

Resettlement Policy Framework (updated)

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ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
CC	Construction Contractor
EBRD	European Bank for Reconstruction and Development
EMF	Electric and Magnetic Fields
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
IUCN	International Union for Conservation of Nature
IA	Implementation Agency
kV	kiloVolt
kWh	kiloWatt-hour
LSGB	Local Self Governance Body
MWh	MegaWatt-hour
MEINR	Ministry of Energy Infrastructures and Natural Resources of RA
MNP	Ministry of Nature Protection of RA
MC	Ministry of Culture of RA
MTCIT	Ministry of Transport, Communication and Information Technologies of RA
MLSA	Ministry of Labor and Social Affairs of RA
NGO	Non-Governmental Organization
OTL	Overhead Transmission Line
PSRC	Public Services Regulatory Commission
PAP	Project Affected Person
PCR	Physical Cultural Resources
PCDP	Public Consultation and Disclosure Plan
PV plant	Photovoltaic power plant
R2E2 Fund	Armenia Renewable Resources and Energy Efficiency Fund
RA	Republic of Armenia
RAP	Resettlement Action Plan
ROW	Right of Way

RPF	Resettlement Policy Framework
RE	Renewable Energy
SREP/Project	Scaling-up Renewable Energy Program
SEA	Strategic Environmental Assessment
SEI	State Environmental Inspectorate
SNCO	State Non-Commercial Organization
TOR	Terms Of Reference
UNDP	United Nations Development Program
WB/BANK	World Bank
WWF	World Wide Fund for Nature

Definitions

Developer Independent Power Producer responsible for the development, design, finance, construction and operation of the plants.

Resettlement, in Bank terminology, covers all direct economic and social losses resulting from involuntary land taking and restriction of access, loss of income sources or means of livelihood, relocation, restriction of access to legally designated parks and protected areas together with the consequent compensatory and remedial measures. Resettlement is not restricted to its usual meaning—physical relocation.

Project affected persons (PAPs) means persons who suffer from a direct economic or social impact of the project, through

- loss or damage of assets
- land expropriation
- involuntary displacement
- effect on right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed (temporarily or permanently);
- effect on access to productive assets (temporarily or permanently); or
- effect on business, occupation, work or place of residence or habitat.

Resettlement Policy Framework (RPF) is a resettlement document to be prepared if the extent and location of resettlement cannot be known at appraisal because the project has multiple components or if the final design (as in this case) is determined at a later stage (final design during construction process). The policy framework establishes resettlement objectives and principles, organizational arrangements, and funding mechanisms for any resettlement operation that may be necessary during project implementation. The framework also estimates the probable number of affected persons and resettlements, and especially for financial intermediary projects, assesses the institutional capability to design, implement, and oversee resettlement operations. When during project implementation the extent of resettlement in any subproject becomes known, a RAP (or an abbreviated RAP, depending on the scale and severity of impacts) is prepared before the investment is approved for funding (OP 4.12, paras. 29–30).

Resettlement Action Plan (RAP) or Abbreviated Resettlement Action Plan (ARAP) is a resettlement document to be prepared when the exact location of the project i.e. final detailed line routing and exact tower locations are identified. If the final line impacts settlements below the safety distance specified in the law, land acquisition leads to physical displacement of persons, and/or loss of shelter, and /or loss of livelihoods and/or loss, denial or restriction of access to economic resources. RAPs are prepared by the party impacting on the people and their livelihoods. RAPs contain specific and legally binding requirements to be abided by to resettle and compensate the affected party before implementation of the project activities causing adverse impacts. RAPs contain a census of PAPs, including cadastral information and a detailed inventory of losses.

Compensation means the payment in kind, cash or other assets given in exchange for the taking of land, or loss of other assets, including fixed assets thereon, in part or whole.

Land acquisition means the taking of or alienation of land, buildings or other assets thereon for purposes of the Project.

Replacement cost is defined as follows: 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 (OP4.12: Annex A, footnote 1).

Cut-off date is the date of commencement of the census of PAPs within the project area boundaries. It is the date from which onwards, any occupation or improvements on land will not be eligible for compensation.

Vulnerable Groups refers to people who cannot cope with crisis or shock situations to maintain their livelihood.

1. INTRODUCTION

1.1. Project Description

Electricity in Armenia is supplied by nuclear (31%), gas-fired thermal (28%), and hydropower (41%) plants. Lacking hydrocarbon reserves, Armenia imports all its gas and nuclear fuel and is thus exposed to insecurity and price volatility. To increase energy security Armenia aims to diversify its generation mix towards indigenous resources. The Government of Armenia promoted Renewable Energy (RE) in 2004 through the Law on Energy Savings and Renewable Energy that aimed to improve energy security through fuel diversification, ensure affordability, and maximize the use of indigenous energy resources. Feed-in tariff set by PSRC in 2007 for small hydropower plants (SHPPs), wind, and biomass have been successful in attracting private investment, including in 200 MW of SHPPs. The 2013 Presidential Decree on “Energy Security Concept”, the government’s Development Strategy for 2012-2025 view the RE as critical to enhancing energy security. But, aside from SHPPs, no other RE technology has been widely used due to financial and technological barriers. Particularly the identification of RE resources, such as geothermal, wind and solar and site-specific data monitoring requires significant resources and experience. There is no utility scale solar PV installed in the country.

The Republic of Armenia has received a Grant from the Climate Investment Fund’s Scaling-up Renewable Energy Program in Low Income Countries (SREP) administered by the International Bank for Reconstruction and Development (IBRD) toward the cost of the Preparation of Utility-Scale Solar Power Project. The implementing agency of the Grant is Armenia Renewable Resources and Energy Efficiency Fund (R2E2 Fund).

As a part of the Preparation of Utility-Scale Solar Power Project, an assignment to prepare the feasibility study and provide transaction advisory services has been carried out an assessed the viability of constructing six solar PV power plants as Private Public Partnership projects in the locations with high solar irradiation potential of Armenia.

Based on the solar resource assessment carried out under the Solar Mapping and Site Selection Consultancy, in the first round the first site has been selected as presented below:

Site name	Capacity (MWp)	Transmission Line	Location (Marz, Community)
Masrik 1	55.45	110kV (5km)	Gegharkunik, Mets Masrik

The site selected for the plant is located on community owned land and no physical resettlement is expected and the OTLs connecting the plants to the grid will run mostly over agricultural lands. Lands within the corridor (ROW) are private and community owned lands which are used for agriculture, horticulture and livestock grazing or forage making (for more details see ESIA).

It is expected, that no person will be relocated within the project.

1.2. Description of the project components for which land acquisition and relocation are possible:

Construction of Masrik 1 power plant:

The PV plant is located on community owned land plot which have been donated to the Project. The Social Due Diligence (SDD) has been carried out on the community land donation procedures applied for 1st site: Masrik 1 PV plant to be located on community owned

agricultural pastureland (see the section 1.4). The main findings of SDD are presented in the Annex 9.3.

Construction of the 110 kV OTLs and other associated facilities connecting the plant at Masrik 1, site to the grid:

Land acquisition is required for all components that have a permanent impact on land and land use (subject to height limitations).

Land acquisition will be required only for construction of tower foundations.

Compensation will be required for:

- damages to crops / trees during land survey
- damages to crops / land for construction of access roads
- damages to crops for lay down areas and during stringing procedure
- land required for the construction of temporary access roads

Agriculture (with height limitations) and livestock grazing will be possible in the ROW with exception of permanently sealed land at tower foundations.

For other project components (Construction of PV plants and OTLs of 6 and 10kV) land acquisition will not be required. For more details please refer to the respective ESIA and ESMP reports, as well as to SDDR for Masrik 1 PV plant (for details see the section 1.4 and Annex 9.3).

1.3. Rationale for Preparation of a Resettlement Policy Framework (RPF)

At the present stage of the Project the formulation of a Resettlement Action Plan (RAP) is not possible, as the final design of the OTL routing has not been fixed yet. Tower locations will be fixed during the land survey, which is performed after the completion of the final design before execution of physical works. Moreover, no physical resettlement impacts are currently expected to arise from the construction of the PV plants. In order to support the Developer to prepare for RAP activities, the present RPF has been developed. The purpose of the RPF is to clarify resettlement principles, organizational arrangements, and design criteria for the solar PV plants being prepared under the project. The RPF contains regulations that should be followed in the RAP at the later stages. The RAP or Abbreviated RAP (as appropriate) will then need to be complemented with a detailed census, including cadastral information, an inventory of losses and an enhanced involvement and participatory consultation of PAPs.

1.4. Scope of Resettlement within the Project

OP 4.03 states that the involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs. This fundamental policy objective reflects the recognition that resettlement can be severely harmful to people and their communities. Generally, the policy covers direct economic and social impacts⁵ that both result from Bank-assisted investment projects and are caused by;

- a) the involuntary taking of land resulting in relocation or loss of shelter; 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 displaced persons.

For the given project, the land acquisition for the construction of power plants OTLs is the main social impact focused for the present Resettlement Policy Framework. For the construction of OTLs, new single circuit 6 and 10kV and double circuit 110 kV OTLs will be constructed. Land for towers has to be acquired only for 110kV OTLs. Resettlement impacts will be limited to the land acquisition and disturbances.

Overall the project is expected to have a limited resettlement impact. However, according to the requirements the (abbreviated) RAP needs to be prepared for the entire OTL after the completion of the project's final design, if the screening/due diligence demonstrates that there is impact on the land.

Below is presented the actual and potential impacts for the project components.

Masrik-1 PV plant: No physical resettlement will be required for construction of the Masrik-1 PV plant, as it will be located on the community owned land of Mets Masrik community. The Mets Masrik community expressed willingness to donate the community-owned pasture land to the Fund for the construction of Masrik-1 PV plant.

In this regard, a social safeguards due diligence has been conducted by the Fund to understand and assess possible social impacts and propose impact mitigation measures for the proposed solar plant in Mets Masrik community due to donation of community owned pasture land for the PV plant construction. The due diligence has been conducted according to the World Bank Group's social safeguard policies on involuntary resettlement (OP 4.03 and Performance Standard 5).

In the frame of social safeguards due diligence, based on the collected data the following analysis was carried out:

- Analysis and assessment of all project impacts (positive and negative)
 - Analysis of expected impacts on standard of living and socio-economic conditions, especially regarding individual and community incomes, livelihoods and employment
 - Expected severity of impacts on various groups
- Analysis of donated pasture land productivity by determining yields and ability to support grazing animals and availability of alternative pasture lands
- Conclusions and suggestions on mitigation measures and options to minimize and mitigate adverse impacts (e.g. ways to increase community pasture land).

As a result of social safeguards due diligence on the voluntary donation of land the following has been justified:

- Community land donation does not result in displacement of households or cause loss of household's incomes and livelihood
- The affected community expresses its willingness and readiness to donate the affected community-owned lands to RA for the implementation of the Project, which is documented in the minutes of public consultation meetings.

Construction of OTLs for Masrik 1: For OTL towers land acquisition will be required as the OTLs are 110 kV (in this case the bigger towers will be used compared to the case of 6 and 10kV) and the impact on private lands will be larger. The OTLs connecting the PV plant to the nearest substation with required capacity will go through private agricultural lands. There is no risk of crossing with residential areas but avoidance of crossing with private lands is not possible, as the lands between the site and the substation are all cultivated. However final design is not yet available to confirm this assessment.

Agriculture (with height limitations) and livestock grazing will be possible in the ROW with exception of permanently sealed land at tower foundations.

2. INSTITUTIONAL AND LEGAL FRAMEWORK

2.1. Institutional Framework

Implementation Agency: R2E2 Fund is responsible for overall project implementation monitoring. This will require existence of environmental and social experts in the staff of the Fund. The R2E2 will provide updated RPF to the selected Developer for further guidance on RAP preparation.

Developer: The Developer shall hire qualified environmental and social safeguards experts to implement ESMP and to prepare the (abbreviated) Resettlement Action Plan (i.e. census, detailed inventory of losses, socio-economic survey, valuation public consultation and disclosure etc.). The works can be done by the Developer with involvement of additional consultant to support also RAP implementation.

The Developer is responsible to:

- Ensure the mitigation measures to reduce impacts during the detailed design and overall implementation of the project (including the construction phase)
- Conduct and documenting the screening process
- Prepare RAP/ARAP based on provisions of updated RPF as needed
- Implement RAP/RPF provisions due to the modifications and impacts occurring during the pre-construction and construction process related to disturbances and resulting compensation payments, respect of suitable construction periods in agriculture areas (to minimize destruction of crops) in addition to the implementation of the ESMP, etc.
- Establish, implement and operate grievance redress mechanism. Provision of legal services to vulnerable PAPs through NGOs (e.g. Aarhus Centre) / independent lawyers.
- Implement continuous Public Consultations prior to and during the physical works.

Local Branches of State Institutions:

- Local Cadaster Offices of Gegharkunik, Kotayk, Armavir and Aragatsotn Marzes
- Environmental Departments of Gegharkunik, Kotayk, Armavir and Aragatsotn Marzes
- Departments of the Protection of Monuments of Gegharkunik, Kotayk, Armavir and Aragatsotn Marzes

Other Stakeholders:

Other Stakeholders of the project within the Government of RA and the non-governmental sector of RA are:

Institutions of the Government of Armenia:

- Ministry of Energy Infrastructures and Natural Resources
- Ministry of Nature Protection (MNP):
 - Department of Protected Areas of MNP
 - Environmental Expertise SNCO of MNP
- Ministry of Agriculture (MA):
 - Hayantar SNCO (Forest) of MA

- Ministry of Culture (MC):
- Agency for Protection of Historical and Cultural Monuments of the MC
- State Committee of the Real Estate Cadaster

NGOs

- WWF Armenia
- Women's Resource Centre
- Association of Women with University Education
- Biosophia Health, Environment and Agricultural Development Center
- "BURG" Youth Environmental Center
- "EcoLur" Informational NGO

The list of involved NGOs will be updated during the RAP preparation and implementation.

