms, as well as addresses and names of responsible officials at central and local levels (Format for grievance reporting is presented in Annex 10). After approval of the procedure, it must be available on the R2E2 Fund website throughout effective period of the program and presented to PAPs during public consultations. GRC should organize its works so, that ensures maximum access, transparency, disclosure and participation and will be aimed at maximum protection of interests of affected population. Terms of reference for GRC is the following

- a. Understand clearly the issues underlying by PAPs
- b. Arbitration and negotiation based on transparent and fair hearing of the cases of the parties in dispute between PAPs and the implementing agencies.
- c. Provide unbiased but impartial decisions to all grievances presented to them
- d. Advise R2E2 Fund on how best to deal with PAPs concerns
- e. To receive and monitor implementation status of PAPs complaints

## **Procedure**

135. R2E2 Fund will make every effort to achieve an amicable settlement of all identified resettlement issues under the RAP at the community and Project level (1<sup>st</sup> step). If the complainant was not satisfied with the

solution/response, then PAP can lodge his/ her complaint to GRC. If this attempt fails, the PAP may at his/her discretion, deposit a complaint with the court.

136. During the public consultations on this particular RPF, R2E2 Fund will contact Community Authorities, present the project and possible social and resettlement risks, and will identify a local focal person from within each Community Authority, to cooperate with R2E2 Fund during Project implementation and coordinate the grievance redress process at the community level.

137. During RAP preparation, (for example, in parallel with public consultations), training for responsible persons from the community will be organized by R2E2 Fund and/or its consultants. Training should cover the topics related to the registration of grievances, communication with PAPs, main principles of RPF, including eligibility and entitlements, timing of the project and its logistics, and other related issues to be specified at the beginning of the RAP preparation stage.

138. In order to effectively collect all grievances from the potential PAPs, a specific site(s) may be designated for timely depositing and collection of all complaints, for example complaints and suggestions boxes in all affected communities.

139. The PAPs can deposit complains orally (these shall be properly documented at the moment of depositing complain at the designated site) or in writing.

140. The response will be provided within a period of two weeks after receiving the complaint.

141. If the case is not resolved at the level of the Local Authorities, then R2E2 Fund and then GRC, it may be submitted by either party to the Court. Any fees required for this purpose will be paid by the Project after verifying that the PAP is a recipient of allowances under the Family Assistance Program of the GoA<sup>13</sup>. All other PAPs will be responsible for their own costs.

142. The proposed redress procedure and mechanisms will be presented to and discussed with the PAPs at the early stages of the RAP preparation process during public consultations and revised as needed.

143. GRM implementation will be monitored by R2E2 Fund and reported to the WB in the regularly project progress reports (form for monitoring of GRM is presented in Annex 10).

## Expropriation Proceedings

144. If the R2E2 Fund and the PAP fail to reach an agreement on the acquisition of private properties, the GoA will pursue the expropriation proceedings in accordance with the RA —Law on property alienation for social/public and state needs (No: HO-185-N of 27 November 2006).

## Court

145. The Court of Armenia shall be the last resort for issues and concerns regarding the implementation of the RAP. In case of failure in the negotiation between the R2E2 Fund and the PAP concerning the acquisition of private properties, the GoA with the mandate for expropriation based on existing legislations will submit to the Court a request for expropriation. Upon its approval and following prescribed procedures, the GoA will take over the concerned property after having been given the right of Expropriator by the Court.

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<sup>13</sup> Based on a number of (wealth and income) indicators, this Program assiststs at varying degrees families that are not in a position to fully orpartially cater for their daily necessities.

146. In cases where complaints and grievances regarding the RAP implementation and compensation are not amicably settled and mediation by the Grievance Redress Committee remains also unsuccessful, the PAP will also have the right to appeal the case to the Court as a last resort. The Courts' decision shall be final and be executed.

147. As per the Law on Alienation of property for social/public and state needs (Article 13) the acquirer shall be obliged to resort to the Court if the alienation agreement is not signed voluntarily by the owner and/or persons enjoying property rights over the property subject to alienation, whereas only the issues connected to the amount of compensation can be discussed in the court. Hence, PAPs cannot argue the amount of compensation in the courts on their own initiative. If they do not agree with the amount suggested, they do not sign the alienation agreement, in which case the acquirer should go to court, if he still wants the property to be alienated.

## **7. PUBLIC PARTICIPATION**

148. According to WB OP4.12. PAPs must be fully consulted and provided with opportunities to participate in all stages of the planning and implementation of the RAP. Under the same principles, the PAPs have to be informed in an appropriate and timely manner of the outcomes of the planning process, as well as the schedules and procedures for the implementation of the RAP. A public information and consultation campaign must be carried out by the R2E2 Fund during all stages of the RAP implementation process. The affected parties will be provided with an opportunity of presenting their ideas and suggestions as inputs into the planning and implementation of the resettlement activities. Different interested NGOs will be actively involved by the R2E2 Fund in all the process of Public Consultations.

149. R2E2 Fund will consult with PAPs and invite them to participate in public consultations at the initial stage of the process, as well as in public consultations during preparation and implementation of RAP as described in previous sections.

