

RP1618



RESETTLEMENT POLICY FRAMEWORK

FOR

**COMMUNITY AGRICULTURAL RESOURCE MANAGEMENT
AND COMPETITIVENESS PROJECT - II**

**YEREVAN
March 2014**

TABLE OF CONTENTS

TABLE OF CONTENTS	2
LIST OF ABBREVIATIONS.....	4
DEFINITIONS	5
SUMMARY	7
1. INTRODUCTION.....	7
1.1. Project Description.....	7
1.1.1. Project Components	7
1.1.2. Project Beneficiaries	9
1.2. Rationale for Preparation of a Resettlement Policy Framework.....	9
1.3. Objective and Principles of the Resettlement Policy Framework.....	9
1.4. Extent and Scope of the Resettlement within the CARMAC II	10
1.4.1. Extent and Scope of the Resettlement within Component 1.....	10
1.4.2. Extent and Scope of the Resettlement within Component 3.....	11
1.4.3. Conclusion.....	11
2. INSTITUTIONAL FRAMEWORK	11
2.1. RA Ministry of Agriculture and Agricultural Project Implementation Unit.....	12
2.2. State Governing Organisations	12
2.2.1. Ministries and Committees	12
2.2.2. Marzpetarans (Regional Authorities).....	14
2.3. Local Self-Governing Bodies	14
2.4. Resettlement Action Plan Implementation Unit	14
2.5. Grievance Redress Committee.....	15
2.6. Non-Governmental Organisations	15
2.7. World Bank	15
3. LEGAL FRAMEWORK.....	16
3.1. Legislation of the Republic of Armenia	16
3.2. World Bank Policies.....	20
3.3. Comparison of Armenian Laws and the World Bank’s Involuntary Resettlement Policy	21
3.4. Conclusions: Bridging the Gaps	23
4. COMPENSATION ELIGIBILITY AND ENTITLEMENTS	23
4.1. Compensation and/or Rehabilitation Eligibility	23
4.2. Compensation and Rehabilitation Entitlements.....	24
4.3. Valuing Affected Assets.....	26
4.3.1. Valuation of Land and Structures	26
4.3.2. Valuation of Crops.....	27
4.3.3. Valuation of Trees	27
5 IMPLEMENTATION ARRANGEMENTS.....	27

5.1. Resettlement Requirements and Screening Process during Design Stage	27
5.2. Types of Resettlement Action Plans	28
5.3. Process of the Resettlement Action Plans Preparation and Approval	29
5.4. RAP Information Requirements	29
5.4.1 Census and Inventory of Project Affected Persons	29
5.4.2. Identification of Losses	30
5.4.3. Baseline Survey.....	30
5.5. Resettlement Action Plan Implementation Process	30
6. COMPLAINTS AND GRIEVANCES	31
7. PUBLIC PARTICIPATION.....	33
8. SUPERVISION AND MONITORING	33
9. COSTS AND BUDGETS.....	34
ANNEXES	35
ANNEX 1: PROVISIONAL ENTITLEMENT AND COMPENSATION MATRIX	35
ANNEX 2: CHECKLIST FOR CENSUS INFORMATION	39
ANNEX 3: LIST OF DATA FOR CENSUS SURVEY.....	40
ANNEX 4: LIST OF DATA FOR INVENTORY OF LOSSES	41
ANNEX 5: FORMATS FOR RAP AND ABBREVIATED RAP.....	43
ANNEX 6: DATA FOR BASELINE SURVEY	44
ANNEX 7: GUIDELINES FOR VALUATION AND COMPENSATION OF PROPERTY.....	45
ANNEX 8: DOCUMENTS CONSULTED	52
ANNEX 9: CONTRACTOR FORMS FOR TREE AND STRUCTURE REMOVAL	53
Annex 10. MINUTES OF PUBLIC CONSULTATION MEETING.....	57

LIST OF ABBREVIATIONS

APIU	Agriculture Projects Implementation Unit State Agency
AICW	Aggregative Indicators for Civil Works
CARMAC I	Community Agricultural Resource Management and Competitiveness Project I
CARMAC II	Community Agricultural Resource Management and Competitiveness Project II
DC	Design Consultant
DP	Displaced Persons
FBO	Food Business Operators
GoA	Government of Armenia
LA	Local Authorities
MST	Marz Support Team
OP	Operational Policy
PAP	Project Affected Person
PC	Public Consultations
PDO	Project Development Objective
PMLDP	Pasture Management and Livestock Development Plan
PC	Public Consultations
PUC	Pasture User Cooperative
RA	Republic of Armenia
RA MoA	Ministry of Agriculture
RAP	Resettlement Action Plan
RAPIU	Resettlement Action Plan implementation Unit
RESCAD	Rural Enterprise and Small-scale Agricultural Development
RPF	Resettlement Policy Framework
VSC	Veterinary Service Centers
WB	World Bank

DEFINITIONS

The terms used in this document are defined as follows:

- "Resettlement Policy Framework" refers to the present document which is the overall Policy Framework for Resettlement of Project Affected Persons for the CARMACII. The Resettlement Policy Framework describes the process and methods for carrying out resettlement under the Project, including compensation, relocation and rehabilitation of persons affected by the Project;
- Project Affected Person (PAP) includes any person or persons who, on account of the execution of the Project, or any of its components or parts thereof, will have their right, title, or interest in any house, land (including residential, agricultural and grazing land) or any other fixed or moveable asset acquired or possessed, in full or in part, permanently or temporarily, adversely affected; or business, occupation, work, place of residence or habitat adversely affected; or standard of living adversely affected;
- The cut-off date for eligibility is publicly announced by the relevant Authorities of the Republic of Armenia (RA) and the census of PAPs will be undertaken immediately after this announcement¹;
- For purposes of this policy, "involuntary" means actions that may be taken without the displaced person's informed consent or power of choice;
- "Resettlement" is the general term related to land acquisition and compensation for loss of assets, whether it involves actual relocation, loss of land, shelter, assets or other means of livelihood and includes all the measures taken to mitigate any and all adverse impacts of the Project on PAPs' property and/or livelihood, including compensation, relocation (where relevant), and rehabilitation;
- "Resettlement effects" includes the loss of crops and incomes, in addition to physical relocation. A resettlement effect is significant when more than 200 people are physically displaced and/or 10% or more of their productive assets are lost. A resettlement effect is considered "minor" if fewer than 200 people are displaced and less than 10% of their productive assets are lost;
- "Relocation" means the physical relocation of PAPs from their pre-project place of residence;
- "Replacement Value" is the method of valuation of assets that helps determine the amount sufficient to replace lost assets and cover transaction costs. In applying this method of valuation, depreciation of structures and assets should not be taken into account;
- "Compensation" means payment in cash or in kind of the replacement value of the acquired property;
- "Rehabilitation" means the compensatory measures provided under this RPF other than payment of the replacement value of acquired property;
- "Land" includes anything growing on or permanently affixed to land, such as crops and buildings;

¹ Normally, the cut-off date is the date the census begins. However, the public announcement by the relevant GoA Authorities will be considered as the cut-off date here; see also OP 4.12, footnote 21

- "Land Acquisition" means the process whereby a person is compelled by a public agency to alienate all or part of the land s/he owns or possesses to the ownership and possession of that agency, for public purpose, in return for a compensation;
- "Right-of-Way Easement" means the process whereby the owner or possessor of land is compelled to permit the continued use of a part of his land as a means of transit of persons or services, in return for a compensation, but where the ownership of the land remains unchanged;
- "Servitude", according to Armenian definitions, is the right of the Government to use land for the public projects that benefit the community;
- "Grievance Redress Committee" means the committee established at Project level to hear the complaints and grievances of PAPs regarding resettlement, including acquisition of land, houses and other assets, and loss of livelihoods caused by the Project.

SUMMARY

1. The purpose of the Resettlement Policy Framework (RPF) is to provide the general guideline for the Community Agricultural Resource Management and Competitiveness Project II financed by the World Bank (WB) for timely, adequate and efficient action to address, and minimise and/or mitigate, adverse impacts, in particular resettlement and resettlement issues, if and when these occur. In accordance with the WB resettlement policy, a RPF needs to be prepared for the projects with multiple components if the extent and location of resettlement cannot be known at appraisal, which is the case with the CARMAC II. The RPF is prepared in the framework of World Bank's policy on Involuntary Resettlement (OP4.12) and Republic of Armenia (RA) legal requirements.

1. INTRODUCTION

1.1. Project Description

2. The Government of Armenia (GoA) has requested support from the World Bank (WB) to implement a Community Agricultural Resource Management and Competitiveness Project II (CARMAC II). This project would follow on from the Bank-funded projects in the agriculture sector, particularly the on-going CARMAC project and the previous Rural Enterprise and Small-scale Agricultural Development (RESCAD) project. The proposed Project Development Objective (PDO) is to: (i) improve productivity and sustainability of pasture and livestock systems in targeted communities; and (ii) increase the marketed production from selected livestock and high value agri-food value chains. This will be achieved through: (i) developing and implementing participatory management plans to improve productivity and sustainability of pasture and livestock systems in targeted communities in upland areas; (ii) linking producers and processors to markets, focusing on selected livestock production (milk and meat) and high value produce (fruit and vegetables); and (iii) supporting development of specific public sector institutions that are essential to increase the marketed production from these products.

1.1.1. Project Components

3. CARMAC II project consists of four components with World Bank funding of US\$30 million over five years.

Component 1: Community/Pasture Livestock Management System.

4. The component objective is to continue the implementation of an efficient and sustainable community managed pasture/fodder based livestock production system in communities where livestock is a primary source of livelihood and where there is a strong interest in improving their pasture production. Three main component activities will be implemented:
 - a) Development of Sustainable Pasture/ Livestock Management Plans. Pasture User Cooperatives (PUCs), comprising all community pasture users, will be created in up to 100 communities in the 8 Marzes with significant pasture areas (out of 10 in the country). The PUCs will be responsible for developing and implementing Pasture Management and Livestock Development Plans (PMLDPs), with the participatory process supported by Marz Support Teams (MSTs) and technical experts. The PMLDP will identify: (a) measures to improve pasture productivity, such as rotational grazing, protecting areas for regeneration, pasture rehabilitation, improving access to remote pastures, and needs for supplementary

fodder production; (b) stock watering points for a more balanced use of grazing areas; (c) animal health requirements and breed improvement measures; (d) agricultural machinery for hay and fodder production; (e) measures to improve the marketability of livestock products; (f) training requirements; and (g) responsibilities for implementation of the planned activities, targets and indicators.

b) Community Fund for Implementation of Plans. Up to 300.000\$ grants per community will be provided for each PUC to implement their PMLDP. Funding may include financing of: (a) infrastructure to access and use remote pastures, such as spot road improvements, stock watering points, shelters and stock-pens; (b) milk collection points with cooling equipment; (c) machinery to produce and harvest fodder; (d) costs of rehabilitation measures for degraded areas such as fencing, weed and shrub control, and re-seeding; (e) fodder production; (f) community-based disease control programs including for market-limiting diseases, zoonoses and parasite control; (g) artificial insemination; (h) training and advisory services; and (i) PUC support, such as management training, office equipment and furnishings.

c) Women/Youth Special Support Program. A special training and mobilization activity would target women and rural youth with the aim of enhancing their participation in the PUCs and communal decision-making processes around livestock and pasture management and to foster engagement by the younger generation in livestock production. This sub-component will continue each year throughout the project and will be linked to membership of the PUCs.