The selected of national and local stakeholders have been consulted on the ESIA and RPF. The key implementers and stakeholder's matrix with detailed description of their roles and responsibilities is presented below.

Key Implementers and Stakeholders Matrix:

No.	Implementer/Stakeholder	Role / Responsibility
Implementers		
1	Implementation Agency	R2E2 Fund is responsible for overall project implementation monitoring and reporting to WB.
2	Developer (or CC if the RAP preparation obligation is delegated by the Developer to the CC)	<ul style="list-style-type: none"> - Preparation of RAP and Implementation of RAP / RPF provisions due to modifications and impacts occurring during preconstruction and construction process related to disturbances, respect of suitable construction periods in agriculture areas (to minimize destruction of crops) in addition to implementation of ESMP (The responsibility for RAP preparation and implementation may be delegated to an experienced Consultant or CC). - Implementation of Grievance Redress Mechanism. A person of staff responsible for grievance procedure who will provide technical assistance to the Developer in handling any grievances that may arise during RAP preparation and implementation (the person shall have 3 or more years of similar experience, bachelor/master degree in Law or Sociology is preferable).- Implementation of continuous Public Consultations prior to and during physical works. - If vulnerable affected people are identified following census completion, then the CC will appoint professional advocates (social workers / legal experts) to assist those people during the entire process, and to act as independent advocates for them should any grievances arise. - Preparation of regular monitoring reports on the status of RAP preparation and implementation, including details of any complaints that arose and how they were handled.

No.	Implementer/Stakeholder	Role / Responsibility
Stakeholders		
4	External Monitoring Consultant (to be hired by Developer), if needed	Monitor RAP implementation; Monitor the payment of individual compensation and resettlement packages and the handling of individual complaints under the grievance redress mechanism; Identify noncompliance with and violation of provisions of RPF and RAP; Preparation of the RAP compliance report.
5	Ministry of Nature Protection / Environmental Inspectorate	Controls Environmental Compliance of Construction Activities
6	SNCO for Environmental Expertise	Provides Environmental Expertise Conclusion
7	Ministry of Energy Infrastructures and Natural Resources	Member of the Supervisory Board
8	Ministry of Finance	Provides the budgets for implementation on behalf of RA
9	Ministry of Culture / Agency for Protection of Historical and Cultural Monuments	Accompanies design team to ensure that cultural heritage sites are bypassed or over-spanned
10	The State Committee of Real Property Cadaster of the Government of RA	Responsible for providing information about the status of real estate ownership, and is in charge of the state registration of ownership
11	Local Courts	Review the cases of expropriation issues, carry out a hearing and decide whether the land can be expropriated and at what price
12	Independent Asset Valuers	Licensed private company who are hired to evaluate the affected assets
13	Community leaders of all affected villages	Accompany design team to design bypasses of private lands
14	NGOs (i.e. WWF, Social and Environmental Association, regional NGOs, Aarhus Centers)	Advocacy for PAPs and Environmental Good Practice; Participation in Public Consultation
15	Women's organizations / Women's Regional Council	Consult on RAP, support women headed vulnerable households
16	Social Workers / Legal experts	Support vulnerable households / support households without legal land titles in legalization procedure
17	IFI (World Bank)	Monitoring of Safeguard compliance; supervision of project, review the RAP and the compliance report (s) on RAP implementation and provide clearance to initiation of civil works to the Project.

2.2. Legal Framework on Land Alienation, Donation and Possession

The following main options of acquiring the land for projects implementation are presented below:

Voluntary land donations (VLD): Communities or individuals may agree to voluntarily provide land for projects for desired community benefits. The operative principles in VLD are “informed consent and power of choice”

Acquiring land with agreed conditions: Individuals may agree to transfer land ownership or using right to projects with certain conditions, such as compensation in kind or cash.

Land acquisition: Acquisition of land for some public purpose by government, as authorized by the law, from individual landowner(s) after paying government fixed compensation in lieu of losses incurred by land owner(s) due to surrendering of his/their land to the concerned agency¹.

The RA legislation provides several legal options for land alienation, donation and possession as described below.

Land Code (LC) of the Republic of Armenia:

The LC is the main regulatory framework for land related matters in RA. The LC defines the main directions for use and disposition of the state lands, included those allocated for various purposes, such as agriculture, urban construction, industry and mining, energy production, transmission and communication lines, transport and other purposes. The Government of the Republic of Armenia directly or by means of the authorized bodies implements the State management of the land resources of the RA. The LC regulates allocation, transfer and sale of land plots, defines ownership and rights on land. It describes responsibilities of different state authorities (community, state) in land management; rights and obligations of land possessor, user, tenant and owner; land category types, land acquisition and compensation, resolution of land disputes and land protection. The LC also defines the terms of rights termination on land plot, seizure and land acquisition of land plot for state and public needs, and terms of seizure of land plot in violation of land legislation.

Land Donation: The land donation relations are defined by two articles of LC.

- Article 89 of LC (“Land donation”) defines the following:
 1. The landowner has the right to transfer the land or its part to a citizen, legal entity, the State and community by a donation contract
 2. The State governance and local self-governing bodies cannot refuse the donation of land to the State and community, except for lands endangering human health and vitality, and lands which are overburdened by debts excelling the market price
 3. The legal relations concerning land donation are regulated by the Civil Code
- According to Article 65 part 6 of the LC State lands according to government decree and community lands upon the consent of the government can be provided with a gratuitous property right upon a donation agreement for the purposes of implementation of social or charity programs or investment programs approved by the Government of the RA. The relevant decree of the Government and the donation agreement should determine the land use purposes, terms and conditions.

Servitude: The land servitude is the right of one or several landowners on limited use of the land. The landowner has the right to demand servitudes for the maintenance and protection of his land. In case of maintenance of relocated utilities, the servitude shall be defined in contractual basis (voluntary) or through the Court (involuntary) as defined by Clause 3, Article 50 of LC. No land acquisition is required, except for cases defined by legislation mainly related to the limitations of

¹ WB Guidance on “voluntary resettlement” is limited in OP 4.12 and in Bank’s *Involuntary Resettlement Sourcebook* (2004).

usage of land/structure near the installed utility (for example in case of high voltage TLs above the residential house)².

The clause 4 of Article 50 of LC defines that the temporary and/or permanent servitudes can be defined for any land. In the meantime, the clause 5 of the same Article says that the servitude must overload the land as less as possible (the servitude impact shall be minimum). The owner of a land overloaded by servitudes has the right to demand payment from those entities that have defined the servitude if no other provisions are envisaged by the law. Servitudes are subject to State registration (clause 6). During the transfer of the land from one entity to the other, the servitudes will be maintained (clause 7).

Article 50 also provides that by the demand of the owner of land overloaded by servitudes, the servitude can be aborted in case of changes in the target position of the land.

If as a result of overload by servitudes the land cannot be used in its target position and operational significance, the landowner obtains the right to apply to the court and abort the servitude or change the target position.

Civil Code of the Republic of Armenia:

The Article 605 of the RA Civil Code defines the general conditions on “Charitable Giving” (donation) as follows:

- 1) A charitable giving is the giving of property or a right for generally useful purposes.
 - a. Charitable giving may be made to citizens, medical and upbringing institutions, institutions of social protection and other analogous institutions, charitable, scientific, and educational institutions, funds, museums and other institutions of culture, societal and religious organizations and also to the state and communes.
- 2) No permission or consent is needed for the acceptance of a charitable gift.
- 3) A charitable gift of property to a citizen must be and to legal persons may be conditioned by the charitable donor on the use of this property for a defined purpose. In the absence of such a condition, the charitable giving of property to a citizen is considered an ordinary gift and in the remaining cases the charitably donated property shall be utilized by the donee in accordance with the use of the property.
- 4) A legal person that has accepted a charitable gift for the use of which a defined use has been established must keep a separate accounting of all operations for the use of the charitably donated property.
- 5) If the utilization of charitably donated property in accordance with the use indicated by the charitable donor becomes impossible as the result of changed circumstances, it may be utilized for another use only with the consent of the charitable donor, and in case of the death of a citizen—charitable donor or the liquidation of a legal person—donor, by decision of a court.
- 6) The utilization of charitably donated property not in accordance with the use indicated by the charitable donor or the changing of this use in violation of the rules provided by Paragraph 4 of the present Article shall give the right to the charitable donor, his heirs, or other legal successor to demand the rescission of the charitable gift.
- 7) Article 604 of the present Code shall not be applied to charitable gifts³.

² There are several legal regulations and norms for construction and operation of TLs in Armenia, particularly the RA GoA Decree N 961-Ն dated 12.07.2007 provides the standard and guidance for design, construction, and operation of transmission line, as well as the requirements on permanent and temporary acquisition for TLs, the GoA Decree N 363-Ն dated 02.04.2009 provides the technical regulations on the safety zones of electric networks).

Land acquisition/expropriation:

In Armenia, the relationship on expropriation of property for public and state purposes is regulated by the RA Constitution, RA Law on Expropriation of Property for Public and State Purposes and other legal acts. According to the point 5 of Article 60 of the RA Constitution, the private property may be alienated (expropriated) for the needs (purposes) of the society and the state only in exclusive cases of prevailing public interests, in the manner prescribed by the law and with prior equivalent compensation. The constitutional base for the expropriation of property for public and state purposes is the exceptional prioritized public interest.

The Constitutional conditions for the expropriation of property for public and state purposes are:

- a) Expropriation should be provided within the law regulation.
- b) The equivalent compensation against expropriated property should be provided in advance (hereinafter referred to as Compensation).

RA Law on Expropriation of Property for Public and State Purposes (Law on EPPSP) envisages the base, regulation on expropriation of the property for public and state purposes, regulation of the compensation given for the alienated property, the definition of the exceptional prioritized public interest and the regulation of its affirmation. That law applies to all objects (immovable and movable property, property rights, securities etc.) (Hereinafter referred to as the Expropriated Property) that belong to the physical person and legal entities as well as communities (hereinafter referred to as the Proprietors) by ownership right, which are situated in RA or are officially registered or recorded in RA in accordance with the law.

Exceptional prioritized public interest may pursue maintenance of state protection, public and state security; maintenance of projects of community or intercommunity significance in the field of the development of communication substructure, transport, energy, land use, land study, city construction, energy supply, water supply; maintenance of protection of the environment.

The law allows the acquirer to apply to the Government for carrying out a preliminary study of the property intended for expropriation before requesting expropriation of property for public and state purposes. If this option is taken the acquirer have to send a written request to the Government on its intention to carry out a preliminary study of the property. If the Government finds the information provided in the request (Law “On Expropriation of Property for Public and State Purposes”, article 7, part 2) satisfactory, a decree “On Preliminary Study of Property Subject to Expropriation” is adopted.

The decree must define:

- Exceptional prioritized public interest
- Place/location of the property intended for expropriation
- Authorized body
- Acquirer of the property intended for expropriation
- The period of study that must not be longer than 2 weeks from the time the decree enters into legal effect,

The Contract concluded between the acquirer and the state governing body of the sphere is included in the decree as an annex. This contract acquires legal effect together with the decree.

The Authorized body may, among others, take part in the study.

³ The Article 604 defined the conditions of “Legal Succession in Case of Promise of a Gift”, particularly: 1.The rights of a person to whom a gift has been promised under a contract of gift do not pass to his heirs (or legal successors), unless otherwise provided by the contract of gift, 2.The duties of the donor who has promised a gift pass to his heirs (or legal successors) unless otherwise provided by the contract of gift.

After conducting preliminary study (depending on outcomes) or without that the acquirer may send a written request to the Government for expropriation of property for public and state purposes and upon consideration of the information provided by the acquirer (Law “On Expropriation of Property for Public and State Purposes”, article 6, part 4) the government may adopt a decree on exceptional prioritized public interest acknowledgement with regard to the property in question.

The Government decree includes statements on the following:

- Exceptional prioritized public interest
- Acquirer of the property intended for expropriation
- Place/location of the property intended for expropriation
- Final term for starting expropriation procedure, which must not take longer than 1 year in case of movable property and 5 years if the property intended for expropriation I real estate.
- Authorized body
- Procedure on making record on description of expropriating property

The Contract concluded between the acquirer and the state governing body of the sphere is included in the decree as an annex. This contract too acquires legal effect together with the decree.

It is worth mentioning that the missions of the authorized body are different depending on who is the acquirer. Thus, if the acquirer is a commercial organization then the authorized body is to coordinate activities concerning expropriation of property. On the other hand, if the acquirer is the state, then the authorized body takes on implementation of activities regarding to expropriation of property in addition to their coordination.