150. The RAPs will be available in the LAs office with reliable information on the project, its impacts and the proposed mitigation strategies and economic rehabilitation activities.

151. Public Information Leaflets with cut-off date, eligibility criteria and entitlements, modalities of compensation, complaints and grievance redress procedures will be provided to each affected household. This information will be made easily accessible to the public at no cost to the PAPs, and the location of disclosure will also be announced during Public Consultations.

152. All consultation discussions will be documented and kept by the R2E2 Fund.

153. After completion of each RAP, a brief survey will be undertaken among PAPs to assess their satisfaction with the process and results of the RAP by the R2E2 Fund or its consultants. Lessons learned from these surveys will be incorporated in the project progress reports.

## **8. SUPERVISION AND MONITORING**

154. Institutional arrangements will be made for internal monitoring of resettlement activities. If deemed necessary in a RAP, an external monitoring entity will be involved to ensure independent monitoring of RAP preparation and implementation activities, particularly for the compliance review and reporting. The RAP (and future RAPs under the Project) will be updated as a result of the findings of the RAP final audit. Resettlement activities in all components will be regularly supervised and monitored by personnel of R2E2 Fund. Reporting

on internal monitoring will be carried out by the R2E2 Fund and included in all regular project progress reports. At the end of each RAP completion, a RAP Completion Report will be submitted to WB. Internal monitoring and supervision will:

- a. verify that the census of all PAPs has been carried out;
- b. that the RAP and baseline survey (as appropriate) has been prepared where it is required;
- c. that property valuation and resettlement has been carried out in accordance with the provisions of this RPF and the respective RAP;
- d. oversee that all resettlement measures are implemented as approved;
- e. ensure that funds for implementing resettlement activities are provided in a timely manner, are sufficient for their purposes, and are spent in accordance with the provisions of this RPF and the respective RAP.

155. If deemed necessary in the RAP an external monitoring entity will be engaged to carry out independent monitoring of resettlement activities. In addition to verifying the reports generated by internal monitoring, external monitoring will:

- a. evaluate the social and economic impact of resettlement on the PAPs;
- b. verify if the objective of enhancement or at least restoration of income levels and standards of living of the PAPs has been met; and
- c. as needed, provide suggestions for improvement of resettlement implementation to ensure achievement of the principles and objectives set forth in this RPF and respective RAP(s).

156. As soon as the construction is finished, RAP will be updated if needed by R2E2 Fund or by its consultants. The party responsible for the RAP final audit will be defined in the RAP based on the available resources and significance of the impact. It can be for example, a supervising company or external monitoring entity.

## **9. COSTS AND BUDGETS**

157. The full costs of resettlement activities necessary to achieve the objectives of the project should be included in the total costs of the project. The costs of resettlement, like the costs of other project activities, are treated as a charge against the economic benefits of the project; and any net benefits to resettlers (as compared to the "without-project" circumstances) are added to the benefits stream of the project.<sup>14</sup>

158. The source of funding for RAP implementation should be specified in the Project loan agreement. R2E2 Fund will submit to WB the detailed cost of resettlement based on the finalized RAPs, including a breakdown by type of impacts/losses (for example agricultural land, residential land, houses, other assets) and livelihood to be affected. The cost estimates will make adequate provision for RAP implementation (recruitment of RAP implementation consultants, costs related to the acquisition contract signing and registration etc. as needed) monitoring and supervision as well as for contingencies.

159. The Project cannot be considered completed until all the objectives of the RAPs have been achieved.

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<sup>14</sup>WB OP 4.12, paragraph 20



## ANNEX 1: PROVISIONAL ENTITLEMENT AND COMPENSATION MATRIX

Type of loss	Specification	Affected people	Entitlements
1. Permanent loss of agricultural land	All land losses, irrespective of severity of impact	Land owner, legalisable owner after the registration of ownership rights	<p>* Land for land compensation with plots of equal value and productivity to the plots lost if possible; or</p> <p>* Cash compensation for affected land at market price or cadastral (whichever is highest) free of taxes, registration, and transfer plus 15% of the market price or cadastral (whichever is highest).</p> <p>* Residual portions of plots affected by the required ROW which are reduced to small unviable fractions or rendered unusable by alterations in access, irrigation, or workability will be included in the affected land and compensated as indicated above. For these cases in accordance with RA law PAPs should request the project to acquire his/her entire land plot and not only its affected part within 60 days after the Eminent Domain Decree enters into force.</p>
		Registered leaseholder on community and state land	<p>* Renewal of lease in other plot of equal value/productivity of plot lost in case total land plot was affected and replacement is available/possible or</p> <p>* Will receive compensation equal to the market or cadastral cost of affected land (whichever is highest) in the following proportions according to the length of lease: (1)&lt;1year 5%, (2) &lt;15 years 14%; (3)&lt;25 years 20%; &gt;25 years- 25%</p>
		Non-registered land users on the community or state land	<p>* One rehabilitation allowance equal to market value of one net harvest (in addition to crop compensation) for land use loss; additional rehabilitation assistance as appropriate to achieve restoration of existing income / livelihood (to be determined in the specific RAP)</p>
		All PAPs regardless of legal status	<p>* One severe impact allowance equal to market value of one net harvest of the affected land for one year in addition to crop compensation</p>
2. Temporary loss of land		Land owners and registered leaseholders	<p>* Affected land &amp; communal infrastructure will be restored to pre-project conditions.</p> <p>* Rent shall be agreed between landowner/leaseholder and Contractor equal to the revenue lost based on market value (example: compensation for harvests lost at average yield/hectare)</p> <p>*Cash compensation for assets lost (example: crops)</p>