Component 2: Value Chain Development.

5. The component objective is to increase the ability of Armenian agricultural producers and processors to meet domestic demand and access international market opportunities in the food value chains of fodder-based milk and meat, and in processed fruit and vegetables where Armenia has an advantage. The project will identify bottlenecks such as knowledge gaps in market requirements and quality standards, inadequate facilities and equipment to meet national and/or international food safety requirements and product standards, and weak linkages between the processors and producers. To address the bottlenecks, targeted funding would be provided to: (i) support producer cooperatives to standardize their production and to improve on-farm quality assurance and good agricultural practices; (ii) increase knowledge of markets and market requirements including food safety systems; (iii) incorporate food safety practices and compliance including Hazard Analysis and Critical Control Points (HACCP); (iv) improve processing, storage, product handling, marketing, and product quality; (iv) register brands and obtain certification including organic food certification; and (v) improve management capacity. The targeted funding would be provided to registered producer cooperatives, associations and rural businesses operating along the value chain based on an application process.

Component 3: Strengthening Public Sector Institution.

6. The objective of the component is to increase the capacity of public sector institutions to facilitate business development and enable market access in the selected value chains supported under components 1 and 2. Activities to be funded under the component consist of: (i) Animal Health Services, including mobilizing training and equipping around 100 community veterinarians (CVs), and establishing four regional-level Veterinary Service Centers (VSCs) to be owned and operated by the CVs; (ii) Food Safety, including increasing capacity of food inspectors at the Marz and district level through provision of simple testing equipment and training, and enhancing knowledge and skills of food safety standards and systems at the lower end of the value chain including producers and small-scale processors; (iii) Support to the Scientific Center of Vegetable and Industrial Crops to produce high quality vegetable seeds and seedlings of the locally-adapted varieties developed by their breeding and selection program; and (iv) Introduction of Good Agricultural Practices, which will include support to the Agrochemical Service State Non-Commercial Organization to analyze soils and chemicals.

Component 4: Project Coordination and Management.

7. This component will ensure overall project management, including financial management and procurement, coordination of the implementation process, monitoring and evaluation.

1.1.2. Project Beneficiaries

8. Pasture users, farmer cooperatives and associations, and food business operators (FBOs) will benefit from the project. At least 50,000 pasture users would participate in the project through their membership of Pasture Users' Cooperatives (PUCs) and in the planning and implementation of Pasture Management and Livestock Development Plans, and will benefit from improved pasture management, infrastructure, veterinary care and agricultural machinery. The project is expected to generate positive social benefits by improving the productivity of livelihood resources such as communal pastures and livestock, and will be especially valuable to poor households that rely on livestock as an important source of food and cash income. These activities will focus on poorer mountainous areas where pasture degradation is the most problematic. Around 100 communities in eight poor regions in Armenia - a total population of around 125,000 - would benefit from the project. The project will contribute directly to increased opportunities for community voice and participation in decision-making around livestock and pasture management and has been structured to build community capacity in this regard.

1.2. Rationale for Preparation of a Resettlement Policy Framework

9. World Bank funding for the Project will be provided subject to the condition that each Project component should conform (among others) with the WB Operational Policy (OP) on Involuntary Resettlement 4.12 (WB OP 4.12). WB OP 4.12 indicates that an RPF needs to be prepared if the extent and location of resettlement/ Project impacts cannot be known prior to Project Appraisal, as in the case of this Project. This RPF will also outline the requirements and process for preparing and approving Resettlement Action Plans, if needed.
10. Review and analysis of written documentation on the CARMAC II components as well as on the experience of CARMAC I was made to identify the most likely range of potential impacts and formulate the most appropriate and reasonable set of mitigation measures. However, unforeseen impacts may arise from certain project activities. Some of the impacts may also require other and more adapted mitigation measures than the ones described in this report. Therefore, the findings and recommendations of this RPF will be adapted/adjusted if needed during Project implementation and reported accordingly.

1.3. Objective and Principles of the Resettlement Policy Framework

11. The RPF aims to prevent and/or mitigate the potential negative social impacts of implementation of project activities associated with land use or land acquisition. The objective of the RPF is to outline brief description of the project and components for which land acquisition and resettlement are required, the legal framework for the Project including both RA legislation and WB OP4.12 requirements and proposing measures to bridge the gaps between the policies; specify eligibility criteria for defining various categories of Project Affected Person (PAPs); specify compensation approaches for the lost assets as well as methods of valuing of the affected assets; describe the process for preparing and approving resettlement plans; clarify institutional, implementation and monitoring arrangements for resettlement activities; specify grievance redress mechanisms; consultation mechanisms with PAPs, describe the arrangements for funding resettlement. In particular, the RPF is aimed to guide the preparation of Resettlement Action Plans (RAP) that will ensure that, in the event of any future resettlement issues, all

persons affected by it will be compensated at replacement cost at market value for their losses, and provided with rehabilitation measures so that they are at least as well off as they would have been in the absence of the Project.

12. The project will follow the principle that involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternatives in project design². If unavoidable, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced or adversely affected by the project to share the benefits of the project. Furthermore, displaced persons should be meaningfully consulted and should be involved in planning and implementing resettlement programs; and be assisted in their efforts to improve their livelihoods and standards of living; or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of Project implementation, whichever is higher. These principles – and resettlement measures stemming from them – apply to CARMAC II and all its components, whether or not the scale, magnitude and complexity of resettlement issues requires preparation of resettlement plans.

1.4. Extent and Scope of the Resettlement within the CARMAC II

13. In the early stages of CARMAC II preparation it is difficult to have clear information on possible resettlement impacts that might be associated with the proposed activities. However, experience of the previous project suggests that resettlement risks of the overall project and its separate components are low. Physical construction works envisaged within the framework of CARMAC II can potentially have some negative implications on the community/PAPs and may require temporary loss of land, crops or trees or, of access to these same; temporary restriction of the access to the private and public properties during construction period. However, it is unlikely that substantial adverse social impacts will be induced. The project is not expected to require land acquisition, PAPs physical displacement or any severe impact on PAPs livelihood and income.
14. Some civil works are anticipated under Component 1 and Component 3, as detailed below. Component 2 and Component 4 are not expected to include activities that would require land use or acquisition.

1.4.1. Extent and Scope of the Resettlement within Component 1

15. Under Component 1 grant programs will be implemented in 8 Marzes with significant pasture areas to improve livestock production system. Pasture User Cooperatives (PUCs), comprising all community pasture users, will be created in up to 100 communities. PUCs will develop the sustainable Pasture Management and Livestock Development Plans (PMLDPs) based on the participatory assessment and building on the improved understanding among pasture users. Funds will be provided for each PUC to implement their PMLDP. Fund amounts will depend on the activities proposed in the PMLDP based on pasture area and existing number of livestock units. The fund amounts are expected to average about US\$ 200,000 and will not exceed US\$ 300,000 per community. Investments will be provided in a phased way over three years. Beneficiaries will contribute a percentage of the costs.
16. The PUCs will receive an indicative open list of eligible investment activities including: (a) infrastructure to access and use remote pastures, such as spot road improvements, stock watering points, shelters and stock-pens; (b) milk collection points with cooling equipment; (c) machinery to produce and harvest fodder such as grass cutters, haying machines, or silage choppers; (d) costs of rehabilitation measures for degraded areas such as fencing, weed and shrub control, and re-seeding; (e) support for fodder

² World Bank Operational Policy on Involuntary Resettlement (WB OP 4.12); January 2002, p.1

production including leguminous plant seeds, corn seeds; (f) community-based disease control programs including for market-limiting diseases, zoonoses and parasite control; (g) breed stock improvement including artificial insemination; (h) training and advisory services; and (i) PUC support, such as management training, office equipment and furnishings.

17. The above listed activities can include some construction works: infrastructure to access and use remote pastures, such as spot road improvements of the pastures, stock watering points, water supply of stock watering points, shelters (houses for shepherd and stock-pens) can be constructed. Most of the infrastructures will be constructed on the community owned and used or unused pastures. However, there is a chance that some used or more likely unused private lands will be temporarily affected during the construction.
18. To avoid or if unavoidable to minimize the impact on the private lands the PIU will ensure, with the assistance of the Design Consultant (company or individual, that will prepare engineering design for the grant programs as needed), that the area will be examined during the design stage. Selection of the community lands for the alignment will be done in consultation and agreement with community to minimize the negative impact because of temporary restriction of access to pasture resources. Following the procedure applied in Armenia, all the designs will be revised and sealed by Local Authorities of the respective Community.

1.4.2. Extent and Scope of the Resettlement within Component 3

19. Under Component 3 four regional-level Veterinary Service Centers (VSCs) will be constructed. The centers will be established exclusively in community owned areas, which will not pose resettlement risks. Communities will transfer the land for construction to the RA MoA (Government) on voluntary bases. Land will be selected in consultation with the community to ensure, that it will be the most appropriate place for community use of the VSC and to avoid the negative impact on the community in general if any. Some infrastructures, like water supply, will be constructed to serve the VSCs. All the infrastructures, including pipes will be located on sites owned by the community authorities. New lines will be selected on the community streets/along the community roads, which will help to avoid the resettlement impact.

1.4.3. Conclusion

20. The project will not allow any component with permanent private land loss. In case of temporary impact on community and private lands, a set of measures will be taken to minimize the negative impact on the community and PAPs. Furthermore the Community Fund for Implementation of PUC Plans will not approve any grants that involve permanent land acquisition or physical resettlement of PAPs.

2. INSTITUTIONAL FRAMEWORK

21. Several institutions, each with different roles and responsibilities, will be responsible for overseeing and implementing the principles and objectives of the RPF, particularly while developing and implementing subsequent RAP(s). Functional roles of the involved institutions are listed below. A diagram showing the key actors, including their roles and interrelationships, is also included below in this section.

2.1. RA Ministry of Agriculture and Agricultural Project Implementation Unit

22. The Agricultural Projects Implementation Unit (APIU) State Agency of the RA Ministry of Agriculture will be responsible for overall project management including all procurement, financial management, reporting, and Monitoring and Evaluation (M&E) responsibilities. APIU bears overall responsibility for the oversight and monitoring of all the activities under this RPF. An environmental and social safeguards specialist would be contracted with responsibility for safeguards management. APIU will guide, supervise and report on progress in the components, and will handle resettlement issues requiring action and coordination at the local authorities. APIU can be supported by different consultants in the resettlement-related tasks and activities, particularly:
- i. **Design Consultant (DC)** will prepare designs for the Project. DC will be responsible for the determination of the project alignment and location in accordance with RPF principles to avoid or minimize the Project impact. DC will be responsible for the collection of the data on the affected land plots, assets as well as PAPs and their families/households for Census and Socio-economic survey as needed, dissemination of Project and component related information during design stage.
 - ii. **Supervision Consultant** will be appointed to supervise the construction works and ensure its compliance with the design as well as all social and environmental requirements of the Project. Supervision consultant will provide social safeguards monitoring data to APIU.
 - iii. **Licensed valuator** will be temporary contracted to carry out assessment of the affected assets and calculation of the compensation in accordance with RA Valuation law and standards, WB OP 4.12 and this RPF as needed.