The expropriation of property consists of three consecutive/alternative stages where each following stage substitutes the preceding one in case the transaction does not take place. In the first stage the acquirer tries to negotiate with the owner sending a draft contract on alienation of property and in case he is successful, the amount of compensation is paid according to the contract concluded between the acquirer and owner. In case of failure in negotiations the acquirer has to carry out valuation of the property (when dealing with real estate) for what he has to sign a contract of rendering services with a licensed valuator and transfer the market-price determined by the valuator to the deposit account of the court or notary. This amount is for the owner’s encashment and if the latter does not withdraw money from the account within seven days, the acquirer has to apply to the court. In such lawsuits the court will not hear any claims except those relating to the amount of the compensation and in its decision will state what the just amount for the specific case is. The court’s verdict puts end in alienation process (see Fig. 6 2).

Special attention should be paid to the government decrees adopted based on articles 6 and 7 Law “On Expropriation of Property for Public and State Purposes”. In addition to what is illustrated in Fig. 6 1, these decrees may contain other critical provisions including some alternative measures. In essence, such alternative measures are stipulated impliedly. In such cases, the Decree envisages a regulations and rules on rights, duties and obligations of the acquirer, owners and state authorized bodies. The regulations and rules may provide cases and targets of negotiations for reaching acceptable compensation prices and/or settlement scopes and other expenses occurring as a result of property expropriation. The following provisions may be incorporated in the decree for maintenance of the procedures of expropriation:

- Assignment of deadlines:
 - i) for development of the statement (record) on description of expropriating property,
 - ii) for provision of study and analysis of implementing projects

- iii) for provision of study and analysis of expropriating property, property owners and other property right holders as well as evaluation of social status of that persons,
- iv) for appropriate information provision and organization of discussions via mass media,
- v) for starting construction works,
- Assignment of responsible state authorized body and/or state entity for coordination and provision of expropriation procedures as well as for development of the statement (record) on description of expropriating property
- Assignment of responsibilities of governmental and local self-governing bodies for provisions of expropriating property
- Organization of advising body that will include members of stakeholders
- Scope and specific issues that must be articulated by statement (record) on description of expropriating property
- Reporting, monitoring and supervision systems
- Assignment of the principles and scope of expropriation and compensation as well as cases of settlement
- Scope and steps of negotiation between owners and acquirer
- Procedures and bodies for discussion of the statements, offers and objections of the Owners.

RA law On the Real Estate Assessment Function was adopted in 2005.

The law defines the fundamentals of real estate assessment function and regulates the relationships concerning real estate assessment. The article 6 defines the objects of real estate assessment.

According to the law (article 8) the real estate assessment is obligatory for the following cases:

- a) alienation of real estate that belongs to state or communities, save for privatization of state property and alienation of state or community lands,
- b) expropriation of property for public and state purposes,
- c) investment of real estate in capital stock of a legal entity or fund,
- d) realization of real estate as a result of exemption,
- e) other as may be defined by the law of RA.

The activity of real estate assessment requires licensing (article 9); accordingly, the activity must be exercised by legal and natural persons after acquiring a license for real estate assessment as prescribed by RA law "On Licensing".

2.3. Performance Standards on Land Acquisition and Resettlement (OP 4.03) of the World Bank

The OP 4.03 sets forth the circumstances under which the WB Performance Standards may be applied, the roles and responsibilities of the Private Entity implementing the project (in this case: Developer), and of the Bank in supporting environmental and social sustainability aspects of the project. The Performance Standard 5 provides performance standards related to land acquisition and resettlement in lieu of the World Bank's safeguard policies ("WB Safeguard Policies").

Performance Standard 5 recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons that use this land. Involuntary resettlement refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood¹) as a result of project-related land acquisition² and/or restrictions on land use. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement. This occurs in cases of (i) lawful expropriation or temporary or permanent restrictions on land use and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.

To help avoid expropriation and eliminate the need to use governmental authority to enforce relocation, clients are encouraged to use negotiated settlements meeting the requirements of this Performance Standard, even if they have the legal means to acquire land without the seller's consent.

This Performance Standard applies to physical and/or economic displacement resulting from the following types of land-related transactions:

- ✓ Land rights or land use rights acquired through expropriation or other compulsory procedures in accordance with the legal system of the host country;
- ✓ Land rights or land use rights acquired through negotiated settlements with property owners or those with legal rights to the land if failure to reach settlement would have resulted in expropriation or other compulsory procedures;⁴
- ✓ Project situations where involuntary restrictions on land use and access to natural resources cause a community or groups within a community to lose access to resource usage where they have traditional or recognizable usage rights;⁵
- ✓ Certain project situations requiring evictions of people occupying land without formal, traditional, or recognizable usage rights;⁶ or
- ✓ Restriction on access to land or use of other resources including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, freshwater, medicinal plants, hunting and gathering grounds and grazing and cropping areas⁷.

Where project impacts on land, assets, or access to assets become significantly adverse at any stage of the project, the client should consider applying requirements of this Performance Standard, even where no land acquisition or land use restriction is involved.

⁴ This also applies to customary or traditional rights recognized or recognizable under the laws of the host country. The negotiations may be carried out by the government or by the company (in some circumstances, as an agent of the government).

⁵ In such situations, affected persons frequently do not have formal ownership. This may include freshwater and marine environments. This Performance Standard may also apply when project-related biodiversity areas or legally designated buffer zones are established but not acquired by the client.

⁶ While some people do not have rights over the land they occupy, this Performance Standard requires that non-land assets be retained, replaced, or compensated for; relocation take place with security of tenure; and lost livelihoods be restored.

⁷ Natural resource assets referred to in this Performance Standard are equivalent to ecosystem provisioning services as described in Performance Standard 6.

The Performance Standard 5 does not apply to resettlement resulting from voluntary land transactions (i.e., market transactions in which the seller is not obliged to sell and the buyer cannot resort to expropriation or other compulsory procedures sanctioned by the legal system of the host country if negotiations fail). It also does not apply to impacts on livelihoods where the project is not changing the land use of the affected groups or communities

The Performance Standard defines that in the case of physical and/or economical displacement, Resettlement Action Plan shall be developed that covers, at a minimum, the applicable requirements of this Performance Standard regardless of the number of people affected. This shall include compensation at full replacement cost for land and other assets lost. The Plan will be designed to mitigate the negative impacts of displacement; identify development opportunities; develop a resettlement budget and schedule; and establish the entitlements of all categories of affected persons (including host communities). Particular attention shall be paid to the needs of the poor and the vulnerable. The all transactions to acquire land rights, as well as compensation measures and relocation activities shall be properly documented and monitored.

According to the requirements of OP 4.03, the client (Developer) will establish procedures to monitor and evaluate the implementation of a RAP and take corrective action as necessary. The extent of monitoring activities will be commensurate with the project's risks and impacts. For projects with significant involuntary resettlement risks, the client will retain competent external monitoring agency with resettlement professionals to provide advice on compliance with this Performance Standard and to verify the client's monitoring information. The necessity of involvement of external monitoring agency will be defined by RAP after impact assessment surveys are implemented.

2.4. Other options of land alienation, donation and possession

Negotiated Settlement or Willing Buyer/Seller:

Negotiated land acquisition (willing seller- willing buyer) is a land acquisition process when land owners may agree to transfer land ownership or using right to the project with certain agreed conditions, such as compensation in kind or cash.

Negotiated settlement is applied when land procurement is needed not for development for public interest and is based on the following main principles:

- Providing fair and appropriate compensation to the willing seller which will ensure, that the AP will maintain the same or better livelihood status
- Conducting meaningful and well-documented consultations with affected parties including non-land rights holders, if any.
- Ensuring that all procedures are implemented in transparent, consistent, and equitable manner
- Involving of an independent third-party monitor to confirm the purchasing process is free of coercion, has a balance of bargaining power and is equitable in nature.
- Compensation is based on valuation of independent appraiser
- AP has a right to opt out from negotiated settlement if there is a disagreement on compensation terms.

Negotiated settlement can be followed by the Developer by implementation of the following stages:

- 1) Screening Process (including the impact minimization)
- 2) Establishment of Land Acquisition Team by the Developer

- 3) Establishment of Grievance Redress Mechanism (including the appointment of focal person dealing with GRM)
- 4) Organisation of public consultation on project plan and land acquisition (with involvement of PAPs, local government authorities, experts, and/or other related parties). Public Consultations should be properly announced and documented with minutes of meetings, list of attendees.
- 5) Conducting of inventory and identification of land acquisition impacts (land, plants, improvements attached to the land and other appraisable assets. Announcement of inventory and identification results. Inventory and identification consist of activities of land measurement and land mapping, as well as data collection on the entitled parties and land acquisition improvements (trees, crops etc.)
- 6) Involvement of independent licensed appraiser
- 7) Valuation of compensation by independent appraiser.
- 8) Determination of the form and amount of compensation through consultation. The negotiated compensation amount cannot be less than the valuated market price. All negotiations have to be carried out in a transparent manner and validated by a third party (community member, representative of notary office, local authority, any party without any interest in the process) to ensure symmetry of information availability and bargaining power of both parties.
- 9) Preparation of documents for purchasing agreement, template of official record for release of land rights,
- 10) Compensation payment: delivery compensation in cash as agreed during consultations to the land owner or land holders or its authorized representative, including the proper release of rights.
- 11) Proper documentation of negotiated land acquisition progress for monitoring purposes
- 12) Preparation of Monitoring Report on implemented actions with all supporting documents.

The land transfer and updated records of the purchased lands have to be completed prior to the start of civil works.

Voluntary Donation of Land (VLD):

Motivations for using VLD may be when the Community development projects may require in-kind land contributions from the community (strengthens cooperation and project ownership). In case, if land donation procedures are applied for the project, the Developer's team should exercise judgment in such cases and conduct due diligence to avoid adverse impacts on affected persons and possible reputational risks to WB.

Main principles in voluntary land donation are informed consent and power of choice: *Informed consent* means that people involved are fully knowledgeable about the project and its implications and consequences and freely agree to participate in the project through voluntary donation, *Power of choice* means that people involved have option to agree or disagree to the land right transfer.

The criteria and guidance for voluntary donation are as follow:

- a) The impacts are marginal (based on percentage of loss and minimum size of remaining assets):
 - The land donated does not exceed 5% of the total land owned by the affected household.
 - The land donated does not result in uncompensated permanent non-land assets
- b) Impacts do not result in displacement of households or cause loss of household's incomes and livelihood;

- The land is agricultural
 - Only secondary structures are affected; there is no physical relocation of household due to the project and land donation.
 - The affected household does not fall under the category of poor or vulnerable.
- c) The households making voluntary donations are direct beneficiary of the project;
- The affected household can identify the project's direct benefits to them.
- d) Land thus donated is free from any dispute on ownership or any other encumbrances;
- The affected household has recognized legal tenure.
 - The land is not being occupied and/or used by any other party.
 - The land is not in dispute for its ownership.
- e) Consultations with the affected communities is conducted in a free and transparent manner;
- The affected household should be informed that they have the right to receive compensation for their land and the equivalent amount of compensation for the land they wish to donate.
 - The affected household receives clear and adequate information on the project, and participates in the project planning.
- f) Land transactions are supported by transfer of titles;
- Official land ownership document is updated
- g) Proper documentation of consultation meetings, grievances and actions taken to address such grievances is maintained:
- Agreement is properly documented with signatures of affected person, Developer and witnesses.
 - Consultation meetings, grievances and actions taken to address such grievances are properly recorded.

The following main steps shall be properly carried out by the Developer in case of application of Land donation procedures:

- 1) Identify the Land and Document the Process of Identification
- 2) Establish Grievance Redress Mechanism and Conduct Consultations. The Consultations should be properly announced and documented with minutes of meetings, list of attendees.
- 3) Sign Agreement for Voluntary Land Right Donation. Other legal procedures, such as decree by community council and/or government decree also might be needed depending from the status of the donated land plot (in case of community or state-owned land).
- 4) Monitoring. Process of Voluntary donation, including establishment and GRM and grievances received, public consultations organized, agreements reached etc. should be reported by the Developer in the progress monitoring reports

The Fund should (i) verify that the donation is in fact voluntary and did not result from coercion, using verbal and written records and confirmation through an independent third party such as a designated non-governmental organization or legal authority; and (ii) ensure that voluntary donations do not severely affect the living standards of affected persons and benefit them directly.

2.5 Comparison of Armenian Laws and the Policy for Involuntary Resettlement of the World Bank

	Armenian Laws and Regulations	World Bank OP 4.03 (PS5)	Application
Land owners	Land compensation only for titled landowners	Recommends land for land compensation. Other compensation is at replacement cost.	WB OP 4.03 applies
Land users	Land compensation only for registered land users	Lack of title is not a bar to compensation and/or rehabilitation. Non-titled land users also shall receive rehabilitation. They are entitled to some form of compensation whatever the legal recognition of their occupancy is.	WB OP 4.03 applies
Land users	Crop losses compensation provided only to registered land users (landowners and legal tenants)	All land users (legal or illegal) are entitled to compensation for crops. Land users may be entitled to replacement land and income must be restored to pre-project levels at least.	WB OP 4.03 applies
Houses & other structures	All affected houses/buildings are compensated for buildings damages/demolition caused by a project, with the exception of unregistered commercial structures	World Bank Policy includes compensation for unregistered commercial structures as well.	WB OP 4.03 applies
Land valuation	Land valuation based on current market value plus 15% of the assessed value.	Land valuation based on current market rate/replacement value	Armenian Legislation applies / <u>Law on EPPSP (see 3.2.)</u>
Public Consultation and Disclosure	Information on impacts quantification/costing, entitlements, and amounts of compensation and financial assistance are to be disclosed to the PAPs prior to the date defined in the Government Decree for Eminent Domain/ on Preliminary Study.	Public Consultation and Disclosure in participatory manner with affected people on community level. PCDP to be developed together with RAP.	Both WB OP 4.03 and Armenian Legislation apply (Law on EPPSP)

	Armenian Laws and Regulations	World Bank OP 4.03 (PS5)	Application
Livelihood Restoration	No provision for income/livelihood rehabilitation measure, allowances for severely affected PAPs and vulnerable groups, or resettlement expenses	The World Bank requires rehabilitation for income/livelihood, for severe losses, and for expenses incurred by the PAPs during the relocation process	WB OP 4.03 applies
Loss of Land Value in ROW	No provision for the loss of land value under the conductors (e.g. no construction possible)	Owners of lands that are earmarked as construction land by the community will receive compensation for loss of value.	WB OP 4.03 applies

2.6. Gap Analysis

The main difference of the legal framework of the RA and OP 4.03 is related to the compulsory ownership status of affected land and dwellings in Armenian law, whereas OP 4.03 grants compensation and relocation support even if legal land titles are absent. For the planned project OP 4.03 must be applied. This means that if the requirements of OP 4.03 are more stringent than the national legislation, then the more stringent requirements of OP 4.03 are to be applied.