Type of loss	Specification	Affected people	Entitlements
		Non-registered land users	*Affected land & communal infrastructure will be restored to pre-project conditions. *Cash compensation for assets lost (example: crops)
3. Permanent loss of non-agricultural land		Land owner	* Land for land compensation with plots of equal value and productivity to the plots lost if possible; or * Cash compensation for affected land at market price or cadastral (whichever is highest) free of taxes, registration, and transfer plus 15% of the market or cadastral price of the asset (whichever is highest). * Residual portions of plots affected by the required ROW which are reduced to small unviable fractions or rendered unusable by alterations in access, irrigation, or workability will be included in the affected land and compensated as indicated above. For these cases in accordance with RA law PAPs should request the project to acquire his/her entire land plot and not only its affected part within 60 days after the Eminent Domain Decree enters into force.
		Registered Leaseholder	* Renewal of lease in other plot of equal value/productivity of plot lost in case if total land plot was affected and replacement is available/possible or * Will receive compensation equal to the market or cadastral cost of affected land (whichever is highest) in the following proportions according to the length of lease: (1) <1year 5%, (2) <15 years 14%; (3) <25 years 20%; >25 years- 25%
		Non-registered land users	* Provision of a self-relocation allowance if needed; additional rehabilitation assistance as appropriate to achieve restoration of existing income / livelihood (to be determined in the specific RAP).
4. Houses, building and structures		Owners of the registered structures	* Cash compensation at replacement rates for affected structure and other fixed assets free of salvageable materials, depreciation and transaction costs plus 15%of replacement cost In case of partial impacts full cash assistance to restore remaining structure. The cost of lost water and electricity connections will be included in the compensation.
		Users of the non-registered structures	* Cash compensation at replacement rates for affected structure and other fixed assets free of salvageable materials, depreciation and transaction costs. In case of partial impacts full cash assistance to restore remaining structure. The cost of lost water and electricity connections will be included in the compensation.
5. Crops	Standing crops affected/lost	All PAPs regardless of legal status	* Crop compensation in cash at full market rate for one year gross harvest by default to be paid both to landowners and tenants based on their specific sharecropping agreements; additional rehabilitation assistance as appropriate to achieve restoration of existing income / livelihood (to be determined in the specific RAP)

Type of loss	Specification	Affected people	Entitlements
6. Livelihoods	Loss of social support systems	All PAPs regardless of legal status	*Restoration of livelihoods must be to levels at least equivalent to those maintained at the time of dispossession, displacement, or restricted access. *If replacements to losses are unavailable, strategies can include skill development, wage employment or self-employment, including access to credit.
7. Relocation	Transport and transitional livelihood costs	All PAPs affected by Relocation	* Provision of cash compensation to cover transport expenses and livelihood expenses due to relocation; time period to be determined in the RAP
8. House tenants		Tenants who have leased a house	* Provision of a cash grant of three months' rent at the prevailing market rate in the area and will be assisted in identifying alternative accommodation
9. Community assets			* Rehabilitation/substitution of the affected structures/utilities (i.e. places of worship, footbridges, roads, schools, health centers, pastures, woodlots, etc.) to pre-project functions in consultation with the Communities
10. Vulnerable people's livelihood		PAP below poverty line	*Priority for employment in project-related jobs, training opportunities, self-employment and wage-employment assistance; *Rehabilitation assistance package to be determined based on a case by case analysis depending on the impact type, significance, needed support.

## **ANNEX 2: CHECKLIST FOR CENSUS INFORMATION**

### **Persons:**

- \* Aggregate number of individuals and households in each affected category;  
Age, gender, occupation of every individual.
- \* Any particular forms of vulnerability (e.g. disabled, receiving social assistance, etc.)

### **PROPERTY:**

Personal property including details of ownership of

- \* Structures: houses, farm buildings, shops, industrial structures, grain drying area, latrines, etc.;
- \* Land and type: irrigated or non-irrigated, woodlots, grassland, wasteland, etc.;
- \* Description and estimate of the value of standing crops on land;
- \* Other: livestock, wells, trees, natural resources etc.

### **PUBLIC AND COMMON PROPERTY:**

- \* Land: village common lands, gathering and foraging areas, fishing areas, etc;
- \* Structures and facilities: schools, health facilities, burial grounds, temples, community centers, public transport, banks, co-ops etc.;
- \* Infrastructure: drinking and other water systems, access and internal roads, electricity and other power sources;

### **DP INCOMES FROM OTHER SOURCES, INCLUDING:**

- \* Farm-based income;
- \* Off-farm labor;
- \* Informal sector activities.