2.2. State Governing Organisations

2.2.1. Ministries and Committees

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

RA Ministry of Territorial Administration (MoTA);

24. The MoTA has the following roles and responsibilities, among others, that may pertain to resettlement-related issues: (i) development and enforcement of policy provisions for territorial administration, laws, programs and plans for social-economic development of territorial administrations and local self-governments through the bodies of territorial administration and local self-governments; (ii) management and safe and secure use of the state owned water infrastructure; (iii) development and implementation of investment policy for water infrastructure, organization of expertise of the investment policy; (iv) development and coordination of implementation of the policy on state regulation of migration processes; (v) formation and management of the state mobilization reserves, etc.
25. The MoTA, state authorized body in this area, might have, but not limited to the following role in the RAP process: (i) assistance in the RAP preparation and implementation process within its jurisdiction of the state authorized body in resettlement activities; (ii) member of the Grievance Redress Committee if appropriate; etc.

RA Ministry of Nature Protection (MoNP)

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

RA Ministry of Energy and Natural Resources (MoENR)

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

RA Ministry of Health (MoH)

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

RA Ministry of Culture (MoC)

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

RA Ministry of Emergency Situations (MoES)

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

RA Ministry of Urban Development (MoUD)

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

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

32. The SCREC under the GoA has the following roles and responsibilities, among others, that may pertain to resettlement related issues: (i) Development and implementation of the state policy on the unified national cadastre of the real property (including land);(ii) Within its jurisdiction, development of the principles of land resources management and use policy, implementation of the state supervision of the land use to support the establishment of land rights institution and land market; (iii) Development of cadastral maps, including for lands; (iv) Creation and maintenance of the real property information system and provision of cadastral data; (v) State registration of the real property rights; (vi) Development of the land balance of the RA Land fund and lands classification by types; (vii) Cadastral valuation of the real estate, including lands; (viii) Setting of the base tax for the real property, including land tax; etc.
33. The SCREC under the GoA has its regional subdivisions and closely works with bodies of local self-governance. The Cadastre will be consulted in the process of development of the RAP, specifically in relation to identification and validation of the PAPs assets and property rights, assets and property rights registration and re-registration etc.

2.2.2. Marzpetarans (Regional Authorities)

34. State authorities in Marzpetarans implement the GoA's regional policies in the following areas: finance, urban development, housing and utilities, transport and road construction, agriculture and land use, education, healthcare, social security, culture and sports, nature and environmental protection, commerce, public catering, and services. The regional policies in the aforementioned sectors are implemented by means of Marzpetarans, as well as organizations subordinate to the respective Marzes. A summary of the role of local self-governing bodies in regulation of land relations is as follows:
- i. Development of basic settlement plans and implementing land zoning and use mechanisms within the administrative territory of the community, According to defined procedures;
 - ii. According to basic settlement plans, within the administrative territory of the community and according to defined procedures, provide and take away land belonging to the community and the State due to the Law on Property;
 - iii. Dispose the land belonging to the community due to the Law on Property, according to defined procedures;
 - iv. Implement: (i) Contiguous registration of the land; (ii) Charges of land taxes and rent for the use of community land; (iii) Control over use of the land and maintenance of the restrictions on use; (iv) Other authorities defined by the law;
 - v. Support in: (i) State registration of the land; (ii) Provision of protection of the land allocated to administrative territories of the communities; (iii) Performance of nature protection and historical-cultural norms and implementation of measures directed to that; (iv) Implementation of Republican and regional plans of the mechanisms for the utilization of forestland.
35. Representatives of the Marzpetarans might be involved in the Grievance Redress Committee and consulted in the process of preparation and implementation of the RAP as the regional state authorities for regulation of land relations.

2.3. Local Self-Governing Bodies

36. As the Project will be implemented in the rural areas, Community Authorities (Local Authorities (LA)) will play important role both during general implementation of the Project and during resettlement-related activities. Under Component 1 LAs will establish a commission for the development of the PMLDPs. The Commission will present to APIU the necessary infrastructures and their potential location based on the community needs assessment. LA will also provide community land for VSCs under Component 3. LAs will be consulted and actively involved in the preparation and execution of resettlement processes in the area of their jurisdiction starting from design preparation stage, particularly in the identification of the ownership status of the affected land plots, identification of PAPs etc. They will be consulted and involved as mediators in the processes of redressing the complaints/grievances, before those are deposited with the Grievance Redress Committee.

2.4. Resettlement Action Plan Implementation Unit

37. In case, when the scale of resettlement is significant, and APIU is not able to implement all the activities related to it, Resettlement Action Plan Implementation Unit (RAPIU), the entity authorized by APIU can carry out the resettlement activities. The decision will be made on the stage of RAP preparation. If and when necessary APIU will provide oversight and advisory services to assist PIU in the implementation of RAP.

2.5. Grievance Redress Committee

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

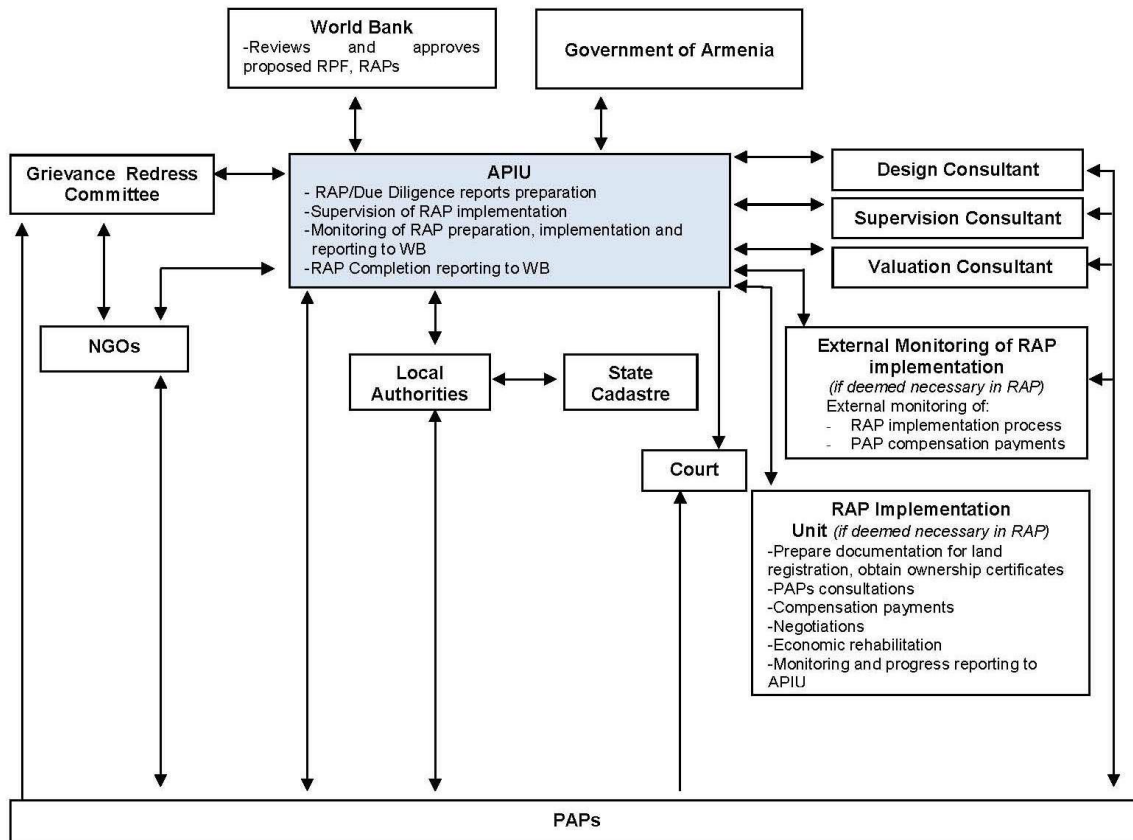
2.6. Non-Governmental Organisations

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

2.7. World Bank

40. WB will be the funding agency of the project. Besides supervising periodically the Project, WB will review and approve Project RPFs, RAPs, Due Diligence Reports, Compliance reports.

Figure 1. Overview of key actors in resettlement and resettlement issues



3. LEGAL FRAMEWORK

3.1. Legislation of the Republic of Armenia

41. In the RA the legal framework for land takings and resettlement issues mainly consist of the following legal acts:
- i. The Constitution of the Republic of Armenia (*adopted in 1995 amended in 2005*),
 - ii. The Civil Code of the Republic of Armenia (*adopted on 05.05.1998, entered into force from 01.01.1999, published in Official Bulletin No 1998/17 on 10.08.1998*),
 - iii. The Law on Alienation of Property for the Needs of Society and State (*adopted on 27.11.2006, entered into force from 30.12.2006, published in Official Bulletin No 2006/64 on 20.12.2006*),
 - iv. The Land Code of the Republic of Armenia (*adopted on 02.05.2001, entered into force from 15.06.2001, published in Official Bulletin No 2001/17 on 15.06.2001*),
 - v. The Law on Real Estate Valuation Activity (*adopted on 04.10.2005, entered into force from 26.11.2005, published in Official Bulletin No 2005/71 on 16.11.2005*),
 - vi. The Code of Civil Procedure (*adopted on 17.06.1998, entered into force from 01.01.1999, published in Official Bulletin No 1998/20 on 09.09.1998*),
 - vii. The Code of Administrative Procedure (*adopted on 28.11.2007, entered into force from 01.01.2008, published in Official Bulletin No 2007/64 on 19.12.2007*),

The Constitution

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

The Civil and Land Codes

43. Though the process of land/property takings are mainly governed by the law mentioned above there is a separate group of issues that may arise during the implementation of the project related to the right of limited use of the other's property. These issues are addressed in the Civil and Land Codes of the Republic of Armenia.
44. Article 210 of the Civil Code (as well as Article 50 of the Land Code) states that the owners/users of a land plot can demand from the owner of the land plot neighbouring with theirs and/or from the owners of other land plots to grant the right of limited use of their land plots (servitude). A servitude may be established to provide for walking and riding through the neighbouring land parcel, installation and exploitation of lines of electric transmission, communication and pipelines, provision of water supply and melioration. The servitude can be voluntary or compulsory, if the agreement on servitude is not reached between the parties. Article 212 (3) of the Civil Code stipulates that for preservation and maintenance of pipelines, engineering infrastructures established to serve the public needs, a compulsory permanent free of charge servitude shall be established.