Other issues arise when it comes to implementation and monitoring, where Armenian legal framework tends to be vague and sometimes ambiguous. There is a considerable gap between enforcement of the law and OP 4.03 safeguards. The Developer will be responsible for preparation of RAP, public consultation support, hiring of social and environmental staff and monitoring is suggested to bridge the gap.

An external monitoring consultant will also be responsible for the preparation of the RAP Implementation Compliance Report that will be prepared under the project, in accordance with this RPF.

3. ELIGIBILITY AND ENTITLEMENT FRAMEWORK

3.1. Eligibility

The PAPs entitled for compensation or relocation provisions under the Project are:

- (a) All PAPs losing land either covered by legal title/traditional land rights, land that can be legalized, or land without legal status;
- (b) Tenants and land users whether registered or not;
- (c) Owners of crops, plants, or other objects attached to the land; and
- (d) PAPs losing business, income, and/or salaries.

Compensation eligibility will be limited by a cut-off date on the day of the detailed census and inventory of losses. New settlement, improvement or start of activity in the affected areas after the cut-off date will not be eligible for compensation.

3.2. Entitlement Framework

Entitlement provisions for PAPs losing land and other structures as well as income, rehabilitation subsidies will include provisions for permanent or temporary land losses, crops and trees losses.

Rehabilitation entitlements have been based on the experiences from the OTL Reconstruction Project Hrazdan to Shinuhair Corridor, Armenia (PIU: High Voltage Electric Networks, IFI: WB).

The PAPs may be classified in one of the following three groups:

- (a) Legal owners: those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country);
- (b) Legalizable PAPs: those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets--provided that such claims are recognized under the laws of the Republic of Armenia or become recognized through any legal steps necessary to ensure the effective implementation of resettlement activities under the project, including, as appropriate, a process for recognizing claims to legal rights to land--including claims that derive from customary law and traditional usage.
- (c) Non-legalizable PAPs: those who have no recognizable legal right or claim to the land they are occupying.

3.2.1. Land

The entitlements are detailed below:

- **Legal owners of agricultural land** will be compensated at either (i) in cash at market or cadastral value (whichever the highest) plus 15% assessed by a qualified valuator. or (ii) through replacement land within the same village equal in value/productivity to the plot lost acceptable to the PAPs. Non-directly affected sections of a plot which become inaccessible or unviable for cultivation after the impact will be included in the affected land. When >10% of a PAP agricultural land is affected, PAP (owners, leaseholders and sharecroppers) will get an additional severe impacts allowance (see definition on page 16). Compensation will be free of deductions for transaction and registration costs.
- **Legal owners of nonagricultural land** will be compensated in cash at market value plus a 15%. If there is no market rate, compensation will be the provision of a replacement plot (similar or better) within the same village. PAPs will be consulted on the choice of location of alternative plots and will be given a plot in a location as close as possible to the original site, or if this is not possible cash compensation will be paid. Compensation will be free of deductions for transaction and registration costs. Non-

directly affected sections of a plot which become inaccessible or unviable for the same use after the impact as before the acquisition will be included in the affected land.

- **Legalizable PAPs** will be legalized as Legal owner and paid as Legal owner.
- **Non-legalizable PAPs** who cannot be legalized or who use the affected land without the formal legal rights (unregistered user/informal tenant) will be compensated only for the improvements existing on the affected land. .

Leaseholders may acquire ownership right (in cases defined by legislation) and to be compensated as the owner or he/she may be given an opportunity to hold a new lease in accordance with the agreement of the land owner (lessor). In case it isn't possible, AP will receive compensation equal to "the market or cadastral cost of affected land (whichever the highest) +15% " in the following proportions according to the length of the lease: i) < 1 year 5%, 2)<15 years 14% ; 3)years 20%;4) >25 years 25%.

3.2.2. State and Community/Municipal lands

- State and Community lands required for the PV plants location will be acquired by the Developer in accordance with the Article 66, part 5 of the Land Code or donated to him in accordance with the Article 65, part 6 of the Land Code, which is: state lands according to government decree and community lands upon the consent of the government can be provided with a gratuitous property right upon a donation agreement for the purposes of implementation of social or charity programs or investment programs approved by the Government of the RA. The relevant decree of the Government and the donation agreement should determine the land use purposes, terms and conditions. Meantime, proper social due diligence will be carried out to ensure that no impacts are caused for the community land users, if any.

3.2.3. Other compensations and allowances

- Crops: Cash compensation at current market rates for the gross value of 1 year's harvest by default (in cases where the affected land is planted with a useful crop that grows several years without annual plowing and sowing and the damage to crops was caused by passage of heavy machinery, the compensation will be equal to current market rates for the gross value of 3 years harvest). Crop compensation will be paid both to landowners and tenants based on their specific sharecropping agreements. Non-legal land users are also eligible for crop compensation according to OP 4.03.
- Trees: Cash compensation at market rate based on type, age and productivity of trees.
- Severe impacts allowances: cash compensation will be given for Project severe impacts to those AHs (including the AHs as leaseholders and actual land users) in case 10% and more of their owned and/or cultivated agriculture land is affected and they receive benefits such as fruits, yield and crops by the result of land-use. Additional crop compensation covering 1 year yield (from affected land part) for APs affected by loss of 10% and more of agricultural land. The calculation of the above mentioned allowance is based on the actual operational purpose of the lands regardless the purpose stated in the cadastral files, state registration certificates and other documents certifying the right on land.
- PAPs will receive the following financial assistance:

Costs/fees related to acquisition and compensation payment that include:

- Costs/fees for power of attorney (provided from abroad/local);
- Costs/fees associated with national passport (ID card) update in case the data expired;
- Costs/fees associated with the adoption of the inheritance;

- Cost for transaction taxes and fees connected with land acquisition will be covered by the Project Funds as a part of the compensation.

Compensation to Vulnerable People:

Vulnerable people (PAPs below poverty line and women or elder headed households) will be given a rehabilitation allowance equal to 6 months at minimum salary and priority in employment in project-related jobs. Women headed households, households with elderly, destitute or disabled people are counted among the vulnerable households. Vulnerable people shall receive a one-off allowance for 6 months in the monthly amount of AMD 55 000 (the minimum salary).

Vulnerable people are considered:

- i. Poverty - stricken households, which are registered in the Family Benefit System of the MLSA of RA and receive corresponding allowance according to the order, set forth under RA legislation.
- ii. Households, headed by women, where there is no other working age person, except for pensioners, military servants, people holding 1st or 2nd degree of disability, or full-time student of up to 23 years.
- iii. Households, headed by people of the pension age (elderly), where there is no other working age person, except for pensioners, military servants, people holding 1st or 2nd degree of disability or full-time students of up to 23 years.

Support for households below the Poverty Line:

If during socio-economic survey, consulting companies of the Developer reveal that the affected household is poor, yet has not been involved in the Family Benefit System, then the Developer shall inform the MLSA of RA and body providing social services for the given region to consider involving of the given households in the Family Benefit System, according to the order, established under the Law. Households below the poverty line are to be considered as vulnerable people and are eligible for vulnerability allowance additionally after registering in the Family Benefit System by support of the Developer's specialists.

3.3. Methods for Valuation of Assets

The activity of real estate assessment requires licensing (article 9); accordingly, the activity must be exercised by legal and natural persons after acquiring a license for real estate assessment as prescribed by RA law "On Licensing".

The legal basis for orders with respect to real estate assessment is a civil contract on rendering services concluded in accordance with the RA Civil Code (article 9). In addition, article 10 of the law enumerates the essential provisions that the parties must cover in the mentioned contract.

The assessment of real estate is carried out in accordance with standards of property assessment that is defined by the Government of RA (article 7). The latter has to cover:

- a) the rights with regard to real estate, quantitative and qualitative description,
- b) the methods of real estate assessment,
- c) the requirements for formulation of the outcomes of real estate assessment,
- d) references of other legal acts,
- e) the requirements for the behavior of the person carrying out real estate assessment.

Based on this provision of the law, on 8 June 2006, RA Government adopted decree “On Defining the Standard of Real Estate Assessment in the Republic of Armenia”. Amongst other things, the decree assigns the Ministry of Trade and Economic Development (now the Ministry of Economic Development and Investments) to define and, starting from September 1, 2006, put into legal force the Standard of Real Estate Assessment in the Republic of Armenia.

Assessment of the real estate values will be based on the procedure defined in the Law of the Republic of Armenia on Assessment of Real Estate as follows:

- (a) **Agricultural/Not-agricultural Land** will be valued at replacement cost based on the assessment made by qualified valuator in accordance with RA Law on valuation of real estate, as well as on RA Valuation Standard.
- (b) **Annual Crops** will be valued at net replacement rates (combination of net market cost at the farm gate for the first year crop and any costs associated with the full replacement of the crop).
- (c) **Trees (bushes)** will be valued according to different methodologies depending whether the tree lost is a productive or a not- productive tree as follows:
 - Not-productive trees (bushes): wood and decorative trees will be valued based on following groups (a. small trees; b. medium trees and c. big trees) based on the type of tree (bush) and the following valuation indicators such as: timber (firewood or construction wood) volume, height of the tree (bush), as well as other applicable indicators for the given tree (bush) to be determined by LARP.
 - Fruit/productive trees (bushes, vineyards) will be valued based on the planting age. The compensation for fruit/productive trees (bushes, vineyards) will be paid based on the investment value and as much as the market value of the given tree (bush) for 1 year multiplied by the number of years calculated from the planting date, but no more than the number of years needed to grow a new fully (industrial) productive tree (bush).

The unit compensation rates will be assessed by a certified independent evaluator based on clear and transparent methodologies.

Note: In case of need to assess the business and compensation for the business, lost profit, resettlement etc. the stated law is not entirely applicable and there will be need to contract the persons with specific knowledge on defining the value of business lost or affected assets, etc.

4. RAP PREPARATION, REVIEW AND APPROVAL

With finalizing of detailed design of the new OTL, a census of Project Affected Persons (PAP) can be started, including preliminary cadastral survey of affected property and their owners and not entitled users. Following this survey the Government enacts the decree declaring the Project as a public interest project (see Fig. 6-1 and 6-2). After issuing the decree, the selected Consultants of the Developer will conduct the detailed surveys in the field, which are the detailed census of the PAPs and the detailed inventory of losses i.e. all land and non-land impacts.

An independent (licensed) assessor will then carry out the valuation of all affected assets. This will enable the establishment of a budget for compensation payments, relocation and livelihood restoration. A socio-economic survey will be carried out for the affected households in order to understand the socio-economic aspects of PAPs livelihoods (i.e. sources of income, poverty status, ethnicity, education, health situation, land holding, house type and value etc.) and to find out any vulnerability situation of PAPs that would require special livelihood restoration measures. On the basis of these survey data the Resettlement Action Plan will be compiled. PAPs will be informed continuously about the course of the project (see PCDP, clause 9.6) and the establishment of the grievance redresses mechanism and the RAP will continuously be updated. The RAP will have to be approved by the World Bank and Funding Agency.

Legalization of land users without land-titles:

In principle all occupants of untitled-plots can be legalized as long as they do not occupy areas classified as lands which cannot be alienated to legal entities and individuals (areas that are officially reserved for specific public use such as military areas, hospital areas, school areas or areas that are not fit for settlement like river beds, radioactive terrains or other dangerous or ecological unfit lands) (See Land Code of the Republic of Armenia, article 60). To be legalized, the PAPs will have to initiate a legalization process in accordance to pertinent administrative regulations. The Developer will assist PAPs seeking legalization and will facilitate their cases. This may involve contracting legal and technical experts to assist in the process, and if necessary the provision of financial assistance to pay the necessary fees. In practice, this will mean that Developer will ensure recruitment of the necessary expertise (e.g. lawyers, property surveyors) to assist PAPs in the legalization process. For some PAPs this will merely involve providing guidance on the relevant procedures to follow, while other more vulnerable PAPs may need more intensive hand-holding and guidance through each step of the process. Ultimately, the Developer should also identify which PAPs will be eligible for financial assistance (in terms of fees for legalization etc.) on the basis of their ability to pay. These will be identified as part of the socio-economic census and inventory of losses and on this basis, specific eligibility criteria for different types of assistance will be specified in the Resettlement Action Plan.

Livelihood improvement measures:

Coordination with the existing projects implemented by the national organizations and international donors aiming at use of synergy effects should be considered.