# ANNEX 3: LIST OF DATA FOR CENSUS SURVEY

## 1. Background Information

- i. Questionnaire code and date of survey
- ii. Name of interviewer
- iii. Name of province, district and village/hamlet

## 2. Household Census

- i. Name of household head and all household members
- ii. Relationship of household members to the household head
- iii. Age and sex of each household member
- iv. Information on ethnicity
- v. Education level of each member
- vi. Primary occupation and monthly income of each member
- vii. Incomes from secondary sources for each member
- viii. Location of job or businesses as the case may be
- ix. Length of stay on present location

## 3. Tenure Status

- i. Category of land
- ii. Type of land ownership and the name of the owner/HH member
- iii. Type of document possessed to certify ownership type
- iv. If not owned, name and address of owner
- v. If informal use right, type of agreement
- vi. Number of years used
- vii. Rent per month paid by tenant
- viii. Deposits made by lessee

*Note:* In case census and inventory are conducted as separate exercises, some information on land use, affected structures and other fixed assets, and affected businesses should also be collected as part of census surveys.

## **ANNEX 4: LIST OF DATA FOR INVENTORY OF LOSSES**

### **1. Land Use**

- i. Existing use of land
- ii. Areas under different land usages, where applicable
- iii. Total and affected area of land with breakdown by usages, if applicable
- iv. Estimate whether the remaining area is viable for continued use
- v. Total area of land by type for compensation purposes

### **2. Structures**

- i. Type of structure
- ii. Number of floors
- iii. Area by floor
- iv. Name of owner of structure
- v. Year of construction
- vi. Whether permit obtained for structure
- vii. Use of structure and areas by usages, if applicable
- viii. Description of building material used for roof, walls and floors by surface areas
- ix. Type of foundation
- x. Description of any special features of structure
- xi. Utility connections (electric meter, water supply, etc.)
- xii. Charges paid for utility connections
- xiii. Affected area of structure
- xiv. Estimate whether the remaining structure is viable for continued use
- xv. Total area of building for compensation purposes

### **3. Other Structures**

- i. Types of structures (wells, boundary wall, fence, warehouse, etc.)
- ii. Area of fish pond affected
- iii. Average household income from fish pond
- iv. Description of areas and construction material of affected structures
- v. Use of other structures

### **4. Agricultural Products**

- i. Type of crops affected
- ii. Owner of affected crops
- iii. Total yearly production of crop on affected land
- iv. Average yield of crop
- v. Any products that are sold at the market
- vi. Number of employees/labor used for crop production
- vii. Average value of crop
- viii. Average yearly household income from agriculture

### **5. Trees**

- i. Number and types of affected trees
- ii. Age of trees
- iii. Name of owner of trees

- iv. Average yield of fruit bearing trees
- v. Average yearly income from fruit trees

**6. Business**

- i. Type of business affected
- ii. Name of owner of business
- iii. Registration/permit number of business (check document)
- iv. Total yearly household income from business
- v. Average operating expenditure of business
- vi. Number of employees in business
- vii. Number of permanent and temporary employees
- viii. Average income and profit as reported for income tax (check document)
- ix. Whether the business needs to be relocated

**7. Affected Public Utilities and Facilities**

- i. Description of affected community infrastructure
- ii. Description of affected facilities by area & building material used
- iii. Estimated number of population adversely affected by the facilities/infrastructure

**8. Preference for Relocation**

- i. Whether there is a need for relocation or reorganization
- ii. Preferred mode of compensation (cash or kind) for land
- iii. Preferred mode of compensation for structure
- iv. Preferred type of assistance for income rehabilitation

## ANNEX 5: FORMATS FOR RAP AND ABBREVIATED RAP

<b>Full RAP</b>	<b>Abbreviated RAP</b> <b>For this project abbreviated RAP will be relevant, if any</b>
<p>Includes a statement of objectives, policies and principles, and typically covers the following:</p> <ol style="list-style-type: none"> <li>1. Description of the project;</li> <li>2. Project resettlement potential impacts;</li> <li>3. Objectives;</li> <li>4. Socio-economic studies, expected consequences;</li> <li>5. Legal framework;</li> <li>6. Eligibility;</li> <li>7. Valuation of and compensation for losses;</li> <li>8. Site selection, site preparation and relocation;</li> <li>9. Housing, infrastructure and social services;</li> <li>10. Organizational responsibilities;</li> <li>11. Public participation, consultation and grievance mechanism;</li> <li>12. Implementation schedule;</li> <li>13. Cost estimate and budget;</li> </ol>	<p>Covers the following minimum elements<sup>15</sup>:</p> <ol style="list-style-type: none"> <li>1. A census survey of displaced persons and valuation of assets;</li> <li>2. Description of compensation and other resettlement assistance to be provided;</li> <li>3. Consultations with displaced people about acceptable alternatives;</li> <li>4. Institutional responsibility for implementation and procedures for grievance redress;</li> <li>5. Arrangements for monitoring and implementation; and</li> <li>6. A timetable and budget.</li> </ol>

<sup>15</sup> In case some of the displaced persons lose more than 10% of their productive assets or require physical relocation, the plan also covers a socio-economic baseline survey and income restoration measures.