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

45. The most important legal act dealing with the issues of land/property takings and resettlement issues is the Law on Alienation of Property for the Needs of Society and State (the Law). The Law stipulates the cases when the alienation of the property needs to be executed and the procedure how the alienation should be conducted.
46. Article 3 of the Law stipulates the exceptional public interest as the constitutional basis for the alienation and sets the following requirements for execution of the alienation in question: (i) alienation in accordance with the procedure set by the law, and (ii) prior payment of appropriate compensation against the property to be alienated.
47. Article 4 of the Law sets the principals/conditions in accordance to which the exceptional priority public interest should be determined. Thus, the Law stipulates that (i) the public interest must be superior over the interests of the owner of the property, (ii) the effective implementation of the public interest cannot be achieved without the alienation of the property, (iii) the alienation of the property must not do unjustified harm to the owner of the property, (iv) the public interest must be acknowledged as superior through the Government decision, (v) the fact of existence of the exceptional public interest may be argued through litigation in the court .
48. The same article states that exceptional public interest shall serve the following purposes: (a) protection of public and state security, (b) implementation of the obligations assumed by the Republic of Armenia under international treaties, (c) preservation of historical and cultural values or monuments of international and national importance, and creation and preservation of special protected nature areas, (d) protection of the environment, (e) development of education, healthcare, sport as well as science and culture, (f) implementation of projects of community and intercommunity importance in the fields of communication, transport, energy, land use, city construction, energy and water supply, (g) protection of the property, health and private life of citizens, (h) prevention and/or mitigation/reduction of the possible effects of emergencies.
49. The Law also regulates the issues related to the determination of the scope of the property under alienation. In particular, Article 5 of the Law stipulates that, in case of alienation of a land parcel, all the items of real estate (buildings and other property) as well as all the improvements on the land parcel are also subject to alienation. In case of alienation of a building, the land plot necessary for the usage of the property is also subject to alienation. If a part of a property is alienated, then the non-alienated part(s) of the property should also be alienated at the demand of the owner. Such a demand should be presented within two months after the decision of the Government on acknowledgement of the exceptional public interest enters into force.
50. In this respect it should also be noted, that the European Court of Human Rights has well-established case-law concerning the interpretation of the notion of “possessions” (ownership, property) used in Article 1 of Protocol 1 of the European Convention which is highly desirable to take into consideration while determining the scopes of the property to be alienated. The following illustrate are of interest here.
51. Case of Broniowski v. Poland, point 129: “The concept of “possessions” in the first part of Article 1 of Protocol 1 has an autonomous meaning which is not limited to the ownership of material goods and is independent from the formal classification in domestic law. In the same way as material goods, certain other rights and interests constituting assets can also be regarded as “property rights”, and thus as ‘possessions’ for the purposes of this provision. In each case the issue that needs to be examined is whether the circumstances of the case, considered as a whole conferred on the applicant title to a substantive interest protected by Article 1 of Protocol 1” ,

52. Case of *Kopechky v. Slovakia*, point 25: “The Court recalls that according to the case-law, “possessions” within the meaning of Article 1 of Protocol 1 can be “existing possessions ” or assets, including claims, in respect of which applicant can argue that he or she has at least “legitimate expectations” of obtaining effective enjoyment of a property right”.
53. The Law furthermore stipulates that the state, a community and/or an organization can act as the acquirers of the property being alienated for public and state needs.
54. Article 7 of the Law states that the restrictions arising from the resolution of the Government on acknowledging the exceptional superior public interest shall be registered in accordance with the procedure set by the law within 15 days upon entering into force of the resolution of the Government. The resolution is sent to the owners of the property and other persons having registered property rights in that property within 7 days after the subject Government resolution enters into force. The Government resolution shall be published in the Official Bulletin of the Republic of Armenia and in mass media being published in not less than 3000 copies and can be appealed in the court within one month from the day it enters into force.
55. The same article also stipulates that, after the Government resolution enters into force, the protocol (census) on the description of the property should be prepared by the authorized governmental authority whereas the owner and the persons having property rights over the property subject to alienation are entitled to take part in the preparation. The copy of the census is sent to the owner and to the parties having property rights over the property within 3 days after it is completed. The census can be challenged / appealed before the government authorized body or the court within 10 days after they receive the copy.
56. The Law recognizes also the option to conduct preliminary study of the property subject to alienation (which includes also the preparation of census) before the adoption by the Government of the resolution mentioned above at the request of the potential acquirer. The preliminary study is conducted based on the resolution of the Government.
57. Article 10 of the Law states that the acquirer/purchaser of the property shall, before the final date of starting the alienation of property for public and state needs set by the Government, send to the owners and other persons having property rights over the property the draft of the agreement of alienation of the property. The owners of the property are obliged to inform the acquirer/purchaser within two weeks from the date of receipt of the agreement on the persons having property rights over the property who have not registered their rights or are not subject to registration. If the owner does not inform the acquirer about the mentioned persons then he/she bears the liability for the losses of those persons arising out of the alienation without their participation.
58. Article 11 of the Law stipulates that equal compensation shall be paid to the owner against the property to be alienated whereas the price exceeding the market price by 15 per cent shall be deemed to be equal compensation for the purposes of the Law. The market price of the real property and/or property rights over the property shall be determined in accordance with the procedure set by the Law of the Republic of Armenia on Activity of Real Estate Valuation. In this context, it should be mentioned that the Real Estate Valuation Law (Article 8) states that the valuation of the real estate is mandatory in the cases of alienation of the property for social/public and state needs, whereas the valuation is to be conducted by licensed valuers/appraisers based on the agreement. The results of valuation are reflected in the valuation statement, which shall, inter alia, include (i) the names of real estate valuation subjects, their addresses, (ii) the date when the real estate was visited and valued, (iii) the reference of application of three classical methods of valuation to valuation standard, (iv) the rights and restrictions over the property valued, (v) the data about valued real estate, the source of their authenticity, (vi) the result of on-site examination of the property and the description of the property valued, (vii) the

calculations of market prices received as a result of application of three classical valuation methods and their reconciliation, (viii) the terms of commercial secrecy of the results of real estate valuation, (ix) the analysis of the most efficient use of the property, if the customer requests so, (x) the list of documents used in the process of valuation, (xi) the liability of the valuator before the customer and third parties, (xii) the full name and signature of valuator and his/her license number.

59. The Law also stipulates that the persons having property rights over the property under alienation are compensated from the amount of the compensation paid against the property being alienated. As per articles 12 of the Law, if no agreement on alienation of the property is signed between the acquirer and the owners/persons having property rights over the property within three months after sending the draft alienation agreement to them, the acquirer must deposit the compensation amount with the notary public or the court, whereas the amount of compensation shall be calculated as of not more than one week prior of the date when the deposit is made. If the amount of deposit is received by the owners and/or persons having property rights before the court's decision on alienation of the property, the agreement of alienation is deemed to be made.
60. Article 13 of the Law provides that if no agreement on alienation is signed within 7 days after the acquirer deposits the amount of compensation, then, for the alienation of the property, the acquirer must resort to the court within one month. In this case only the issue on the size of the compensation amount can be the matter for discussion. The court's decision on the amount of compensation shall be the basis for alienation of the property.
61. The law also provides for the grounds when the resolution of the Government on acknowledging the superior public interest will become void. In particular, Article 16 states that if the acquirer does not send the draft alienation agreement to the owner and/or persons having property rights, or does not deposit the amount of compensation with the notary public or court within the time set by the Law, or does not resort to the court within the time period set by the Law then it will be construed as waiver from the right to acquire the property and all the documents on recognizing the superior public interest related to that item of property shall be deemed void. The mentioned resolution may be recognized as void by the court if the acquirer, inter alia, have not started the activity serving as a basis for property alienation for two years from the enactment of the resolution.
62. Another group of issues which are relevant to the resettlement project is the one connected with the procedure of application to the court should PAPs decide to choose the court for settlement of disputes arising out in the process of resettlement. In this respect it should be noted that the Law contains also several provisions setting "limitation of actions" i.e. time periods for being entitled to challenge/appeal some issues before or in the courts. Thus, the Law stipulates that the resolution of the Government on acknowledging the superior public interest can be challenged before the court within one month and the resolution of the Government on conducting preliminary study within two months after their enactment.
63. These resolutions shall be challenged / argued in the Administrative Court of the Republic of Armenia in accordance with the requirements of the Code of Administrative Procedure. As per Article 3 an individual or a legal entity shall be entitled to resort to the Administrative Court, if the actions and/or inactions and administrative acts of state or municipal bodies or their officials have violated or will violate his rights and freedoms guaranteed by the Constitution of the Republic of Armenia, international treaties, laws and other legal acts. In the meantime, it should be noted that the Code does not set a time frame for the proceedings in the Administrative Court. Article 81 states that the court proceedings shall as a rule be completed in one session, without delays. The preparation to court proceedings and the proceeding itself shall be completed within a reasonable period of time. Along with the above-mentioned, the Code of Administrative Procedure provides for simplified/accelerated proceedings in several cases, among which the most applicable in our case are the following: (i) when the presented claim is evidently

well-substantiated or (ii) when the presented claim is evidently groundless. The decision of the Administrative Court enters into force from the moment it is publicized.

64. The case is a bit different when the case goes to court in the cases provided by article 13 of the Law (the signing of alienation agreement by resort to court). These cases are heard by the court of General jurisdiction if the amount of compensation in dispute is less than AMD 5 mln and by the civil court if it is equal to or exceeds AMD 5 mln. The proceedings in court are conducted as per the requirements of the Code of Civil Procedure of the Republic of Armenia. As in the previous case, the Code of Civil Procedure also does not stipulate any strict time limits for case hearings and set that the case should be heard in the court within a reasonable time period (Article 111). Here also the court may use accelerated hearings. Article 125 of the Civil Procedure Code stipulates that the court is entitled to use accelerated hearings if (i) the nature of the case requires immediate hearing; (ii) the claim is evidently substantiated; (iii) the claim is evidently groundless.
65. The decisions of the courts of general jurisdiction and the civil court enter into force after one month and can be appealed to the appeal court for civil cases. In its turn, the appeal court also is not bound by strict time-frames and shall hear the case within reasonable period taking into consideration the time period when the case was heard by the general jurisdiction / civil court. The decision of the appeal court enters into force from the moments it is publicized.

3.2. World Bank Policies

66. The primary objective of the WB OP 4.12 is to explore all alternatives to avoid, or at least minimize, involuntary resettlement. Where resettlement is unavoidable, the living standards of displaced persons should be restored or improved relative to those conditions that prevailed prior to the Project. The policy applies to the taking of land and other assets when land acquisition results in the loss of shelter, the loss of all or part of productive assets, or access to them, and the loss of income sources or other means of livelihood. This policy also applies to other activities resulting in involuntary resettlement, that in the judgment of the Bank, are (a) directly and significantly related to the Bank-assisted project, (b) necessary to achieve its objectives as set forth in the project documents; and (c) carried out, or planned to be carried out, contemporaneously with the project.