5. IMPLEMENTATION PROCESS

5.1. RAP Implementation Process

The RAP implementation process will have to be completed before the start of the civil works. Four phases can be distinguished:

1.) RAP preparation

In this stage it will be necessary to hire experienced experts or a sub consultant who has the respective experienced staff. The staff should have experience in survey, census and inventory works as well as in report preparation. Since measurement and evaluation activities are subject to be licensed in RA, it will be necessary also to hire a specialists who have the related license.

2.) RAP finalization

This phase will be carried out together with the detailed design. It includes the census of PAPs and detailed inventory of losses as well as a socio-economic survey to determine how livelihoods can be restored to pre-project level and vulnerability avoided.

3.) RAP implementation

This phase will start when the final RAP is approved. The compensation negotiations with PAPs will be started during this phase. It includes the land valuation and acquisition procedure as well as the effective payment of compensations, livelihood restoration measures and relocation procedures. It ends after compensations have been fully paid to all PAPs.

4.) Start of Civil Works

Civil works will only start after compensation of all affected households has been accomplished. A compliance report by an independent monitoring consultant that will be approved by the World Bank will be a prerequisite for the initiation of any construction works.

Continuous RAP tasks as grievance redress & monitoring will go on during the phase of civil works in order to assure timely response to PAPs requirements and to assure correct implementation of resettlement procedures.

Action Plan on the preparation and implementation of Resettlement Action Plan (RAP):

Step	Action	Responsibility
A)	Preparation of Resettlement Action Plan (RAP)	
1	Finalization of Detailed Design of the OTL	Developer/CC
2	Prepare survey forms for Census and Detailed Inventory of Losses, PCDP and Timeline for RAP	Developer/Consultant
3	Acquire Cadastral Information and Land Parcel Maps	Developer/Consultant
4	Coordination with local Government	Developer/Consultant
5	Consult and Transect Walk with Community Leaders and representatives of affected persons	Developer/Consultant
6	Public Consultation with PAPs	Developer/Consultant/Fund
7	Conduct of Detailed measurement survey, Inventory survey for all affected lands	Developer/Consultant
8	Government Decree preparation and submission to the GoA	Ministry of Energy Infrastructures and Natural Resources
9	Conduct Socio-Economic Census, Assignment of Social Workers for affected vulnerable households	Developer/Consultant

10	Legalization of land where applicable	Developer/Consultant
	Verify land ownership and identify non-entitled land users to get support by independent legal experts for legalization of land titles	Developer/Consultant
11	Valuation of Assets	Licensed valuation specialists
12	Integrate data from Census in Resettlement Plan	Developer/Consultant
13	Review and approval of RAP	Fund
14	Submission of RAP to Government of RA	Fund
15	Public Consultation and Disclosure	Developer/Consultant/Fund
16	WB Review and Approval	WB
B)	RAP implementation	
1	Consultation with PAPs	Developer/Consultant
2	Distribution of relocation/land acquisition notices	Developer/Consultant
3	Compensation payments	Developer/Consultant
4	Preparation of a Compliance report	Independent Monitoring Consultant
5	Review and approval of Compliance report	Fund/WB
6	COMMENCE CIVIL WORKS	Developer /CC

Disbursement of compensations:

Compensations will be included under the project and will be paid by the Developer. The following process and procedure has been preliminarily established for disbursement of compensation cheques to the PAPs, relying on the experience of other projects in Armenia i.e. OTL Reconstruction Project Hrazdan to Shinuhair Corridor, Armenia:

- (i) Verification of PAPs: Verification of PAPs: Verification of the PAPs will be made through his/her Passport. All PAPs must bring copy of their original Passport at the time of receiving cheques.
- (ii) Payment of Compensation: Payment to PAPs will be paid in 7-15 days from the date of signing of the acquisition contract; Payment will be paid through crossed cheques.
- (iii) Vacation of Site: Notices will be issued to vacate the site with request to PAPs by sending written invitations to receive the compensation cheques along with time schedule and venue etc. and a vacation notice to vacate the site within specified days.
- (iv) Absent PAPs: Absent PAPs may receive the compensation after the notified schedules of payments after production of a genuine proof of their absence on the due dates. If absent PAPs cannot be reached, the asset will be expropriated through the court and the Developer will secure compensation funds in a special escrow account.

Payment of compensation will be made no later than 10 days prior to the actual possession of the acquired lands. No land will be possessed by the Developer for commencement of construction works without full payment of due compensations to the affected landowners and their tenants. However, in case of a dispute, the assessed/allocated amount of compensation will be pledged in the names of the concerned PAPs in a special escrow account, pending a decision by the court. In such cases, the project may start construction works on the land plot before compensation is transferred to the PAP (but only after it is put in an escrow account). Civil works can start after the

court decision enters into force and the affected assets are re-registered in the State Cadaster in the name of the Developer, and following completion of the RAP compliance report.

The Developer is responsible for financing the compensation, allowances, and administration of compensation and resettlement funds, its implementation and timely allocation of sufficient resources. Allocations will be reviewed on quarterly basis based on the budget requirements indicated by the RAP. No construction works will begin until an independent monitoring consultant verifies that full compensation was duly paid to all PAPs and the World Bank approves the monitoring report (RAP Compliance Report).

5.2. Grievance Redress Mechanism

In order to monitor and examine possible complaints, concerns and suggestions in the course of construction process, detailed measurement and census survey, valuation and compensation by the Developer and the Fund, the Grievance Redress Mechanism (GRM) will be established within the Project so that community residents or potential PAPs have the opportunity to submit proposals or to appeal any decision, practice or activity may arise during Project implementation, compensation of land or other property. The grievance redress mechanism is implemented, so that people can get their problems solved and grievances redressed in a timely and effective manner without directly addressing the court.

The GRM will include a number of parties, the Community, the Fund, the Developer and the Grievance Committee (GC). In addition, non-governmental organizations, the Aarhus Center or other local stakeholders can monitor the negotiation process and engage in the Grievance Committee as a non-permanent representative.

Complaints can be addressed at the community level (Head of LSGB) where the complaint will be recorded and sent to the Investor Complaint Coordinator responsible for the registration and settlement of complaints. Complaints can also be filed with the construction contractor, who should also direct the Investor's Complaint Coordinator if the complaint is not resolved.

The GRM has to be locally implemented at the level of village institutions and local self-government as well as bundled on national level at the Developer.

Grievances can be addressed at the local community level ("Head of the LSGB"), where the grievance is recorded and forwarded to the Developer's grievance coordinator responsible for registration of grievances and decision on grievance redress.

Grievances that are addressed to the CC during the execution of civil works shall also be forwarded to the Developer grievance coordinator. Even if the constructor decides to settle the grievance on the spot, the documentation of the grievance settlement procedure needs to be documented at the Developer's grievance coordinator/focal point.

Also, all project related complaints can be directly addressed to the Developer grievance coordinator via phone, e-mail or grievance form. A project grievance hotline shall be made available by the Developer for direct complaints (at national level) and all received grievances shall be recorded in a grievance log-book.

Thus, the following 3 level mechanism of grievance redress has been approved in the Project:

- **STEP 1.** The applicant may lodge his complaint to the Developer's grievance coordinator through a construction contractor (CC) or a LSGB. The complaint must be resolved within a 10-day or within the agreed schedule with the CC. Before the start of construction, the Developer shall post a relevant announcement in the community with the contact information of Developer's grievance coordinator.
- **STEP 2.** In case if the complaint is not resolved by the CC (Developer's grievance coordinator), then the the complaint will be considered by the Developer within a five-day period. In case of severe grievances that cannot be resolved on site, the Grievance

Committee will be invited for the meeting within 30 days after receipt and registration of the grievance. The GC will consist of permanent and non-permanent members. permanent members: Executing Agency (Fund), Developer's grievance coordinator and Construction Contractor, non-permanent members: the applicant, appropriate marz representative, community representative and NGO representative.. Decisions in the grievance committee are taken by majority vote of the members who registered in the protocol of the meeting (Permanent and Non-permanent). PAP will be informed about time and place of the meeting 5 (five) days before (as Non-permanent member).

- **STEP 3.** In case if the complaint is not resolved by the Developer and GC, then the applicant may apply to the Fund. The Fund will discuss and respond to the applicant within a 10-day period

At any stage of the GRM the grievance should be submitted in writing and the response to the grievance should also be provided to the applicant in writing.

The Grievance Mechanism Flow Chart is presented in Fig. 6 3 below.

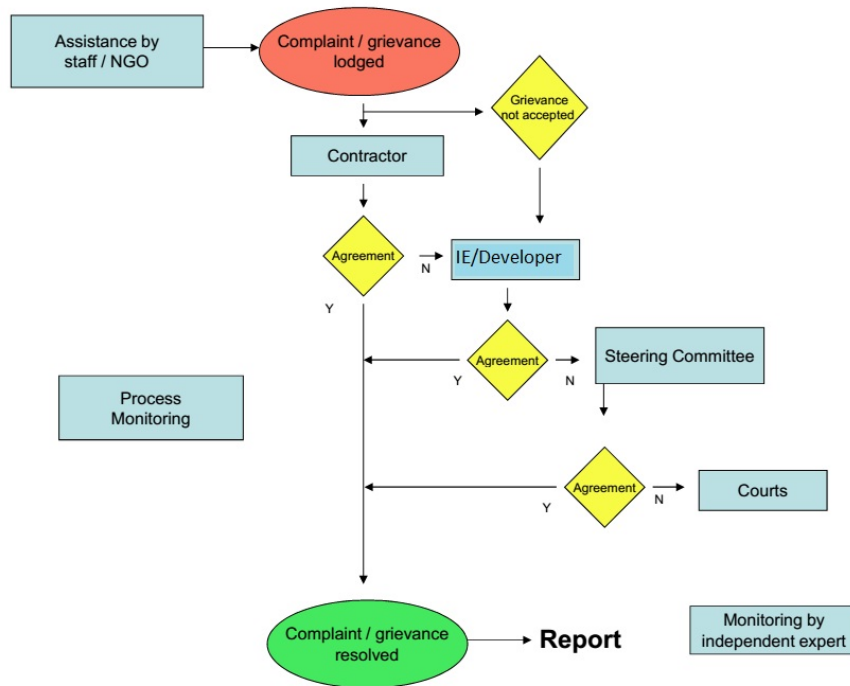


Fig. 6 3: Grievance Mechanism Flow Chart

Nevertheless, the above-mentioned grievance mechanism does not limit the citizen's right to submit the case straight to the court of law just in any stage of grievance process. The grievance mechanism is designed to avoid lengthy court procedures.

The World Bank is not directly a part of the Grievance procedure but should receive reports which complaints were received and how they have been followed up/mitigated.

Special consideration has to be taken for PAPs living in remote areas and vulnerable people as complaint mechanisms may be unusual and contact with legal procedures let alone courts of law may appear not very promising from their experience. This would prevent the most disadvantaged persons from addressing their grievance. Vulnerable households will have full and free of charge

access to social and legal support. Additionally, legal experts will support PAPs who are not registered land owners with legalization of land titles.

Vulnerable PAPs (all women headed households and all households below the poverty line) will be entitled to a legal aid / social worker to support them with complaints procedures.

GRM proceeding and reporting by CC and Developer:

The CC is obliged to carry out the work in accordance with the contractual requirements that include:

- A person of staff responsible for grievance procedure who will provide technical assistance to the Developer in handling any grievances that may arise during RAP preparation and implementation (The person shall have 3 or more years of similar experience, bachelor/master degree in Law or Sociology is preferable);
- Preparation of regular monitoring reports on the status of the RAP preparation and implementation, including details of any complaints that arose and how they were handled (if the RAP preparation obligation is delegated to the CC);
- If vulnerable affected people are identified following census completion, then the CC will appoint professional advocates (social workers / legal experts) to assist those people during the entire process, and to act as independent advocates for them should any grievances arise (if the RAP preparation obligation is delegated to the CC);
- Handling of grievances with the Developer and PAP and participation in the grievance committee.

The Developer will carry out works that include:

- A person of staff responsible for the grievance procedure coordination, hereby referred to as grievance coordinator (including first contact, periodical site visiting of mitigation measure to be implemented by CC);
- A telephone line, e-mail address and contact name on project boards;
- Handling of grievances with the CC and PAP and participation in the grievance committee;
- Liaison with court.

However, PAPs have the option to choose a different representative or directly liaison with the Developer staff, responsible for grievance redress. The Developer will ensure that vulnerable households have full access to free of charge social workers and to legal support.

Additionally, legal experts will support PAPs who are not registered land owners with legalization of land titles.

NGOs, e.g. Aarhus Centre or local member organizations will monitor grievance redress negotiations, assist with grievance arbitration, raise public awareness. PAPs need to be informed that in case of conflict with the community leader they can address NGO staff to follow up their complaint. NGOs will monitor relationship between PAPs and community leader.

5.3. Monitoring

The monitoring measures are designed to ensure the effective and timely implementation of compensation and resettlement activities. The Fund has overall responsibility for monitoring of the resettlement-related activities and results, including the GRM (grievances collected and actions carried out) to the Bank.

Limitations are foreseen concerning asset valuation mechanisms/licensing procedures, timely compensation payments and prior information, consultation and participation of project affected people. The enforcement of the existing laws is considered to be a major gap between the national

framework and the international safeguards. A further issue is the eligibility status of un-registered land users. Here, the safeguards of the World Bank have to be applied and all affected land-users fully compensated.