## ANNEX 6: DATA FOR BASELINE SURVEY

Additional information would include the following:

### 1. ACCESS TO FACILITIES

- a. Access to electricity
- b. Type of water supply available
- c. Type of sanitation facilities within the building
- d. Distance to school
- e. Distance to health facilities
- f. Distance to market

### 2. HOUSEHOLD ASSETS

- a. Type and number of farm equipment and implements owned by the household
- b. Type of other business equipment owned by household
- c. Estimated value of affected equipment
- d. Type of transport owned (bike, motorcycle, truck, animal cart, car, other)
- e. Major kitchen equipment owned (stove, cooker, etc.)
- f. Ownership of fridge, radio, TV, etc.
- g. General condition of building (excellent, good, average, poor)
- h. General condition of household furnishing (furniture, cupboards, etc.)

### 3. HOUSEHOLD INCOME AND EXPENDITURE

- a. Average annual household income from all sources
- b. Average expenditure on major items: food, transport, health, education
- c. Any loans taken from bank, friends or relatives
- d. Approximate savings, if any

### 4. SKILLS POSSESSED

- a. Skills of each household member
- b. Types of training or skills preferred for further upgrading

## **ANNEX 7: GUIDELINES FOR VALUATION AND COMPENSATION OF PROPERTY**

### **Introduction**

1. As noted above, there are two components that comprise the valuation of property for Project Affected Persons (PAPs). The first is the replacement cost for property owned, or used for productive purposes by the PAP. The second is a one-time payment of allowance to the PAP which is defined as an amount (in financial terms) above the current replacement cost, used to compensate the impacted person for inconvenience, time loss due to change in residence or location, additional inputs required to bring the new location to a productive level equivalent to the property replaced, loss of income during the process of relocating, and similar losses.
2. Required are practical guidelines for estimating costs for resettlement activities under the Project. It should be restated at the outset that the discussion below is not a fixed framework, but a set of negotiable guidelines and suggestions. The point is that each case will be different; each case will require local consultation with impacted stakeholders. Considerable time and effort are usually needed to achieve satisfactory results.

### **Process Regulating Documents**

3. The methodology for compensation calculations and unit price calculations was developed in accordance with the following documents:
  - (i) World Bank OP 4.12
  - (ii) The “RA Law ՀՕ-189-N on Real Estate Assessment Activities” adopted on 04.10.2005
  - (iii) The RA National Standard on Real Estate Assessment in the Republic of Armenia
  - (iv) The RA Urban Development Minister’s “Decree N 09-N (dated 14.01.2008) on Approving the Construction of Buildings, Structures in the RA Territory and the Collection of the Increased Indicators of the Construction Work Type Cost.”

### **Valuation of the Land**

4. In a free market economy, the value of land-agricultural as well as nonagricultural -is determined by the price it is bought or sold in the real estate market. Land has been classified by the State Committee of the Real Estate Cadastre under the GoA (SCREC). However, sometimes, the classification is not in line with actual usage of the land. In the frames of the project, the type with higher price will be used for determination of the land price in favor of PAPs.

### ***Assessment of the Land Replacement Cost***

5. Land valuation should be carried out at replacement cost based on market rates. Market rates will be assessed through the comparative method as defined by RA Valuation Standard. Based on this method a plot value is determined by taking into account the adjusted average sale price of at least three recently sold comparable plots with a similar location and use/features. If acceptable comparators in the same location of the valued plot are not available, one or more comparator plots are drawn from a different nearby/comparable location.

6. In order to reflect small differences between the characteristics / quality of the evaluated land and comparator lands, the average market sales of the comparator lands should be adjusted according to several comparison parameters and corresponding coefficients.

### *Assessment Procedure*

7. The land assessment comparative method will be applied as follows:
  - (i) similar real estate markets should be analyzed
  - (ii) at least three comparison units should be defined
  - (iii) necessary comparison elements should be distinguished
  - (iv) the cost of comparison units should be adjusted according to comparison elements and several adjusted cost indicators averaged for the compared real estate
  - (v) obtained market cost should be compared with the cadastral cost
  - (vi) the plot price should be defined.

#### **Step 1**

8. To analyze similar real estate markets and choose reliable information for the analysis, the Evaluator can use public sources (professional journals, websites, external advertisements), a personal database<sup>16</sup> and information obtained from the “Center of Information technologies” SNCO at the SCREC. Based on the obtained information, the Evaluator uses the most compatible/relevant information (by its comparison elements).

#### **Step 2**

9. In principle, the source of comparator values are records of executed sales from the Centre for Information Technologies SNCO at the SCREC. If for a specific plot, records did not include usable comparators, then records from the Cadastre lists of market prices or land sale offers in newspapers and websites are used to form comparators. Each valued plot is matched with at least three comparator plots.

#### **Step 3**

10. Once comparator plots are identified, several additional parameters for comparing the relative quality/features of valued plots and comparator plots are also considered. The parameters and the coefficients for price adjustments are listed below:

##### *Sales condition and market state*

11. These are the market price changes which occurred between the market sales of comparator lands and the evaluation period. The evaluator also considered whether the property was purchased through a mortgage.