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

Table 2: Comparison of Armenian Laws and the World Bank’s Involuntary Resettlement Policy

Legislation of the Republic of Armenia	WB Involuntary Resettlement Policy	Conclusion on gaps	Actions to address the gaps
1. Eligibility			
<p>a) Persons having documented ownership over the property (land, buildings, crops, etc.) are eligible to receive compensation for the land being alienated, damages/ demolition and lost crops caused by a project (the Law on Property Alienation for Social/Public and State Needs), or in the cases their lands are not alienated but partially used for public projects (servitude) (the Civil Code (Articles 210-218), Land Code (Articles 50-and 100)),</p> <p>b) Persons enjoying other property rights over the property (right to lease, right to free use, etc) are eligible for compensation, whereas the amount of compensation for these persons is included and paid from the compensation paid to titled owners, (the Law on Property Alienation for Social/Public and State Needs (Article 11)). Persons having constructed buildings on their own lands but not registered them as of the cut-off date may receive compensation. (Article 188 of the Civil Code).</p> <p>c) Persons having built a construction or planted trees in areas belonging to others cannot receive compensation for loss of assets. (Cf above mentioned RA laws)</p>	<p>a) Persons who have formal legal rights to land (including customary and traditional rights recognised under the laws of the country) are provided compensation for the land they lose;</p> <p>b) Persons who do not have formal legal rights to land but have a claim to such land or assets – provided that such claims are recognised under the laws of the country or become recognised through a process identified in the resettlement plan – are provided compensation for the land they lose;</p> <p>c) Persons who have no recognisable legal right or claim to the land they are occupying are provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance as necessary, if they occupy the project area prior to the cut-off date.</p>	<p>In general the provisions of the Armenian legislation and WB’s OP are the same, except of provision on persons lacking the formal legal right over the property.</p>	<p>To address this gap it is recommended:</p> <p>1) WB OP 4.12 is followed, 2) The GoA allows the application of WB OP 4.12 for the CARMAC II.</p>
2. Entitlements			
<p>As per Armenian legislation the compensation is paid only to the owners and persons having the property rights over the assets if the ownership/property rights has been acquired before the project cut-off date, whereas all the improvements done after the cut-off date in excess of the scope set by the law and all the encumbrances generated over the property after the</p>	<p>PAPs are provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives set out in this policy, if they occupy the project area prior to a cut-off date</p>	<p>Provisions of the Armenian legislation and WB’s OP are the same.</p>	<p>-</p>

Legislation of the Republic of Armenia	WB Involuntary Resettlement Policy	Conclusion on gaps	Actions to address the gaps
<p>cut-off date are not subject to compensation.</p> <p>The adequate compensation should be paid to the owner in case of alienation, whereas the amount of compensation exceeding the market value by 15% will be considered as adequate (The Law on Alienation of the Property for Social/Public and State Needs Article 11)</p>	<p>Compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.</p>	<p>Both Armenian legislation and WB OP 4.12 provide for compensation of lost land and assets. National legislation appears to be more beneficial for the PAPs.</p>	
<p>No provision for income/livelihood rehabilitation measures and/or allowances for severely affected PAPs and vulnerable groups, and/or resettlement expenses (Cf above mentioned RA laws)</p>	<p>The WB policy requires rehabilitation for income/livelihood, for severe losses, and for expenses incurred by any and all PAPs during the relocation process</p>	<p>Armenian legislation provides very limited provisions for income/livelihood compensation and/or expenses incurred by the PAPs during the relocation process.</p>	<p>To address this gap it is recommended:</p> <p>1) WB OP 4.12 is followed, 2) The GoA allows the application of WB OP 4.12 for the CARMAC II.</p>
3. Information Requirements			
<p>The resolution of the Government on acknowledgment of exceptional superior public interest is to be properly communicated to the owners and persons having property rights over the assets within seven days after it enters into force. The owner and the persons having property rights over the property to be alienated are entitled to participate in completing the description of the property to be alienated. The copy of the protocol on description is to be sent to the owner and the persons having property rights over the property. (The Law on Alienation of the Property for Social/Public and State Needs Article 7)</p> <p>Local municipalities are required to acknowledge the communities through mass media and public discussions on expected changes in their living environment (Government Resolution No 660 dated 28 October 1998).</p>	<p>Information related to quantification and costing of land, structures and other assets, entitlements, and amounts of compensation and financial assistance are to be disclosed in full to the affected persons.</p>	<p>Requirements of the Armenian legislation and the WB OP 4.12 are almost the same.</p>	<p>-</p>

3.4. Conclusions: Bridging the Gaps

67. In principle, Armenian laws and regulations relevant to land acquisition and resettlement and WB OP 4.12 adhere not only to the objective of compensation for affected families or persons, but also to the objective of rehabilitation. However, Armenian laws are unclear on how rehabilitation is to be achieved and in practice the provision of rehabilitation is left to ad hoc arrangements taken by the local governments and the specific project proponents. Another and rather major difference between the RA laws and the WB policies is that the WB OP 4.12 recognises titled and non-titled owners/users as well as registered and unregistered tenants, i.e. lack of legal title is no bar to compensation and rehabilitation. To clarify these issues and reconcile eventual gaps between the Armenian laws and regulations and WB OP 4.12, this RPF mandates compensation at full replacement cost of all items, including the rehabilitation of informal/non-titled settlers, and rehabilitation packages (as appropriate, to be determined in the RAP) for PAPs that may need to be relocated, suffer business losses, or may be severely affected.
68. Furthermore, public disclosure and consultation are not well articulated in the RA laws and the project will ensure due inclusion of (potential) PAPs and, in particular, of vulnerable groups affected by the project, in the public consultation and participation process prior to and during project implementation (see also section 7 below). In addition, an accessible grievance redress mechanism will be instituted (see also section 6. below) and physical project implementation works will not commence until all compensation and rehabilitation measures of a project or sub component are completed.
69. In line with the Paragraph 4 of WB OP 4.12, these measures apply to all components of the project that result in involuntary resettlement, regardless of the source of financing.

4. COMPENSATION ELIGIBILITY AND ENTITLEMENTS

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

4.1. Compensation and/or Rehabilitation Eligibility

72. DPs eligible for compensation and or rehabilitation assistance include the following three groups:
 - i. those who have formal legal rights to land that are properly registered as per RA law;
 - ii. those who do not have formal legal rights to land at the time the census begins but have a claim to such land provided that such claims are recognized under the RA laws;
 - iii. those who have no recognizable legal right or claim to the land they are occupying.
73. All PAPs living in the project area before the cut-off date may be considered for compensation for their losses and/or rehabilitation assistance. Lack of legal rights or titles do not make them ineligible for entitlements;
74. WB OP4.12 covers the following direct economic and social impacts of the project to be compensated/rehabilitated that are caused by
 - i. the involuntary taking of land resulting in
 - a. relocation or loss of shelter;

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

Cut-off Date

75. Compensation eligibility will be limited by a cut-off date. The OP 4.12 recognizes that PAPs who occupy project-affected areas after the cut-off date are not eligible for compensation. The fact that the Project will identify a cut-off date for compensation eligibility will be communicated to affected communities during preliminary public consultations. The precise cut-off date will be publicly announced by the APIU and LAs in advance and the census survey of PAPs and assets inventory will commence immediately following this announcement. The cut-off date will be the date of commencement of the census survey of PAPs. Affected assets description protocols will be prepared during the assets inventory. Information on the affected assets will be registered in the presence of PAP and/or LAs. Then, the protocol will be signed by the PAP and/or LA if PAP is unavailable. Every effort will be made to arrange signing at a convenient time for the PAP and to postpone signing until the PAP is available. If the PAP remains unavailable, the reasons of the PAPs' absence should be documented and attached to the protocol. All people, organizations moving into the project area and/or people conducting construction works, planting trees, etc. after the cut-off date are non-eligible PAPs and thus will not receive any compensation. They, however, will be given sufficient advance notice, requesting them to vacate their premises and dismantle affected structures prior to project implementation. The materials of their dismantled structures will not be confiscated and they will not pay any fine or suffer any sanction. To facilitate this, the Project will put at their disposal the necessary transportation means for their relocation.

4.2. Compensation and Rehabilitation Entitlements

76. The compensation entitlements are based on the premise that resettlement, rehabilitation and compensation programs should improve or, at a minimum, restore the PAPs' pre-project living standards and ensure their participation in Project benefits. All the PAPs that are eligible (para. 74-77) for compensation and/or rehabilitation will be compensated prior to construction works. PAPs covered under para. 74(i) and (ii) are provided compensation for the land they lose, and other assistance in accordance with RAP. PAPs covered under para. 74(iii) are provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance, in accordance with RAP. All persons included in para. 74 (i), (ii), or (iii) are provided compensation for loss of assets other than land.
77. Persons who encroach on the area after the cut-off date (para. 77) are not entitled to compensation or any other form of resettlement assistance.

General Principles of Compensation

- i. DPs will be compensated at full replacement and substitution costs without depreciation, and relocated after due consultation with them.
- ii. Compensation will not be deducted for salvageable materials, registration costs, taxes and other applicable payments.
- iii. The preliminary compensation rates for the replacement will be proposed to the PAPs to give them an opportunity to compare those with the prevailing market rates;
- iv. All fees and taxes on land and/or house transfers will be waived or otherwise fees and taxes will be included in a compensation package for land and/or house. The competent government authorities will give preferential treatment to PAPs reconstructing their houses on their own, and support them in obtaining the necessary property titles and official certificates;

- v. In case if community infrastructure and services such as schools, factories, water sources, roads, sewage systems, electrical supply is affected, or other community resources such as a woodlot or pasture is lost, this will be replaced at no cost to the community. They will be re-built and/or improved, so that their pre-project function will be restored and the PAPs will have access to these services.
- vi. As the project will have temporary land impact on the small fraction on the lands, the compensation will be given in cash at the replacement cost.
- vii. DPs will be provided full assistance for transportation of personal belongings, inventory and/or movable assets/structures if any.

Resettlement strategies

- viii. Preference will be given to land-based resettlement strategies for PAPs whose livelihoods are land-based. These strategies may include resettlement on public land or on private land acquired or purchased for resettlement. Whenever replacement land is offered, resettlers are provided with land for which a combination of productive potential, location advantages and other factors is at least equivalent to the advantages of the land taken.
- ix. If land is not the preferred option of the PAPs, or the provision of land would adversely affect the sustainability of a park or protected area, or sufficient land is not available at a reasonable price³, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost.

Cash compensation

- x. Payment of cash compensation for lost assets may be appropriate where (a) livelihoods are land-based but the land taken for the project is a small fraction⁴ of the affected asset and the residual is economically viable; (b) active markets for land, housing, and labor exist, PAPs use such markets, and there is sufficient supply of land and housing; or (c) livelihoods are not land-based. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets, calculated as of the cut-off date.
- xi. Compensation in cash for all residential, commercial or other structures will be paid at replacement cost of these structures, without any depreciation of the structure and without deduction for salvageable materials;

Consultation and Planning

- xii. Resettlement plans will be developed and implemented in consultation with the PAPs. In the relocation area, community infrastructure and services will be built and improved, so that the PAPs will have access to these services.
- xiii. Effective and timely design, planning and implementation of resettlement and rehabilitation measures will be conducted to avoid unnecessary delays and consequent inconveniences to the PAPs.

Relocation

- xiv. PAPs will be provided full assistance for transportation of personal belongings, household inventory and salvaged material, and will be given a relocation allowance in addition to the compensation at replacement cost of their houses, lands and other properties.
- xv. In cases where community infrastructure such as schools, factories, water sources, roads, sewage systems, electrical supply, or other community resources such as a woodlot or pasture is lost, this will be replaced at no cost to the community.

³ The lack of adequate land shall be demonstrated and documented to the satisfaction of the WB.

⁴ As a general principle, this applies if the land taken constitutes less than 20% of the total productive area; see also WB OP 4.12, point 12, footnote 17.

Timing

- xvi. Resettlement, compensation and rehabilitation Programs for PAPs will be timed so as to guarantee the availability of new land and residences, prior to commencement of project or sub component related construction activities;
- xvii. Land clearance will not be started before the PAPs have received compensation and rehabilitation assistance.