Armenian law does not foresee a monitoring system of compensation payments. So far, monitoring has been done as a follow up of complaints and law suits by PAPs. In order to correspond to international standards, it is recommended to have compensation procedures and payments monitored by a qualified monitor who is familiar with the local context.

The monitoring activities should review the project progress in three steps:

1. Before the start of the final design / land survey (Developer will be responsible for the step; the CC will be responsible for this, if the RAP preparation obligation is delegated to it. Based on this Monthly Monitoring report will be produced)
 - Communication and division of tasks between institutions on ministerial, national and district level involved in the compensation process;
 - Process of public information and consultation on the regional and local levels (Marzes);
 - Process of expropriation including land acquisition contracts and expropriation records as well as valuation and negotiation mechanisms;
 - Criteria which determine the necessity of resettlement.
2. After land survey and before the start of the construction work (Performance monitoring) (Developer will be responsible for the step; an independent consultant not involved in the RAP implementation and experienced in the RAP Compliance Report preparation shall be hired)
 - Timeliness of compensation payments to all affected persons;
 - Effectiveness of linkages with savings and investment program as well as revolving fund program in order to prevent increased vulnerability;
 - Existence and functioning of the grievance mechanism;
 - Information campaign and consultation with PAPs;
 - Grievances received and resolution process;
 - Status of land acquisition and payments on land compensation;
 - Compensation for affected structures and other assets;
 - Payments for loss of income;
 - Selection and distribution of replacement land areas; and
 - Income restoration activities.
3. After the completion of the construction work (Impact monitoring)
 - Effective implementation of resettlement activities (Resettlement Action Plan);
 - Effective implementation and results of the grievance mechanism; monitoring of complaints received during implementation and how they were resolved
 - Post-displacement livelihood situation;
 - Effective implementation of livelihood improvement measures; and
 - Social survey / repeat of census in order to determine if people have been enabled to restore their livelihoods

After the completion of the construction work, an independent monitoring should be carried out by an independent consultant in order to check out the adequacy of the compensation payments and the effectiveness of the resettlement. A specific report will be produced by the consultant and delivered to WB for review and approval. Construction works cannot start before the WB's approval of this report.

6. PUBLIC CONSULTATION AND DISCLOSURE

According to the WB policy requirements, the potentially displaced persons shall be informed at an early stage about the resettlement aspects of the project and their views shall be taken into account in project design. According to the Equator Principles, all RAPs must be prepared through a process of public consultation with all interested affected parties.

In the frame od Social Due Diligence for Masrik-1 PV, public consultation (PC) has been held with participation of the Head of Community, potential PAPs and other stakeholders to inform them on the project, schedule, possible impacts and compensation procedures, as well as on the donation of community land for the construction of power plant.

During the PC the community members have been informed about the Project phases and conditions, possible environmental and social impacts and proposed mitigation measures, the details on land donation, as well as possible impacts during the construction of OTLs and access roads. Special attention was paid to the participation of community members who own animals and use pastures to understand their position regarding the donation of community pasture land for the project and its possible positive and negative impacts on community in general and on their agricultural activity in particular. In total, 13 people from local community have been participated in PC. In the meantime, the 26 community members have been participated in KIIs and FGs (the PC announcement, distributed Information leaflet and minutes of PC is attached to the SDDR for Masrik-1 PV). The GRM developed under this RPF and was disclosed to community member during the PC both verbally, as well as it was included in the information leaflet distributed to the community members with relevant contact details. The minutes of PC is attached as Annex 8.7.

The final RPF will be translated into Armenian and disclosed on the R2E2 Fund's website for the period of one week; after that Public Consultations in the LSGBs offices of all affected communities will be held. A hard copy of the updated RPF will also be submitted to the LSGBs offices of affected communities.

As soon as the decision to undertake the final land survey is taken, the process of public information and the involvement of PAPs are expected to start. At this moment, the activity to prepare the RAP should also be started. Within the early steps of RAP preparation a Public Consultation and Disclosure Plan (PCDP) has to be prepared.

The administrations of the concerned regions, towns and villages have to be informed about the project. It is important to check the human resources available for the project related activities and if necessary to increase staff and/or provide trainings.

- PAPs opinions, concerns and suggestions for mitigation related to the project have to be taken into account.
- Community leaders have a crucial role in the project. They have to be informed about all relevant steps of the project, accompany the designer and should be members of the resettlement committees and grievance redress committees. However, information should not be limited to Community leaders alone, but also use channels that are independent of village hierarchies.
- As soon as the preliminary route of the OTLs is ready it shall be submitted to the LSGBs of the affected communities and discussed in every affected community through Public Consultations. The concerns of the PAPs shall be taken into account during finalization of the route.
- PAPs will be informed about health and safety issues i.e. risks of electrocution and electric and magnetic fields (EMF) and minimum distances to be respected (ROW 20 m from outer conductor for 110 kV OTL; min. EMF safety distance 7 m).

- Information about the project should be shared with all concerned staff within the administration (local heritage department, environmental department, agriculture department, cadastral office etc.).
- The public awareness and information activities should be carried out together with the final design and followed by detailed census and inventory of affected property / inventory of losses.
- PAPs have to be informed about Cut-Off Date procedure, in order to know that new constructions in the corridor of the line will not be eligible for compensation. Cut-off date will be communicated to PAPs in one week before the surveys will start. The announcement will be posted in the Local Self Governance Bodies (LSGBs) office
- Further, PAPs have to be informed about the grievance redress procedure.
- PAPs will be informed on the project, schedule, compensation entitlements, valuation methodologies and process of the acquisition. Public Information Brochure with cut-off date, information on health and safety issues, eligibility criteria and entitlements, modalities of compensation, complaints and grievance redress procedures will be provided to each affected household. These materials as well as a copy of the RPF in Armenian will also be provided to the LSGBs so all the PAPs and/or community members have the access.
- Vulnerable PAPs (all households headed by women or elderly persons, and all households below the poverty line) are entitled to an individual case worker (either legal specialist/lawyer or social worker). These persons will have to be selected and introduced to PAPs without any further steps to be taken by PAPs.

Copies of the RAP have to be translated in Armenian language and made available to PAPs and other stakeholders in appropriate, accessible locations especially in the project area.

The affected communities have to be consulted during design and implementation of the project. Information includes all documents and maps as well as information brochures. Focus groups with PAPs and other stakeholders are suggested in severely affected villages.

Documents have to be disclosed for a period of minimum 20 days, which will allow time for all interested and affected parties to submit their comments and concerns about the RAP.

7. COSTS AND BUDGET

Bank funds cannot be used to cover resettlement costs and must come directly from the Government or the Developer. There is no enough baseline data to estimate the possible compensation cost for impacts due to construction of OTLs. However, the Compensation for the impacts on other land plots affected other than the provision of 97.4 ha for construction of the Masrik-1 PV land shall be covered by the Developer, if other agreements are not defined between the Developer and Fund (Government).

8. ANNEXES

8.1. Entitlement and Compensation Matrix

No.	Impact Category	PAP Category	Compensation
1	Agricultural Land	Legal Owners	(i) in cash at market or cadastral value (whichever the highest) plus a 15% allowance. When there are no active land markets cash compensation will be based on the value of a replacement plot within the same village acceptable to the PAP plus 15% allowance or (ii) through replacement land within the same village equal in value/productivity to the plot lost acceptable to the PAPs. Compensation will be free of deductions for transaction, registration costs.
		Legalizable PAPs, Customary Users	Will be legalized as Legal owner and paid as Legal owner
		Non-legalizable PAPs	Non-legalizable PAPs who cannot be legalized or who use the affected land without the formal legal rights (unregistered user/informal tenant) will be compensated only for the improvements existing on the affected land.
		Leaseholders	Leaseholders may acquire ownership right (in cases defined by legislation) and to be compensated as the owner or he/she may be given an opportunity to hold a new lease in accordance with the agreement of the land owner (lessor). In case it isn't possible, AP will receive compensation equal to "the market or cadastral cost of affected land (whichever the highest) +15% " in the following proportions according to the length of the lease: i) < 1 year 5%, 2)<15 years 14% ; 3)years 20%;4) >25 years 25%.
2	Non-Agricultural Land (Residential or Commercial Land)	Legal Owners	Market value plus a 15 % allowance in cash. If there is no market rate, compensation will be the provision of a replacement plot acceptable to the PAP within the same village or cash compensation based on the cost of replacement land plus 15 % allowance.
		Legalizable PAPs	Will be legalized as Legal owner and paid as Legal owner
		Non Legalizable PAPs	Non-legalizable PAPs who cannot be legalized or who use the affected land without the formal legal rights (unregistered user/informal tenant) will be compensated only for the improvements existing on the affected land.

No.	Impact Category	PAP Category	Compensation
		Leaseholders	Leaseholders may acquire ownership right (in cases defined by legislation) and to be compensated as the owner or he/she may be given an opportunity to hold a new lease in accordance with the agreement of the land owner (lessor). In case it isn't possible, AP will receive compensation equal to "the market or cadastral cost of affected land (whichever the highest) +15% " in the following proportions according to the length of the lease: i) < 1 year 5%, 2)<15 years 14% ; 3)years 20%;4) >25 years 25%.

No.	Impact Category	PAP Category	Compensation
6	Crops	All PAPs	Cash compensation at current market rates for the gross value of 1 year's harvest by default (in cases where the affected land is planted with a useful crop that grows several years without annual plowing and sowing and the damage to crops was caused by passage of heavy machinery, the compensation will be equal to current market rates for the gross value of 3 years harvest). Crop compensation will be paid both to landowners and tenants based on their specific sharecropping agreements. Non-legal land users are also eligible for crop compensation according to OP 4.03 at the same terms as tenants.
7	Trees	All PAPs	Cash compensation at market rate based on type, age and productivity of trees. Trees (bushes) will be valued according to different methodologies depending whether the tree lost is a productive or a not-wood tree or a productive tree as follows: <ul style="list-style-type: none"> Not-productive trees (bushes): wood and decorative trees will be valued based on following groups (a. small trees; b. medium trees and c. big trees) based on the type of tree (bush) and the following valuation indicators such as: timber (firewood or construction wood) volume, height of the tree (bush), as well as other applicable indicators for the given tree (bush) to be determined by LARP. Fruit/productive trees (bushes, vineyards) will be valued based on the planting age. The compensation for fruit/productive trees (bushes, vineyards) will be paid based on the investment value and as much as the market value of the given tree (bush) for 1 year multiplied by the number of years calculated from the planting date, but no more than the number of years needed to grow a new fully (industrial) productive tree (bush).
10	Severe impacts allowances	Severely Impacted PAPs	Cash compensation will be given for Project severe impacts to those AHs (including the AHs as leaseholders and actual land users) in case 10% and more of their owned and/or cultivated agriculture land is affected and they receive benefits such as fruits, yield and crops by the result of land-use. Additional crop compensation covering 1-year yield (from affected

			land part) for APs affected by loss of 10% and more of agricultural land. The calculation of the above mentioned allowance is based on the actual operational purpose of the lands regardless the purpose stated in the cadastral files, state registration certificates and other documents certifying the right on land.
11	Vulnerability Allowance	Vulnerable PAPs / PAPs below Poverty Line	Vulnerable people (PAPs below poverty line and widows or elder headed households) will be given a rehabilitation allowance equal to 6 months at minimum salary and priority in employment in project-related jobs. Women headed households, households with elderly, destitute or disabled people are counted among the vulnerable households. Vulnerable people shall receive a one-off allowance for 6 months in the monthly amount of AMD 55 000 (the minimum salary).

8.2. Checklist for Census Information

Persons:

Aggregate number of individuals and households in each affected category

Age, gender, occupation of every individual (see list of PAP categories vulnerable to census exclusion)

Property:

- Personal property including details of ownership of:
 - structures: houses, farm buildings, shops, industrial structures, grain drying area, latrines
 - land and type: irrigated or non-irrigated land, woodlots, grassland, unused land, etc. A description and estimate of the value of standing crops on land
 - other: livestock, wells, trees

Public and common property:

- land: village common lands, gathering and foraging areas, fishing areas, etc.
- structures and facilities: schools, health facilities, burial grounds, community centers, public transport, banks,
- infrastructure: drinking and other water systems, access and internal roads, electricity and other power sources

PAP incomes from other sources, including:

- farm-based income
- off-farm labor
- informal sector activities

Source: India Resettlement Handbook, World Bank, 1995, p. 39

8.3. Summary of Social Due Diligence for Masrik-1 Power Plant

Background:

Mets Masrik community (Gegarkunik marz) has been selected for the construction of Masrik-1 solar PV plant. The site for the power plant is located on community-owned lands, which are currently used for animal grazing. R2E2 Fund proposes to receive the 97.4 Ha of community land (henceforth referred to as Mets Masrik-1 Community Land) as a donation from the community and then further transfer the land to the winning bidder. The winning bidder will be required to transfer a local area development fee of 80 million AMD to the community after 20 days of issuance of letter of award. The site proposed for the project (of 97.4 Ha) is a part of a larger parcel of community land in Mets Masrik community. However, it has already been separated from the community land and the category will be changed in the state cadaster. R2E2 has also engaged a measurement expert who has installed boundary marks to demarcate the land at the site itself.

During several discussions with the participation of R2E2 specialists, Mets Masrik community leader, head of community staff, as well as with members of community council , on the planned construction of PV plant, the community expressed willingness to donate the community-owned pasture land to the R2E2 for the construction of purposed PV plant which will be documented through the community council decision and land donation agreement .