##### *Actual usage*

12. This shows how the given plot is actually used, irrespective of its cadastral, targeted and operational purpose.

##### *Location and position*

13. Assessed and comparator plots are shown by districts. Their distance from a main road was also shown. In this case, 20 % step decrease or increase coefficients can be applied.

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<sup>16</sup> In his/her office, the Evaluator kept a database, where both the prices of the property subject to sale and the sales data (that became known to the Evaluator, as a result of implemented transactions with the Evaluator's participation) are entered.

*Access to transport*

14. This coefficient described the distance of assessed and comparator plots from main transport junctions. Access to transport can be found to be the same for assessed and comparator plots and no coefficient to be applied in this case.

*Total surface area*

15. The size of the total surface area of the affected plots didn't impact the plot price, since it was similar to the surface areas of comparable plots.

*Facade*

16. This shows how many meters of facade the given plot has on the main road.

*Availability of infrastructures*

17. Describes the distance from the assessed plot to main infrastructures (roads, irrigation pipeline, drinking water pipeline, electricity line, gas pipe, sewage).

*Slope*

18. The coordinated market observations show that plots with or without a slope have different prices. For that reason, the Evaluator also can consider this comparison element. Since the assessed and comparator plots are flat, there is no need to correct the given element.

**Step 4**

19. The market price unit of the plots will be adjusted according to the listed comparison elements. The adjustment logic is presented in the table below:

**Table1**  
**Calculation of cost of 1 square meter of the total plot**

Comparison elements	Assessed real estate	Similar real estate 1	Similar real estate 2	Similar real estate 3
<b>Price for 1 square meter (AMD)</b>		<b>30,064</b>	<b>13,333</b>	<b>12,933</b>
<b>Bargaining (Sales condition)</b>		<b>Sale</b>	<b>Sale</b>	<b>Sale</b>
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
<b>Time (Market state)</b>	<b>02.2013</b>	<b>11.2012</b>	<b>02.2012</b>	<b>02.2012</b>
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
<b>Targeted purpose</b>	<b>Populated area.</b>	<b>Populated area.</b>	<b>Populated area.</b>	<b>Populated area.</b>
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
<b>Operational purpose</b>	<b>Other lands</b>	<b>Resid. struct.</b>	<b>Resid. struct.</b>	<b>Resid. struct.</b>
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
<b>Actual purpose</b>	<b>Orchard</b>	<b>Resid. struct.</b>	<b>Resid. struct.</b>	<b>Resid. struct.</b>
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
<b>Location</b>	<b>Good</b>	<b>Excellent</b>	<b>Satisfactory</b>	<b>Satisfactory</b>
Adjustment coefficient		0.80	1.20	1.20
Adjustment by AMD		-6,013	2,667	2,587
<b>Position</b>	<b>Excellent</b>	<b>Excellent</b>	<b>Good</b>	<b>Good</b>
Adjustment coefficient		1.00	1.20	1.20
Adjustment by AMD		0	2,667	2,587
<b>Access to transport.</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
Physical characteristics: including				
Total surface area (square meter)	<b>400.0</b>	266.10	300.0	300.0
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
Facade (meter)	<b>9.65</b>	14.50	12.0	12.0
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
Availability of infrastructures	<b>Satisfactory</b>	Good	Satisfactory	Satisfactory
Adjustment coefficient		0.85	1.00	1.00

Adjustment by AMD		-4,510	0	0
Slope	<b>Flat</b>	Flat	Flat	Flat
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
Improvements	<b>None</b>	None	None	None
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
General adjustment (AMD)		-10,522	5,333	5,173
Price for 1 adjusted square meter (AMD)		19,542	18,666	18,106
Weight coefficient		0.33	0.34	0.33
<b>A unit price for the assessed real estate</b>	<b>18,770</b>			

### **Step 5**

20. The final decision on the value of the assessed property will be determined through the sales comparison method by analyzing adjusted prices of comparator real estate sales. The Evaluator averages the adjusted prices of three similar plots after establishing that all the three comparator plots are similar to the assessed plot and that the sources for obtaining data are credible.

### **Step 6**

21. Then, the market price of the plot will be calculated by the following formula:

$$P_{MC} = P_{SA} \times S_{MC}$$

where:

$P_{MC}$  – is the market price of the plot,

$P_{SA}$  - is the surface area of the plot,

$S_{MC}$ -is the adjusted market price for 1 square meter of similar plots.