Monitoring

- xviii. Institutional arrangements will be made for internal monitoring of resettlement activities. If deemed necessary in RAP an external monitoring entity will be involved to ensure independent monitoring of RAP preparation and implementation activities.⁵

4.3. Valuing Affected Assets

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

4.3.1. Valuation of Land and Structures

- 79. With regard to land, the replacement value is defined as follows:
 - i. For agricultural land, it is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes done based on the comparative method as per the RA Valuation Standard (details are provided in the ANNEX 7);
 - ii. For land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes done based on the comparative method as per the RA Valuation Standard (details are provided in the ANNEX 7);
- 80. Structures will be valued at replacement cost based on construction type, materials cost, labor, transport/other construction costs. No deduction for depreciation, transaction costs will be applied. If PAP does not wish to relocate, partial impacts may be paid only for the affected portion of the building or repairs.
- 81. In determining the replacement cost to be compensated to the PAP, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. Where domestic law does not meet the standard of compensation at full replacement cost, WB policies, guidelines and technical specifications for compensation at replacement cost will be applied. Compensation for land, structures, business, fixed improvements and other temporary assets will be based on market valuation, productivity valuation, negotiated settlements, material and labor valuation, disposition of salvage materials and other fees paid. It should be noted that lack of title, license or permit is not a bar to compensation.

⁵ For further details see section 5. 3 below

Rehabilitation cost

82. In addition to compensation for lost assets, PAPs will be entitled to transitional assistance which includes moving expenses, temporary residence (if necessary), employment training and income support while awaiting employment. PAPs should have an option for full compensation as regulated by RoA legislation, and WB procedures, which were described in detail in previous paragraphs, if the duration of impact is to exceed two years. These losses will be estimated for each individual case and may vary from (temporary or permanent) loss of business opportunities to loss of crops, orchards, trees, and other items.
83. In relation to losses that cannot easily be valued or compensated for in monetary terms (e.g., access to public services, customers, and suppliers; or to fishing, grazing, or forest areas), attempts will be made to establish access to equivalent and culturally acceptable resources and earning opportunities.

4.3.2 Valuation of Crops

84. Standing annual crops will be valued at net annual market value for the one year crop.

4.3.3. Valuation of Trees

85. Trees will be valued according to different methodologies depending on whether the tree lost is a wood tree or a productive tree.
- i. Wood trees will be valued based on the category (a. seedling; b. medium growth and c. full growth) and wood value and volume;
 - ii. Decorative trees will be valued based on market value of the tree;
 - iii. Fruit/productive trees will be valued based on the category (a. seedling; b. adult-not yet fruit bearing; and c. fruit bearing). Stage (a) and (b) trees are compensated based on the value of the investment made; stage (c) trees are compensated at net market value of 1 year income x number of years needed to grow a new fully productive tree.
86. In relation to losses that cannot easily be valued or compensated for in monetary terms (e.g., access to public services, customers, and suppliers; or to fishing, grazing, or forest areas), attempts will be made to establish access to equivalent and culturally acceptable resources and earning opportunities.

5 IMPLEMENTATION ARRANGEMENTS

5.1. Resettlement Requirements and Screening Process during Design Stage

87. Resettlement related planning process should start with planning of preliminary infrastructure alignment at the design stage. PLMDPs (Grant Programs) which prescribe acquisition of private properties and/or cause significant resettlement impacts are ineligible for the Project financing and thus must be excluded from the project. The avoidance of the permanent land loss/resettlement impact and minimization of temporary land loss is the main precondition of the construction design of infrastructures, access roads, stock watering points, VSC etc. in the frameworks of the Project. Prior to each design, DC will examine the cadastral maps as well as community maps for each community to identify the location of private and/or used lands as well as community lands. LAs should provide the verified data on the type of ownership of the lands and structures potentially to be affected by the Project. Verification of the cadastral and community maps should be done also in the field based on the observations and measurement where applicable. After the exercise, impact on the legally/illegally used lands/structures will be avoided/ minimized. The activity should be implemented in close cooperation with Local Authorities of the community.
88. In order to identify possible permanent and/or temporary land loss under each component/subcomponent, process of Due Diligence/preliminary investigations should be initiated within the framework of the project, including the following steps:

- i. Potential impacts will be identified and followed up by the APIU with assistance of DC and, when necessary, through visits to those sites where impacts are expected. The DC should provide APIU with an initial and documented description of the existing baseline situation, in particular related, but not limited, to resettlement, land required for the component/ sub component (either permanent or temporary), as well as identification and mapping of landownership and affected assets if any in the affected area;
- ii. APIU will organise site visits as needed. The last will include (i) initial discussions with local authorities; (ii) verification of information provided by the DC; and (iii) if required obtaining additional information on the scale and magnitude of the potential impacts;
- iii. Each Component thus confirmed to include potential resettlement or resettlement effects should be subsequently scheduled for an intensive sensitization and consultation process to involve the potentially impacted communities; The consultation process should be properly documented by the DC and the outcome presented to the APIU for further processing and eventual approval to proceed (or otherwise) with the specific design;
- iv. If approval to go ahead is obtained and a cut-off date for eligibility declared, PAPs and the local authorities are informed about the impending compensation and resettlement;
- v. Subsequently, a PAPs census survey as well as inventory of losses should be undertaken and combined to limit the inconvenience for the PAPs and speed up the process of RAP preparation. If required, a baseline survey should be simultaneously undertaken⁶.
- vi. Once the results of the survey are available, a decision is made whether a RAP (abbreviated or full, as applicable) for that component needs to be drafted by APIU, or if Due Diligence is sufficient.
- vii. If RAP(s) is(are) required, the outlines shown in Annex 5 will be used. Sufficient detail should be provided and the RAPs should be in conformity with (the principles of) this RPF.

5.2. Types of Resettlement Action Plans

89. According to WB OP 4.12, all projects that entail resettlement require a RAP. The scope and level of detail of the resettlement plan vary with the magnitude and complexity of resettlement based on the Project Category (OP 4.12, Annex A, para2).
- i. A full RAP is required whenever land acquisition in a project affects more than 200 people, takes more than 10 percent of any holding, and/or involves physical relocation of population.
 - ii. An abbreviated RAP is acceptable if fewer than 200 people are displaced.
90. Even if more than 200 people are affected, if all land acquisition is minor (10 percent or less of all holdings is taken) or/and no physical relocation is involved, an abbreviated RAP is acceptable. If fewer than 200 people are displaced but some physical relocation is involved, the abbreviated RAP is expanded to include a rehabilitation program. An overview is provided in Table 1.

Table 1: Subcomponent Categorization and Resettlement Planning Requirements

Project Category	No. of Affected People	Resettlement Impact	Planning Requirement
A	200 or more PAPs experience major impacts: -Physical displacement and/or -Loss of 10 % or more of their productive assets	Significant	Full RAP
B	Less than 200 people experience major impacts	Minor	Abbreviated RAP
C	No loss of assets and incomes or displacement	None	No RAP

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

91. The specific RAPs under this RPF will include baseline census and socio-economic survey information; specific compensation rates and standards; policy entitlements related to any additional impacts identified through the census or survey; description of resettlement sites; programs for improvement or restoration of livelihoods and standards of living; implementation schedule for resettlement activities; and detailed cost estimates. While carrying out these tasks, specific attention will be paid to the needs of vulnerable groups among those displaced, especially those below the poverty line, the disabled, the elderly, women and children or other displaced persons who may not be protected through national land/property compensation legislation.
92. After approval has been obtained, compensation, resettlement and rehabilitation activities will be initiated, and will be completed before awarding contracts of civil works under each component / sub-component of CARMAC II.
93. RA legislation requires the same level of protection for all groups of the society, including those mentioned as vulnerable groups. This principle is reflected in the RA Constitution. In particular, Article 14.1 of the Constitution states: All the people shall be equal before the law. Discrimination based on sex, race, ethnicity, political or other views, belonging to ethnic minorities, property status, birth, disability, age or other personal or social circumstances is prohibited.
94. Article 6 of the Constitution states that the Constitution has superior legal force and its norms shall be applied directly. All the laws and other legal acts shall be in conformity with the Constitution.

5.3. Process of the Resettlement Action Plans Preparation and Approval

95. This RPF guides the preparation of Resettlement Action Plans (RAP). Component / sub-component specific RAPs, as needed, will be developed by the APIU with the help of relevant social experts, civil engineers, valuation consultants etc, and presented to MoA for review and official endorsement. The APIU will as needed revise and submit the final version of the RAPs to the WB for approval. After approval has been obtained, compensation, resettlement and rehabilitation activities will be initiated, and will be completed before awarding contracts of civil works under relevant components/ sub-components of the Project
96. RAP preparation will commence immediately after the draft design is ready and approved by APIU and the relevant GoA authorities have publicly announced the cut-off date for the PAP identification purposes. Main activities to be undertaken include, but may not be limited to, the following:
 - i. Establishment of Cut-off date
 - ii. Census and measurement survey as well as inventory of losses of PAPs;
 - iii. Consultations with PAPs as well as public consultation in the affected community
 - iv. Establishment of Grievance Redress mechanism in the affected community
 - v. Development of compensation matrix;
 - vi. Valuation of lost land and assets;
 - vii. Documenting the implementation arrangements for resettlement, including asset acquisition, compensation, relocation and rehabilitation
 - viii. Preparation of indicative budget and schedule for implementation.
 - ix. Endorsement of the RAPs by APIU, RA MoA and WB

5.4. RAP Information Requirements

5.4.1 Census and Inventory of Project Affected Persons

97. A census of families and persons adversely affected by Project activities will be conducted by the Project. The census will include a complete inventory of all losses to be incurred by each PAP.. This information will include as a minimum: (a) number of persons, main occupation and level of income; (b) number, type, and dimension of the houses; (c) number, quality, and area of all the residential plots; (d) number, category, type, and area of agricultural land held and to be lost by each PAP; (e) tenure status of agricultural land and

amount of rent paid by tenant/lessee, where applicable; (f) quantity, category, and dimension of all rent of other fixed assets adversely affected; (g) productive assets lost as a percentage of total productive assets; (h) temporary damage to productive assets; (i) quantity, category, and quality of non-agricultural livelihood adversely affected; (j) quantity, type, and quality of community resources to be acquired.

5.4.2. Identification of Losses

98. Assets inventory will include: (a) description of the land plot to be affected (type, size, other applicable description); (b) data on the crops to be affected per type and quantity; (c) data on the trees to be affected per type and quantity; (e) data on the structures to be affected or to be relocated.
99. If the project will involve physical relocation of PAPs, or provision of replacement land, data will be collected on the location, area, type, and category of the replacement land available for residential and/or agricultural purposes. Care will be taken to ensure that the relocation site or replacement land is in the vicinity of the PAPs' previous location to avoid social dislocation and unrealistic division of the PAPs' economic livelihood.