Scope of due diligence and applied methodology:

In the frame of social safeguards due diligence, based on the collected data the following analysis was carried out:

Analysis and assessment of all project impacts (positive and negative)

Analysis of expected impacts on standard of living and socio-economic conditions, especially regarding individual and community incomes, livelihoods and employment

Expected severity of impacts on various groups

Analysis of donated pasture land by determining yields and ability to support grazing animals and availability of alternative pasture lands

Conclusions and suggestions on Mitigation measures and options to R2E2 to minimize and mitigate adverse impacts (e.g. ways to increase community pasture land)

In the frame of social safeguards due diligence, the following analysis has been carried out:

- 1) Review and analysis of Project documents and related regulations (legal framework)
- 2) Desk analysis of cadastral information
- 3) Market value analysis of the land to be donated
- 4) Agricultural analysis of productivity of land proposed for power plant
- 5) Desk analysis of socio-economic profile of Mets Masrik community
- 6) Conducting of Public Consultation
- 7) Key informant interviews and focus group discussions with affected households and stakeholders

Land donation procedures applied for the project:

The main regulations on land donation applied under the project, as well as the schedule are summarized in the table below.

N	Procedure, action	Status	Timeframe of completion	Remarks
1	Approval of government decree (GoA) on Land donation	The draft government decree on Land donation has been circulated among the state agencies and will be approved by government upon completion of all applicable procedures within state agencies (circulation of the GoA decree through all stakeholder state agencies, conclusion by Ministry of justice, approval by GoA).	April, 2018	The draft GoA decree is attached in Annex 9
2	Signing of Land donation agreement between the community and R2E2	Land donation agreement has been prepared by R2E2, which will be signed between the parties upon approval of GoA decree	Upon approval of GoA decree	The draft Land donation agreement is attached in Annex 10
3	Signing of Land Transfer Agreement between the Selected Investor and R2E2	Land Transfer Agreement has been prepared by R2E2, which will be signed between the parties upon selection of the Investor	Upon selection of the Investor	The draft Land donation agreement is attached in Annex 11
4	Transfer of defined	The defined community development fee	The transfer of	

	community development fee to the account of community of Mets Masrik	shall be transferred by the Investor prior the conclusion of Government Support Agreement (GSA).	money is a condition of GSA signing	
5	Transfer of the Land to the Investor	<ul style="list-style-type: none"> The R2E2, following conclusion of Land Transfer Agreement and the GSA between the GoA and the Investor of Masrik-1 solar PV Power Plant shall transfer the Land to the Investor. Transfer of the Land to the company shall be done based on a Transfer act between the R2E2 and the Investor. 	Within [10 days] following the conclusion of mentioned agreements	

Public consultation:

Head of Community, potential PAPs and other stakeholders have been informed on the project, schedule, possible impacts and compensation procedures, as well as on the donation of community land for the construction of power plant during the conducted public consultation (PC). During the public consultation (PC) the community members have been informed about the Project phases and conditions, possible environmental and social impacts and proposed mitigation measures, the details on land donation, as well as possible impacts during the construction of OTLs and access roads. Special attention was paid to the participation of community members who own animals and use pastures to understand their position regarding the donation of community pasture land for the project and its possible positive and negative impacts on community in general and on their agricultural activity in particular. In the meantime, the 26 community members have been participated in KIIs and FGs. Thus, the total consulted community members is 39, of which 8 women (20%).

Conclusions:

1. The defined community development fee shall be transferred by the Investor to the account of community of Mets Masrik prior the conclusion of Government Support Agreement (GSA) before the transfer of the land to the Investor.
2. 55.3 % (2000) of community members are involved in agricultural activities. The main sector in agricultural activities is cultivation and related agricultural works, and only after that- the cattle breeding.
3. The community livestock breeders can be clearly divided into two groups: for the first group cattle breeding is the primary source of income, which, makes almost 2% (18 HHs) out of total 915 HHs of the community, i.e. farmers who also provide work opportunities for other community members. And the second group includes people for whom cattle breeding are only for the needs of their families: 40% (367 HHs) out of total number of HHs. For the majority of community members, cattle breeding is a means for providing food and only for a small part it is a primary source of income, which, however, needs support in terms of development and profitability.
4. Cattle breeding can be profitable for the community members only in case when it becomes their business, i.e. a cattle farm which acts in accordance with all corresponding rules. This is a

process with its own work cycles which brings profit and the most important factor for this is the existence of respective pasturelands. In this respect neighboring community pastures are of great help. They are used in summer by Mets Masrik community members for an appropriate fee. An obstacle for cattle breeding development and profitability is also the lack of conditions for people to stay and work in the community remote pastures as well as the low market price for milk collection. It does not justify the hard work of the livestock breeders, i.e. the milk is collected at such a low price that it does not justify the expenses and efforts made. Therefore, there is no incentive to develop this sector.

5. The majority of land resources held by community are arable land (almost 70%). Thus, another important factor is the crop and vegetable cultivation and sales are other main occupations of the community members (mainly own HHs). This means that they use the products for the needs of their HH and some of the products are bartered or sold. According to the information received by the head of staff of the community council, the arable lands are almost totally cultivated.

6. The pasture land is 12.9% of total land resources (465ha, including the donated land), thus the donated 97.4ha land amount to 20.9% from the total pasture land and 2.7% of all total land resources held by community.

7. The majority of the community members having a small number of cattle and small ruminants take their animals to the pasture donated for the construction of the PV power plant and to adjacent areas, because it is the only close community pasture. The community also has remote pastures where the livestock breeders with a large number of animals (i.e. farmers) take them to graze. However, it shall be noted, that there are no corresponding conditions and a good road to the remote pastures which is a huge obstacle for the organization of the cattle breeding.

8. After “losing” the donated pasture the community members will use its adjacent areas, remote pastures of the community and will also continue using the pastures of neighboring communities. Given the fact that mainly community members with a small number of animals use the donated pasture, livestock breeders are clearly divided into two groups: the first one does not usually use the donated pasture because they live in the part of Mets Masrik which is closer to the pastures of the neighboring community. Thus, this group takes the animals to the pastures of neighboring community and the representatives of this group are not at all concerned with the impossibility to use the donated pasture because it was, anyway, located farther. The second group includes the breeders who reside in the part of Mets Masrik from which it is closer to take their animals to the donated pasture and adjacent areas and these pastures serve as main areas for their livestock to graze.

9. According to the valuator’s conclusion the market value of donated agricultural land (pasture land) is 19.468.180 AMD, while the cadastral value is 73.005.675 AMD. The community development fee (CDF) to be transferred to the community, in the value of 80mln AMD, is a little higher than the cadastral value of the land plot and more than 4 times higher than the market value of the land plots.

10. Women of Mets Masrik community are involved in cattle breeding but their responsibilities are limited to milking operation and producing milk products such as sour cream, yogurt, cheese, butter and quark. Women are also engaged in barter and sale of the milk products. Therefore, it is assumed that there will be no impacts on women by the donated of pastureland under the project.

11. Community members are aware of the Project, its goals and functions, which indicates their great interest in it. The construction of photovoltaic power plant in the community will make it possible to turn it into an industrial center which will provide employment for some of the community members and will also enhance tourism development as this is going to be the first power plant in the country with such capacity. This will draw the attention of investors and tourists to the community. According to the community members the budget of Mets Masrik will grow based on the taxes paid by photovoltaic power plant. And this will also serve for the needs of the community.

12. Thus, in case of Masrik-1 PV plant construction Project, the voluntary donation of land is justified with following main conditions:

- i. Project impacts do not result in displacement of households or cause loss of household's incomes and livelihood which may be seen by SES analysis, and
- ii. The affected community expresses its willingness and readiness to donate the affected community-owned lands to RA for the implementation of the Project, which is documented in the minutes of public consultation meetings.
- iii. It will be recommended to the community to use the CDF to be paid by the Investor not only for solution of community issues, but also for the improvement of conditions in remote pastures.

8.4. Sample Census Format

Household (HH) Socio-Economic Census Form							
<i>Name of Asset Owner:</i>		<i>Name of Village:</i>		<i>Map Location:</i> GPS Coordinates		<i>Asset Affected:</i> (add description i.e. 2has of rainfed agriculture)	
Household Composition							
<i>Name of HH Member</i>	<i>Sex</i>	<i>Age</i>	<i>Relation to HH Head</i>	<i>Primary Occupation</i>	<i>Secondary Occupation</i>	<i>Highest Level of Education</i>	<i>Illness or Disability</i>
Example 1	Male	34	Head of Household	Farmer	Seasonal Work	Secondary School	None
Example 2	Female	25	Wife	Trader	None	Primary School	None
Example 3	Female	7	Daughter	Student	None	None	None
Example 4	Male	5	Son	Student	None	None	None
Productive Assets Owned (all assets owned, not just those lost to transmission line)							
Rainfed Land (ha's)	Tenure status →	Irrigated Land (ha's)	Tenure Status →	Number of fruit trees	Number of other trees	Commercial structures owned and operated	Other structures owned
3has	Owner	0.5ha	Owner	20	2	None	1 Stable
Overall Annual HH Revenue	Source of Income (Percentage)						
100,000 AMD	Rainfed Agr.	Irrigated Agr.	Remittances	Livestock	Trade	Seasonal Labor	Woodlots
	40%	20%	10%	5%	10%	10%	5%

8.5. Sample Inventory of Losses Format

ID	Name	Family members/ Employees	Land affected			Buildings affected			Trees affected		Businesses affected			Resettled		Vulnerable PAP allowance		Severe Impact Allowance	
			Type	Area owned	Area Affected	Type	No of floors	Area Affected	Type	No.	Type	Per- manent	Tem- porary	Yes	No	Yes	No	Yes	No
1	Example 1	6	Potato field	500 m ²	100 m ²				Apricot	3					no	yes		yes	
	Example 2	4				Stone	1	100			Small Shop	yes		yes		no		yes	
	Example 3	2	1.) Potato field 2.) Vineyard	10.000 m ² 300 m ²	60 m ² 100 m ²										no		no		no
	Example 4	5	Construction land	200 m ²	200 m ²										no			yes	

8.6. Public Consultation and Disclosure Plan

8.6.1 Introduction

This Public Consultation and Disclosure Plan is aimed to develop implementable procedures, mechanisms and principles of the PCs and information disclosure.

According to the WB OP 4.03 the PAPs must be fully consulted and provided with opportunities to participate in all stages of the preparation 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 Developer during all stages of the RAP preparation and implementation process (as given below, clause 9.6.2). 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 Developer in the process of the Public Consultations and Information Disclosure. Developer will ensure that all PAPs have equal access to information and consultation opportunities.

8.6.2 Public Consultation (PC)

A. Informal public consultations

During the process of the RAP preparation, informal consultations (PC which are not regulated by legislation) with representatives of the PAPs and local government officials will be done before and during the measurement, assets inventory and census surveys implementation by assets inventory and valuation Company. Basic information about the Project and resettlement related activities will be presented. In particular, the PAPs will be informed about the resettlement related surveys and schedule.

B. Announcement of Cut - off date

The Cut-off date will be communicated to the PAPs in one week before the surveys will start. The announcement will be posted in the Local Self Governance Bodies (LSGBs) office and in local newspapers.

C. Formal Public consultations during the RAP preparation

The Public consultations with the PAPs on compensation and disclosure of the resettlement information to the PAPs will be ensured as part of the Preliminary Surveys Decree to be adopted by the GoA (if any). Developer will be responsible for organization of these PCs.

LOCATION: In all affected communities (*see also the table in clause 7, page 33*), PCs will be organized in the places accessible to the PAPs such as LSGB's office, cultural centers, schools etc. The place will be selected and agreed with LSGBs.

PREPARATORY ACTIVITIES: Several preparatory activities will be conducted prior to the consultations.

- The heads of all affected communities will be officially notified about the dates and the agenda of the PCs and requested to assist with organizational issues (location, PAPs participation).

- The final list of the PAPs will be sent to the heads of communities prior to the consultations to ensure the full participation of the PAPs or their representatives. Special attention will be paid to women and vulnerable PAPs to ensure their attendance.
- The announcement about the PCs should be published in a week before the PC:
 - Advertisement should be published in the local (if any) Mass media
 - Announcement in the LSGBs
- IE representative will telephone each of the affected head or member of household (where numbers are available) and invite him/her and any other family member who want to participate.
- NGOs (see also the list of NGOs in clause 3.1) will also be informed about the PC schedule.

DOCUMENTATION OF THE PCs: Discussions held during the consultations will be documented.

- All PCs conducted should be audio recorded and minutes of the meetings should be prepared.
- A list of the participants should be developed as part of the minutes.
- Short description of the issues raised by the PAPs, answers provided at the meetings as well as summary of the issues remained unanswered during the meetings should be documented after each PC. If necessary, an action plan will be prepared to resolve the raised issues. Final decision should be communicated to the community or particular PAPs and registered.
- Photos should be taken during the PCs.
- Summary of the discussion will be presented in the RAP. Minutes of the meetings will be attached to the RAP.

INFORMATION TO BE PRESENTED: PAPs will be informed on the project, schedule, compensation entitlements, valuation methodologies and process of the acquisition. Public Information Brochure with cut-off date, eligibility criteria and entitlements, modalities of compensation, complaints and grievance redress procedures will be provided to each affected household. These materials as well as a copy of the RPF in Armenian will also be provided to LSGBs so all the PAPs and/or community members have the access.

PARTICIPANTS: Public consultations will be held by the Developer. The valuation specialist of the valuation company will present Valuation Methodology to the participants.