## ANNEX 8: DOCUMENTS CONSULTED

1. MCA-Armenia SNCO, Resettlement Policy Framework (2009);
2. Armenia Social Protection Administration Second Project (2014-2018), Resettlement Policy Framework (2014);
3. Transmission Line Reconstruction Project Hrazdan to Shinuhair Corridor, Resettlement Policy Framework (2011);
4. Lifeline Network Improvement Project, Resettlement Policy Framework (2012);
5. Irrigation System Enhancement Project, Resettlement Policy Framework (2013);
6. Republic of Armenia: Constitution (1995, amended in 2005);
7. Republic of Armenia: the Civil Code (1998);
8. Republic of Armenia: Land Code (2001);
9. Republic of Armenia: Law on Property alienation for social/public and state needs (2006);
10. Republic of Armenia: Code of Civil Procedure (1998);
11. Republic of Armenia: Code of Administrative Procedure (2007);
12. Republic of Armenia: Law on Real Estate Valuation Activity (2005);
13. The “RALaw 20-189-Non Real Estate Assessment Activities” (2005)
14. The RA National Standard on Real Estate Assessment in the Republic of Armenia
15. World Bank: Operational Policy on Involuntary Resettlement (WBOP 4.12) (January 2002);
16. World Bank: Operational Policy on Involuntary Resettlement-Annex A to OP 4.12 (January 2002);
17. World Bank: Bank Procedure (BP) 4.12 (January 2002);
18. World Bank: Involuntary Resettlement Sourcebook and Appendices (2004);
19. Scaling Up Renewable Energy Program (SREP): Investment Plan for Armenia, June 2014;
20. Karkar Geothermal exploratory drilling program: Technical Aspects, Cost and Contracting. Technical Advice to the GoA, WB, May 2014
21. Armenia. Preparation Mission for Geothermal Power Project, September 1-6, 2014, Aide Memoire

## ANNEX 9: CONTRACTOR FORMS FOR STRUCTURE REMOVAL

It will be agreed that construction contractors would cover the cost of the temporary and permanent removal of structures during construction works. This compensation and rehabilitation would proceed on the no-objection of the R2E2 Fund and WB following the completion and submission of the attached forms by the contractor before works commence if possible.

- Only remove structures if absolutely necessary;
- Donot remove structure without discussing with owner and user first;
- Reassure owner that structure will be restored to original state following works completion;
- Inform R2E2 Fund about structures to be removed by submitting copies (1 per structure,with sections1-2 complete) of this form along with pictures, before starting works;
- Following rehabilitation complete section 4 and re-submit to R2E2 Fund for their records.

### 1. Information on Structure(attach pictures)

Location of structure (community)	
Location of structure (land plot lot and code)	
Type/name of structure	
Material of the Structure	
Purpose of use	
Reason for removal	

### 2. Information onOwner

Name of the Owner	
Document of the ownership*	
Passport data	
Contact address and phone number	
Date consulted	
Signature of owner	
* In case of registered owners it can be cadaster certificate, in case of leaseholders it can be a lease agreement or leas cadaster certificate, in case of non-registered users it can be certificate from Local Authorities	

### 3. Submit to R2E2 Fund (as needed the R2E2 Fund may inform WB)

Date Reviewed by	
Signature	
Comment	

### 4. Compensation for the structure (use valuation report of the licensed valuator)

Name of the structure	Area (sq.m.)	Unit price per sq.m.	Total compensation amount

### 5. Confirm owner satisfaction once structure is rehabilitated

Owners signature and date	
Contractor signature and date	



## ANNEX 10. GRIEVANCE REDRESS MONITORING FORM

(Excell Database can be developed based on this form to make easier reporting process in case of big scale of complaints)

### Details on Complainant

1. Name:
2. Address:
3. Passport number:
4. Conact Information ( <i>other contact person can be mentioned in case PAP does not have a cell nubers</i> ):
5. Gender:
6. Status: PAP, Intermediary, NGO, Local Authorities, other

### Details on Complaint

1. Registration date
2. Deatils of focal point received the complaint (name, position, name of receiving office)
3. Format of the grievance: letter, phone call, email, verbal complaint, suggestion box, other
4. Type of problem (for example, land acquisition, compensation/valuation, construction, other)
5. Description of the problem ( <i>summary</i> )
6. Person/company responsible for causing the problem
7. Action plan ( <i>Action, name of responsible person, date</i> ) A. B. Etc.
8. Final resolution ( <i>summary</i> )
9. Complainant satisfaction letter ( <i>summary</i> )

### Details on Monitoring Responsible Person

1. Name
2. Position
3. Final Date of form completion

## ANNEX 11. LIST OF NON GOVERNMENT ORGANISATIONS WORKING IN THE PROJECT REGION

#	Name	Contacts
1	Goris Aarhus Center	Address: 3 Mashtots, Administrative building of the Municipality, Goris Tel.:/374 94/ 81 50 52,/374 096/09 08 95, Email: info_goris@aarhus.am, nver.goris@mail.ru, nver.goris@gmail.com, mharoutunyan@mail.ru
2	Eco-Sis NGO	Address: 3 Sisakan, Sisian Tel. (374 55) 77-68-00 Email: ecosisian@yahoo.com
3	Gorisi serund NGO	Tel. 093-73-41-74 Email: gorisiserund@rambler.ru
4	World Vision Sisian ADP	Address: 1b Khangyan, Sisian Tel. +374 (0283) 2 6532 <a href="mailto:wvarmenia@wvi.org">wvarmenia@wvi.org</a>
5	“Goris Press Club” NGO	Address: Ankakhutyan 2, Goris cit Tel: 028420731, 091013575, 091024677 Email: gorispressclub@gmail.com, susannashahnazaryan9@gmail.com, shushan.ohanyan@gmail.com
6	Salvard NGO	Address: 1a Khangyn, Sisian Tel: (094)- 330905 Email: <a href="mailto:salvardfund@mail.ru">salvardfund@mail.ru</a>
7	Asparez NGO	Address: 1 Mashtots, Goris Tel: 091241901 Email: toxsancvage@rambler.ru
8	Community Development Support Network	<a href="http://hamaynq.am">http://hamaynq.am</a>
9	ITEK NGO	Address: 3/3 Mashtots, Goris Tel: +374 284 2 40 20 Email: itekngo@gmail.com <a href="http://www.itekngo.com">http://www.itekngo.com</a>