5.4.3. Baseline Survey

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

5.5. Resettlement Action Plan Implementation Process

101. APIU will establish/ appoint an entity to act as the RAP Implementation Unit (RAPIU) and to implement approved RAP(s) for the Project. RAPIU will work under the supervision of the APIU and WB. All activities indicated in the RAP shall be covered from loan funds, and be completed prior to commencing related construction activities. In case of the small scale of the impact, APIU can decide to delegate these functions to one of the APIU units. In that case, as needed APIU capacity will be strengthened with the short-term services of some specialists (for example licensed measurement specialist) as needed. Major responsibilities and activities of the RAPIU include, but may not be limited to, the following:
 - i. Closely consult with PAPs and Local Authorities. Provide the public with necessary information, and ensure transparent and timely awareness-raising and communications around resettlement issues with all affected communities (not only PAPs);
 - ii. Verify the RAP census and asset inventory data;
 - iii. Undertake cadastral and topographic surveys and ensure correction of data of measuring and inventory if required by possible design changes;
 - iv. Prepare contracts and/or agreements to be signed by PAPs. Negotiate and agree them with PAPs;
 - v. Prepare documentation for registration of new land plots or cadastral registration of servitude writes for the land as needed;
 - vi. Deliver compensation. Cash compensations will be paid by bank transfer. If PAP will not have bank account, the last will be opened for him/ her by the Project free of charge.
 - vii. Observe grievance procedures;
 - viii. Court processing of cases where no agreement is reached;
 - ix. Construction of infrastructure (in case the resettlement is necessary) and arrangement of relocation of PAPs;
 - x. Prepare RAP Completion Report.

102. It should be emphasized that satisfactory completion of the RAP is a condition for physical construction works on the component to start.
103. The following steps will be followed in case of temporary land impact will be identified for contract negotiation and signing.
- i. Information-sharing with possible PAPs to ensure they understand their rights to decline the participation in the process as well as compensation for the affected crops/trees;
 - ii. Undertaking of Land Use Agreement between the concerned PAPs, APIU and Local Authorities of the respective community;
 - iii. Compensation Agreement, if any;
 - iv. Payment of the compensation for the affected crops/trees and other losses if any;
 - v. Registration of the use write (Servitude) in the Cadaster if needed.

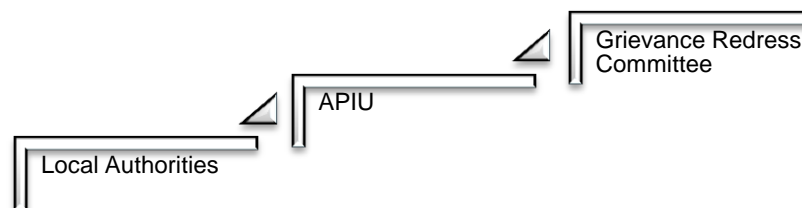
6. COMPLAINTS AND GRIEVANCES

104. In order to receive and facilitate the resolution of PAPs and beneficiary community members' concerns, complaints, and grievances concerning the project performance a grievance redress mechanism will be established to be used for addressing any complaints that arise during the design, RAP preparation and construction phases.
105. The grievance redress mechanism will address affected people's concerns and complaints proactively and promptly, using an understandable, communicated, and transparent process that is gender responsive, culturally appropriate, and accessible to all segments of the PAPs and beneficiary community at no costs. The mechanism will not impede access to the Country's judicial or administrative remedies.

Local Authorities

106. APIU in order to provide a direct channel to the affected PAPs and community members for approaching APIU and have their grievance recorded and redressed in an appropriate time frame will establish a first step of grievance redress mechanism in cooperation with Local Authorities. Prior to RAP preparation as well as Construction works, APIU will inform the beneficiary community about the grievance redress mechanism and provide contact details of persons responsible for grievance collection and response in the community.

Figure 2. Grievance Redress Mechanism



Grievance Redress Committee: Tasks and composition

107. A Grievance Redress Committee (GRC) at Project level will be established to address complaints and grievances pertaining to resettlement and to pre-empt all disagreements being referred to the court. GRC will include APIU, RA MoA staff, and representatives of the relevant state authorities and/or Marzpetaran in the project area, and/or representatives of local NGOs and communities affected by the particular component of the CARMACII. A GRC will be convened by the APIU on a case by case basis, to address complaints and grievances pertaining to resettlement.

108. Within one week after establishment, the GRC will submit to APIU the procedure and mechanisms of work. The procedure will explicitly define mechanisms and rules of sending complaints and addressing them, including grievance reporting mechanisms, as well as addresses and names of responsible officials at central and local levels. This procedure must ensure maximum access, transparency, disclosure and participation and will be aimed at maximum protection of interests of affected population. In order to achieve these goals, the Committee must use mass media facilities, websites, hot-lines and IT systems of the APIU/RA MoA and other stakeholders, capacities municipalities and local governments, in active cooperation with NGOs. After approval of the procedure, it must be published in mass media outlets and be available on the APIU/RA MoA website throughout effective period of the program.

Procedure

109. APIU will make every effort to achieve an amicable settlement of all identified resettlement issues under the RAP at the community and then Project level. If this attempt fails, the PAP may at his/her discretion, deposit a complaint either with the court or GRC. The proposed redress procedure and mechanisms will be presented to and discussed with the PAPs at the early stages of the RAP preparation process. In order to effectively collect all grievances from the potential PAPs, a specific site(s) may be designated for timely depositing and collection of all complaints. The PAPs can deposit complains orally (these shall be properly documented at the moment of depositing complain at the designated site) or in writing. The response will be provided within a period of two weeks after receiving the complaint. If the case is not resolved at the level of the Local Authorities, then APIU and then GRC, it may be submitted by either party to the Court. Any fees required for this purpose will be paid by Project after verifying that the PAP is a recipient of allowances under the Family Assistance Program of the GoA⁷. All other PAPs will be responsible for their own costs.

Expropriation Proceedings

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

Court

111. The Court of Armenia shall be the last resort for issues and concerns regarding the implementation of the RAP. In case of failure in the negotiation between the APIU and the PAP concerning the acquisition of private properties, the GoA with the mandate for expropriation based on existing legislations will submit to the Court a request for expropriation. Upon its approval and following prescribed procedures, the GoA will take over the concerned property after having been given the right of Expropriator by the Court.
112. In cases where complaints and grievances regarding the RAP implementation and compensation are not amicably settled and mediation by the Grievance Redress Committee remains also unsuccessful, the PAP will also have the right to appeal the case to the Court as a last resort. The Courts' decision shall be final and be executed.
113. As per the Law on Alienation of property for social/public and state needs (Article 13) the acquirer shall be obliged to resort to the Court if the alienation agreement is not signed voluntarily by the owner and/or persons enjoying property rights over the property subject to alienation, whereas only the issues connected to the amount of compensation can be discussed in the court. Hence, PAPs cannot argue the amount of compensation in the courts on their own initiative. If they do not agree with the amount suggested, they do not sign the alienation agreement, in which case the acquirer should go to court, if he still wants the property to be alienated.

⁷ Based on a number of (wealth and income) indicators, this Program assists to varying degrees families that are not in a position to fully or partially cater for their daily necessities.

7. PUBLIC PARTICIPATION

114. According to WB OP4.12. PAPs must be fully consulted and provided with opportunities to participate in all stages of the planning and implementation of the RAP. Under the same principles, the PAPs have to be informed in an appropriate and timely manner of the outcomes of the planning process, as well as the schedules and procedures for the implementation of the RAP. A public information and consultation campaign must be carried out by the APIU during all stages of the RAP implementation process. The affected parties will be provided with an opportunity of presenting their ideas and suggestions as inputs into the planning and implementation of the resettlement activities. Different interested NGOs will be actively involved by the APIU in all the process of Public Consultations.
- i. APIU will consult with PAPs and invite them to participate in public consultations at the initial stage of the process, as well as in public consultations during preparation and implementation of RAP as described in previous sections.
 - ii. The RAPs will be available in the LAs office with reliable information on the project, its impacts and the proposed mitigation strategies and economic rehabilitation activities.
 - iii. Public Information Leaflets with cut-off date, eligibility criteria and entitlements, modalities of compensation, complaints and grievance redress procedures will be provided to each affected household. This information will be made easily accessible to the public at no cost to the PAPs, and the location of disclosure will also be announced during Public Consultations.
115. All consultation discussions will be documented and kept by the APIU.
116. After completion of each RAP, a brief survey will be undertaken by the RAPIU among PAPs to assess their satisfaction with the process and results of the RAP. Lessons learned from these surveys will be incorporated in subsequent RAP(s).

8. SUPERVISION AND MONITORING

117. Institutional arrangements will be made for internal monitoring of resettlement activities. If deemed necessary in the RAP, an external monitoring entity will be involved to ensure independent monitoring of RAP preparation and implementation activities.
118. Resettlement activities in all components will be regularly supervised and monitored by personnel of APIU. Reporting on internal monitoring will be carried out by the APIU and included in Project Progress Reports. At the end of each RAP completion, a RAP Completion Report will be submitted to WB. Internal monitoring and supervision will:
- i. verify that the census of all PAPs has been carried out;
 - ii. that the RAP and baseline survey (as appropriate) has been prepared where it is required;
 - iii. that property valuation and resettlement has been carried out in accordance with the provisions of this RPF and the respective RAP;
 - iv. oversee that all resettlement measures are implemented as approved;
 - v. ensure that funds for implementing resettlement activities are provided in a timely manner, are sufficient for their purposes, and are spent in accordance with the provisions of this RPF and the respective RAP.
119. If deemed necessary in the RAP an external monitoring entity will be engaged to carry out independent monitoring of resettlement activities. In addition to verifying the reports generated by internal monitoring, external monitoring will:
- i. evaluate the social and economic impact of resettlement on the PAPs;
 - ii. verify if the objective of enhancement or at least restoration of income levels and standards of living of the PAPs has been met; and

- iii. as needed, provide suggestions for improvement of resettlement implementation to ensure achievement of the principles and objectives set forth in this RPF and respective RAP(s).

9. COSTS AND BUDGETS

120. APIU will submit to RA MoA and WB detailed cost of resettlement based on the finalized RAPs, and including a breakdown by agricultural land, residential land, houses, other assets, and livelihood to be affected. The cost estimates will make adequate provision for monitoring and supervision as well as for contingencies. All costs for resettlement will be funded through loan funds. The Project cannot be considered completed until all the objectives of the RAPs have been achieved.