D. PCs during RAP implementation and construction

Additional informal consultations with the PAPs will take place during the RAP implementation stage, especially during contract signing by the RAP implementation specialist/team. The Public Consultations will be organized by the CC in all the communities for general population before the construction starts to inform community members about the construction schedules, approaches, safety mechanisms and grievance redress mechanism.

8.6.3 Disclosure of resettlement related documents

During the public consultations, the Developer will distribute the Project Information Brochure with the Entitlement Matrix in which the Project description, grievance redress mechanism, entitlements and compensations as well as answers to the frequently asked questions will be presented.

After the RAP approval by WB, the copy will be disclosed for a week allowing time for all interested parties to submit comments and concerns about the RAP. The RAP will be disclosed:

- In LSGB's office for PAPs
- A copy will be disclosed on the website of Developer

Final RAP in Armenian and published on the Developer and World Bank websites. A copy of the approved RAP will be also available at the offices of the regional authorities and the offices of the LSGB's in the affected communities.

8.7 Minutes of Public Consultations⁸

30. 01. 2018

Mets Masrik village, RA Gegharkunik Marz

PROJECT TITLE – “Masrik-1 Utility-Scale Solar PV Project in Armenia”

AGENDA

The following issues are on the agenda of Public Consultation meeting:

1. Presentation of Project design.
2. Presentation of the specialists recruited by the Fund for the implementation of the Project.
3. Presentation of the implementation and organization process and stages of the construction of a power plant in Mets Masrik community.
4. Discussion of possible environmental and social issues arising during the Project implementation and mitigation measures to be taken.
5. Information on the Grievance Redress Mechanism.
6. Questions and answers.

PARTICIPANTS

1. Ruben Gevorgyan – Project Manager of “Construction of Masrik-1 Utility-Scale Solar PV Power Plant Investment Program in Armenia”
2. Armen Asatryan – Community Leader
3. Edik Poghosyan – Head of Staff of the Community Leader
4. Sona Poghosyan – Resettlement Specialist
5. Lilit Dilanyan – Sociologist, Meeting Secretary
6. Community residents, stakeholders: 13 persons (13 men).

⁸ PC has been carried out within the social due diligence for donated community land (see also the Annex 9.3)

Discussion

1. Mr. R. Gevorgyan, in his opening speech, presented detailed information on the Project highlighting that it is going to be implemented in public-private partnership format which was prepared in the framework of the Agreement signed between the Republic of Armenia and International Bank for Reconstruction and Development (IBRD) in 2015 and was approved by the RA Government at the end of 2016.

Mr. R. Gevorgyan mentioned that the Project envisages the construction of Masrik-1 Solar PV power plant with installed capacity range of 46 MW to 55 MW which will be located in the administrative area of Mets Masrik village in the RA Gegharkunik Marz (region). To this end a tender for the design, financing, construction, management and operation of the latter has been announced. It is envisaged that the winning company will commence the works in spring 2018.

Mr. R. Gevorgyan also emphasized that the long-term outcomes of the Project are: increasing the attractiveness of Armenia solar energy sector among foreign investors, diversification of energy resources in Armenia, strengthening the energy security of Armenia. He clarified that the State does not invest in the construction of the power plant. Instead, the Investor (who will construct the power plant) will be the company to be selected as a result of a tender. Mr. R. Gevorgyan said that 10 companies submitted bids for the mentioned tender and the winning company will be the one offering the lowest energy price.

Mr. R. Gevorgyan said that The RA Government endorsed the donation of 97.3709-hectare land plot located in the administrative area of Mets Masrik village in the RA Gegharkunik Marz to the Fund with the purpose of the construction of the power plant.

The importance and necessity of Project social impact assessment was also presented together with the specialists addressing those issues, in particular Ms. S. Poghosyan. The latter, in her turn, clarified what they meant by “assessment” and highlighted the fact that the World Bank (hereinafter: WB) pays great attention to the social component of the Project. The specialist said that it is necessary to understand the Project impacts, both positive and negative, on the community in general as well as on the households in particular. Ms. S. Poghosyan said that since the donated land is a pasture and some of the community members use it from time to time taking their animals to graze there, it is necessary to understand what future issues may arise in case of the impossibility of using the land for the mentioned purpose. The specialist noted that a corresponding survey would be carried out during which interviews with the affected persons would be conducted. It is also necessary to identify possible alternatives which can mitigate the impact on the community HH. The specialist mentioned that if the survey shows a significant adverse impact, the WB collaborating with Armenia Renewable Resources and Energy Efficiency Fund will decide on the scope of required actions to be taken. Ms. S. Poghosyan handed out Project information leaflets to the participants and added that during the construction of the power plant an access road would also be constructed, pillars and wires would be installed and in future land acquisition might be needed for the said purposes. Or it might be required to construct the road passing through the private lands of the community members who would be correspondingly compensated for that. However, all this will be during the further stages and the community residents may have grievances or recommendations which shall be recorded in a special system: Grievance Redress Mechanism. The community members can submit their issues with the help of the said system and understand who to apply to or what to do.

Then Ms. S. Poghosyan asked for the community representatives’ standpoint on the Project.

Community representatives mentioned that the Project is interesting and they consider that there would be negative issues, which, however, would not be very significant, whereas the positive impact would prevail and it would be great to use the opportunity to turn their community into an

industrial one. The participants noted that they have remote pasturelands, which, however, are so remote that it is difficult to take the livestock there and the said pastures lack corresponding conditions for the herdsmen to stay there, such as: no road leading there, electricity, water, milk collection unit, which hinder the possibility of normal work organization. One of the participants also expressed his opinion on the fact that cattle-breeding was not so profitable and the problems of that sector could not be solved with that pastureland. The participants also emphasized that the donated pasture had poor vegetation and during the summer season very few animals were taken there for grazing.

E. Poghosyan noted that the said pasture was used mainly by the families who had another source of income and sometimes take their livestock there “to breathe fresh air” so to speak. Whereas, the families, for whom cattle-breeding is their main source of income, take their animals to other pastures. It was also indicated that the issue would not be resolved by providing electricity in the remote pasture, since the problem was more serious and milk conservation is a complicated issue. It was noted that community members could not sell their milk, dairy products and meat products at high price and had to turn to salesmen who take the products at low price. Therefore, the problems are more complicated and do not result only from the availability of the pastureland.

The meeting then continued in the form of questions and answers. In some cases, people just expressed their opinions and expectations on the project, which are also summarized in below table.

Table 1. PC Q&A

#	Issues	Summary Response, Participant’s Opinion, Comments and Suggestions
1	<p>AP Q1- Does the power plant construction envisage new employment possibilities?</p>	<p>Mr. R. Gevorgyan – Yes, 2 stages of works are envisaged and about 20 direct workplaces will be opened and other indirect work opportunities will be created. I would also like to mention that the power plant construction will make the village more recognizable. And in the long-term perspective the Project can be more profitable.</p>
2	<p>AP Opinion– I have two cows, but if I have a job, I won’t have cows and another person, for whom livestock is a source of income, would have those 2 cows and it would be more profitable for him. Cattle-breeding is not the main source of income, having a regular job is more important. That can contribute to the development of the village. Otherwise, selling milk with 110-120 AMD is useless and we shouldn’t have to concentrate on cattle breeding.</p> <p>AP Opinion - When a person has cows, he considers that he is not unemployed, but we need to turn our village into an industrial one, so we mustn’t focus on negative parts, because the positive outcomes of the Project are more significant.</p> <p>AP Opinion – This Project will not impact</p>	<p>Ms. S. Poghosyan –Thanks you for your opinions. I would like to say that we shall not ignore any possible impact. We simply need to understand what type of impact the Project will have on the community. I would also like to note that the community provides the land and the Investor will be obliged to provide money to the community for its development.</p>

#	Issues	Summary Response, Participant's Opinion, Comments and Suggestions
	<p>cattle-breeding. I have a lot of cows but I support this Project. I keep my animals in another place and I pay for using pasturelands and the donated pasture is not even sufficient for the animals for 2 months.</p> <p>AP Opinion - Its soil is salty, vegetation is poor, and we provide additional fodder to the animals and simply take them to that pastureland.</p>	
	<p>AP Q2. - Is the land allocated?</p>	<p>Ms. S. Poghosyan – No, the community donates the land and the Investor will donate 80 million AMD as a community development fee. The Investor will also be paying property tax and land tax for approximately 20 years: 6 million AMD annually.</p> <p>Mr. R. Gevorgyan – The Government will approve it (donation agreement) this week and we expect to have a winner of the tender on March 7. The amount will be transferred to the community and only then the land will be donated. Even if in future the land is returned to the community, the amount cannot be withdrawn according to the agreement.</p>
	<p>Mr. A. Asatryan (head of community) – We plan to repair the community kinder garden, construct a water pipeline, build a football field, purchase a combine harvester and other equipment, provide street lighting and construct roads. In other words, we have a lot of problems that need solution. And I have a question: the community makes a donation and what is the Investor going to do?</p>	<p>Ms. S. Poghosyan – As already have been mentioned, the Investor will provide 80 million AMD as community development fee. If the Investor wishes to make other investments, he can do so, but there are no other mandatory conditions for that. However, it is going to be a long-term investor who will be acting here for 20 years and, I believe, the investor will integrate into the community issues in any case.</p> <p>Mr. R. Gevorgyan – Yes, we have no other mandatory conditions, but the bidders are serious international companies.</p>
	<p>AP Opinion – The winning company can also make use of the local workforce. We have a lot of good specialists in our village: electricians, builders, and so on, who can work in the Project, at least at the construction stage. This is a good chance to think about the future education of our children. We will understand what profession will be good for them to send them to learn and to come and work in our village.</p>	<p>Ms. S. Poghosyan – Yes, of course, the Investor may use the local capacity if relevant specialists are available.</p>
3	<p>AP Q3. - Are there any adverse environmental impacts?</p>	<p>Mr. R. Gevorgyan – There would be, if the power station worked based on the concentrated energy principle, but this is going to be a photovoltaic plant.</p>

#	Issues	Summary Response, Participant's Opinion, Comments and Suggestions
		<p>Its panels do not differ from usual roofs. They absorb 20% of the energy and in their shadows plants grow very well since it becomes more humid there. We have survey results showing that such power plants do not harm the eco system. It does not cause damage to bees either. It makes no noise, vibration, radiation and emission of toxins.</p>

List of PC participants

«Հաստատվում արդյունաբերական մասշտաբի Մարիկ - 1 արևային ֆոտովոլտային կայանների կառուցման ներդրումային ծրագիր»

Masrik-1 Utility-scale solar photovoltaic power plant investment project in Armenia

ՀԱՆՐԱՅԻՆ ԻՐԱԶՆՎԱԾՆ ՀԱՆԴԻՊՈՒՄ



PUBLIC CONSULTATION

Մասնակիցների ցուցակ/List of participants

Վայր/Place ԱՂՁԻ ԱՇԱԿԻԿ

Ամսաթիվ/Date 30.01.18

N	Անուն, ազգանուն Name, Surname	Կարգավիճակ (իմաստային րեսպի, ՀԿ ներկայացուցիչ և այլն) / Status (community member, NGO representative etc.)	Հեռ., էլ. փոստ Tel/Email	Զբաղմունքը անասնապահությամբ (այր/ույ) / Engaged in cattle breeding (Yes/No)	Ստորագրություն Signature
1	Վիկտոր Պետրոսյան	ԱԶԷԶ (առփերի)	077440506	-	
2	Արմեն Պրոսպերյան	ԱԶԷԶ (Այլ. նախկին)	093 598 6 85	-	
3	ՄԱԻՔ Կարգավիճակ	Կարգավիճակի և ՀԿ ներկայացուցիչ	098 23 9555	-	
4	Պրոսպերյան Յուրի	Կարգավիճակ	093 78 7344	-	
5	Օգոստոսյան Ռուբեն	Այլ. նախկին	093 873 893	-	
6	Կարգավիճակ Շիրզ	Այլ. նախկին	07856508	-	
7	Պրոսպերյան Նիկոլայ	Կարգավիճակ	093 73 90 02	-	
8	Օգոստոսյան Պրոսպերյան	Կարգավիճակ	098 55 3515	-	
9	Պրոսպերյան Մուսիկ	Կարգավիճակ	098 04 03 09	-	
10	Պրոսպերյան Ռուբեն	Կարգավիճակ	094-69-95-76	-	
11	Պրոսպերյան Պրոսպերյան	Կարգավիճակ	093 15 15 97	-	
12	Պրոսպերյան Մարկոսյան	Կարգավիճակ	093 23 16 74	-	
13	Պրոսպերյան Կարգավիճակ	Կարգավիճակ	098 77-71-67	-	

N	Անուն, ազգանուն Name, Surname	Կարգավիճակ (խմբային բնակիչ, ՀԿ ներկայացուցիչ և այլն) / Status (community member, NGO representative etc.)	Հեռ. էլ. փոստ Tel/Email	Զբաղվածություն անասնապահության (այո/ոչ) / Engaged in cattle breeding (Yes/No)	Ստորագրություն Signature
14	Կոչարյան Անդրանիկ	Խումբային բնակիչ	022 043454	Այո, ոչ չհասկանում	
15	Ալիբեկյան Արամ	Խումբային բնակիչ	093 63-63-33	Այո ոչ հասկանում	
16	Արքայի Ջերմանյան	ԽՄԶ (օրգանիզացիա)	094 402040	-	
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