## ANNEX 12. MINUTES OF PUBLIC CONSULTATION MEETING

**Date:** March 26, 2015

**Venue:** Local Government Office, Tsghuk Community, Republic of Armenia

**Time:** 12:00 pm - 13:00 pm

Public Consultation was organized by R2E2 in the office of local self-governing bodies of one of the affected communities that is located next to the anticipated project area after the official disclosure of the draft RPF.

Draft RPF was disclosed in December 2014 on R2E2 website. A hard copy was provided to all affected communities and disclosed via email to selected NGOs to collect their questions or concerns on the draft document. Particularly, Goris Aarhus Center, “Eco-Sis” NGO, Sisian, Acopian Center for the Environment (American University of Armenia), Ecolur international NGO, Transparency International Armenia and Energy Saving Alliance. NGOs were provided with R2E2 email and other contact information to give them opportunity to share their views not only through participation in public consultation meeting.

The announcement for the public consultation meeting was posted on R2E2 website and was published in “The Republic of Armenia” newspaper on 17 March. In addition R2E2 shared the document and the announcement with Aarhus Center to share it in their network of NGOs.

Ten stakeholders from all three affected communities, R2E2 and consultant actively participated during the public consultation (list of the participants is presented below).

### **Agenda:**

1. Opening Remarks

Speaker – Hmayak Avagyan

Environmental expert, R2E2

2. Presentation of the Draft Environmental and Social Impact Assessment and Management Plan (ESIA and EMP) and discussion

Speaker – Hmayak Avagyan

Environmental expert, R2E2

3. Presentation of the RPF and discussion

Speaker – Zaruhi Hayrapetyan

Resettlement Consultant. R2E2

### **Presentation:**

Mr. H. Avagyan presented the project, its main objectives and construction components of the proposed project. Then he presented main goals of the public consultation meeting and emphasized that feedback from participants will be reflected in the final documents, both ESIA, EMP and RPF.

Then he presented EIA and discussion was organized, where village mayors from local self-governing bodies actively participates (detailed minutes of the discussion is presented in the ESIA report).

Then 2<sup>nd</sup> part of public consultation meeting starts, where R2E2 resettlement consultant presented RPF, its objectives, structure and all the chapters, including analysis of potential impacts, institutional arrangements, GRM, main documents (RPF, RAP, RA eminent domain law), compensation and entitlements, etc. To ensure, that presented information is clear for the participants, the presentation was done using power point presentation. Consultant emphasized the role of Local Government bodies in the grievance redress mechanism and it was agreed, that as soon as project starts village mayors will appoint responsible persons for the registering of complains, grievances or queries from PAPs. The concept of cut of date was presented in details. Particularly, participants were given an understanding, that all the improvements that will be made after cut of date will not be compensated. It was explained, that particular date will be announced additionally. After 20 minutes presentation the resettlement consultant answered on the raised questions.

**Questions and answers:**

**Question:**

Will communities be paid compensation for the land under the road? What will be the status of the road? Who will maintain it after reconstruction?

**Answer:**

The reconstructed road will be on the community owned land, envisaged for the community road. Status of the existing road will not be changed; therefore, there is no any need to acquire the land for the road. The infrastructure will be used by community members, as it was done before. After the reconstruction it will be better road and all community members will benefit from it. At the moment design company is appointed, and as soon as the road design is ready, it will be sent to local self-governing bodies for agreement.

**Question:**

What if new constructed road will affect private properties?

**Answer:**

As we have already presented, private properties next to the road are dispersed, so this will allow the design company to avoid any impact on the private land plots. However, if it is impossible, then Resettlement action plan will be prepared, impact assessment will be conducted and full compensation for all losses will be paid to all project affected persons. If it is a case, affected communities will be consulted on this additionally. Project establishes grievance redress mechanism, and if you have any query, complain with this regard, you can present your grievance to local self governing bodies or R2E2 and your case will be additionally examined.



### **List of Participants**

Mesrop Amirjanyan – Community leader of Tsg huk village  
Hakob Khachatryan – Tsg huk community member  
Manuchar Mkrtychyan – Community leader of Sarnakunq village  
Vardan Yenoqyan – Spandaryan community member  
Manvel Sargsyan – Spandaryan community member  
Davit Yenoqyan – Spandaryan community member  
Vrezh Markosyan – Spandaryan community member  
Hmayak Avagyan – R2E2 Fund  
Simon Petikyan – R2E2 Fund  
Gayane Bakhchisaraytseva – R2E2 Fund