ANNEX 1: PROVISIONAL ENTITLEMENT AND COMPENSATION MATRIX

Type of loss	Specification	Affected people ⁸	Entitlements
1. Permanent loss of agricultural land, including cultivable land and uncultivable wasteland (such as pastures, woodlots, etc)	All land losses, irrespective of severity of impact	Land owner	<ul style="list-style-type: none"> * Land for land compensation with plots of equal value and productivity to the plots lost; or; * Cash compensation for affected land at replacement cost free of taxes, registration, and transfer plus 15%. * Residual portions of plots affected by the required ROW which are reduced to less than 400m2 or rendered unusable by alterations in access, irrigation, or workability will be included in the affected land and compensated as indicated above. In Accordance with RA law in case PAPs request the project to acquire his/her entire land plot and not only its affected part within 60 days after the Eminent Domain Decree enters into force, then the residual portion of the land will be included in the affected land and compensated.
		Registered leaseholder	<ul style="list-style-type: none"> * Renewal of lease in other plots of equal value/productivity of plots lost, or cash equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 10 years). * If it is unused land, then maximum of three months allowance to find replacement
		Share-croppers (registered or not)	<ul style="list-style-type: none"> * Cash compensation equal to the market value of the lost harvest share and rehabilitation assistance as appropriate (to be determined in the specific RAP)
		Agricultural workers losing their contract	<ul style="list-style-type: none"> * Cash indemnity corresponding to their salary in cash and kind for the remaining part of the agricultural year and rehabilitation assistance as appropriate (to be determined in the specific RAP)
		Non-registered land users	<ul style="list-style-type: none"> * One rehabilitation allowance equal to market value of one net harvest (in addition to crop compensation) for land use loss; additional rehabilitation assistance as appropriate (to be determined in the specific RAP)
	Additional provisions for severe impacts (> 10% of land loss)	Landowner and Registered leaseholder	<ul style="list-style-type: none"> * One severe impact allowance equal to market value of one net harvest of the affected land for one year (inclusive of winter and summer crop and additional to standard crop compensation and rehabilitation assistance, as appropriate)
		Share-croppers (registered or not)	<ul style="list-style-type: none"> * One severe impact allowance equal to market value of share of harvest lost (additional to standard crop compensation and rehabilitation assistance, as appropriate)

⁸ Identified at cut-off date

Type of loss	Specification	Affected people ⁸	Entitlements
		Non-registered land users	* One severe impact allowance equal to market value of net harvest of the affected land for one year (additional to standard crop compensation and rehabilitation assistance, as appropriate)
2. Temporary loss of land		Land owners and registered leaseholders	<ul style="list-style-type: none"> * Affected land & communal infrastructure will be restored to pre-project conditions. * Rent shall be agreed between landowner/leaseholder and Contractor equal to the revenue lost based on market value (example: compensation for harvests lost at average yield/hectare) * Cash compensation for assets lost (example: structures, trees, crops)
		Non-registered land users	<ul style="list-style-type: none"> * Affected land & communal infrastructure will be restored to pre-project conditions. * Cash compensation for assets lost (example: structures, trees, crops)
3. Non-agricultural land		Land owner	<ul style="list-style-type: none"> * Land for land compensation through provision of a plot comparable in value/location to plot lost; or: * Cash compensation for the affected land at full replacement cost free of taxes, registration, and transfer costs plus 15% * In Accordance with RA law in case PAPs request the project to acquire his/her entire land plot and not only its affected part within 60 days after the Eminent Domain Decree enters into force, then the residual portion of the land will be included in the affected land and compensated.
		Registered Leaseholder	* Maximum of three months allowance to find replacement
		Non-registered land users	* Provision of a self-relocation allowance; additional rehabilitation assistance as appropriate (to be determined in the specific RAP).
4. Houses, building and structures		Owners of the registered structures	* Cash compensation at replacement rates for affected structure and other fixed assets free of salvageable materials, depreciation and transaction costs plus 15%. In case of partial impacts full cash assistance to restore remaining structure. The cost of lost water and electricity connections will be included in the compensation.
		Users of the non-registered structures	* Cash compensation at replacement rates for affected structure and other fixed assets free of salvageable materials, depreciation and transaction costs. In case of partial impacts full cash assistance to restore remaining structure. The cost of lost water and electricity connections will be included in the compensation.

Type of loss	Specification	Affected people ⁸	Entitlements
5. Crops	Standing crops affected/lost	All PAPs regardless of legal status	* Crop compensation in cash at full market rate for one year gross harvest by default to be paid both to landowners and tenants based on their specific sharecropping agreements; additional rehabilitation assistance as appropriate (to be determined in the specific RAP)
6. Trees	Trees affected/lost	All PAPs regardless of legal status	Cash compensation at replacement cost based on type of the tree. Particularly, <ul style="list-style-type: none"> -<i>Wood trees</i> will be valued based on the category (a. seedling; b. medium growth and c. full growth) and wood value and volume; -<i>Decorative trees</i> will be valued based on market value of the tree; -<i>Fruit/ productive trees</i> will be valued based on the category (a. seedling; b. adult-not yet fruit bearing; and c. fruit bearing). Stage (a) and (b) trees are compensated based on the value of the investment made; stage (c) trees are compensated at net market value of 1 year income x number of years needed to grow a new fully productive tree.
7. Business/ Employment	Temporary loss of business or employment	All PAPs regardless of legal status	* Business owner: Cash compensation for the period of business interruption, based on tax declaration or official minimum salary (whichever is higher) * Worker/employee: Indemnity for lost wages for the full
	Permanent loss of business or employment	All PAPs regardless of legal status	* Business owner: Cash compensation equal to one year income (based on tax declaration or official minimum salary (whichever is higher) and rehabilitation assistance as appropriate (to be determined in the specific RAP) * Worker/employee: 3 months indemnity for lost wages and rehabilitation assistance as appropriate (to be determined in
8. Livelihoods	Loss of social support systems	All PAPs regardless of legal status	* Restoration of livelihoods must be to levels at least equivalent to those maintained at the time of dispossession, displacement, or restricted access. * If replacements to losses are unavailable, strategies can include skill development, wage employment or self-employment, including access to credit.
9. Relocation	Transport and transitional livelihood costs	All PAPs affected by Relocation	* Provision of cash compensation to cover transport expenses and livelihood expenses due to relocation; time period to be determined in the RAP
10. House tenants		Tenants who have leased a house	* Provision of a cash grant of three months' rent at the prevailing market rate in the area and will be assisted in identifying alternative accommodation
11. Community assets			* Rehabilitation/substitution of the affected structures/utilities (i.e. places of worship, footbridges, roads, schools, health centers, pastures, woodlots, etc.) to pre-project functions in consultation with the Communities

Type of loss	Specification	Affected people ⁸	Entitlements
12. Vulnerable people's livelihood		PAP below poverty line	<ul style="list-style-type: none"> * Priority for employment in project-related jobs, training opportunities, self-employment and wage-employment assistance; * Rehabilitation assistance package to be determined based on a cases by case analysis

ANNEX 2: CHECKLIST FOR CENSUS INFORMATION

Persons:

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

Property:

Personal property including details of ownership of

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

Public and common property:

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

DP incomes from other sources, including:

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

ANNEX 3: LIST OF DATA FOR CENSUS SURVEY

1. Background Information

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

2. Household Census

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

3. Tenure Status

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

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

ANNEX 4: LIST OF DATA FOR INVENTORY OF LOSSES

1. Land Use

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

2. Structures

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

3. Other Structures

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

4. Agricultural Products

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

5. Trees

- i. Number and types of affected trees
- ii. Age of trees
- iii. Name of owner of trees
- iv. Average yield of fruit bearing trees
- v. Average yearly income from fruit trees

6. Business

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

7. Affected Public Utilities and Facilities

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

8. Preference for Relocation

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

ANNEX 5: FORMATS FOR RAP AND ABBREVIATED RAP

Full RAP	Abbreviated RAP
<p>Includes a statement of objectives, policies and principles, and typically covers the following:</p> <ol style="list-style-type: none"> 1. Description of the project; 2. Project resettlement potential impacts; 3. Objectives; 4. Socio-economic studies, expected consequences; 5. Legal framework; 6. Eligibility; 7. Valuation of and compensation for losses; 8. Site selection, site preparation and relocation; 9. Housing, infrastructure and social services; 10. Organizational responsibilities; 11. Public participation, consultation and grievance mechanism; 12. Implementation schedule; 13. Cost estimate and budget; 14. Monitoring and Evaluation 	<p>Covers the following minimum elements⁹:</p> <ol style="list-style-type: none"> 1. A census survey of displaced persons and valuation of assets; 2. Description of compensation and other resettlement assistance to be provided; 3. Consultations with displaced people about acceptable alternatives; 4. Institutional responsibility for implementation and procedures for grievance redress; 5. Arrangements for monitoring and implementation; and 6. A timetable and budget.

⁹ In case some of the displaced persons lose more than 10% of their productive assets or require physical relocation, the plan also covers a socio-economic baseline survey and income restoration measures.

ANNEX 6: DATA FOR BASELINE SURVEY

Additional information would include the following:

1. Access to Facilities

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

2. Household Assets

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

3. Household Income and Expenditure

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

4. Skills Possessed

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

ANNEX 7: GUIDELINES FOR VALUATION AND COMPENSATION OF PROPERTY

Introduction

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

Process Regulating Documents

3. The methodology for compensation calculations and unit price calculations was developed in accordance with the following documents:
 - (i) World Bank OP 4.12
 - (ii) The “RA Law 20-189-N on Real Estate Assessment Activities” adopted on 04.10.2005
 - (iii) The RA National Standard on Real Estate Assessment in the Republic of Armenia
 - (iv) The RA Urban Development Minister’s “Decree N 09-N (dated 14.01.2008) on Approving the Construction of Buildings, Structures in the RA Territory and the Collection of the Increased Indicators of the Construction Work Type Cost.”

Valuation of the Land

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

Assessment of the Land Replacement Cost

5. Land valuation should be carried out at replacement cost based on market rates. Market rates will be assessed through the comparative method as defined by RA Valuation Standard. Based on this method a plot value is determined by taking into account the adjusted average sale price of at least three recently sold comparable plots with a similar location and use/features. If acceptable comparators in the same location of the valued plot are not available, one or more comparator plots are drawn from a different nearby/comparable location.
6. In order to reflect small differences between the characteristics / quality of the evaluated land and comparator lands, the average market sales of the comparator lands should be adjusted according to several comparison parameters and corresponding coefficients.

Assessment Procedure

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

Step 1

8. To analyze similar real estate markets and choose reliable information for the analysis, the Evaluator can use public sources (professional journals, websites, external advertisements), a personal database¹⁰ and information obtained from the "Center of Information technologies" SNCO at the SCREC. Based on the obtained information, the Evaluator uses the most compatible/relevant information (by its comparison elements).

Step 2

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

Step 3

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

Sales condition and market state

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

Actual usage

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

Location and position

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

Access to transport

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

Total surface area

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

Facade

¹⁰ In his/her office, the Evaluator kept a database, where both the prices of the property subject to sale and the sales data (that became known to the Evaluator, as a result of implemented transactions with the Evaluator's participation) are entered.

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

Availability of infrastructures

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

Slope

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

Step 4

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

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

Comparison elements	Assessed real estate	Similar real estate 1	Similar real estate 2	Similar real estate 3
Price for 1 square meter (AMD)		30,064	13,333	12,933
Bargaining (Sales condition)		Sale	Sale	Sale
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
Time (Market state)	02.2013	11.2012	02.2012	02.2012
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
Targeted purpose	Populated area.	Populated area.	Populated area.	Populated area.
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
Operational purpose	Other lands	Resid. struct.	Resid. struct.	Resid. struct.
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
Actual purpose	Orchard	Resid. struct.	Resid. struct.	Resid. struct.
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
Location	Good	Excellent	Satisfactory	Satisfactory
Adjustment coefficient		0.80	1.20	1.20
Adjustment by AMD		-6,013	2,667	2,587
Position	Excellent	Excellent	Good	Good
Adjustment coefficient		1.00	1.20	1.20
Adjustment by AMD		0	2,667	2,587
Access to transport.	Good	Good	Good	Good
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
Physical characteristics: including				
Total surface area (square meter)	400.0	266.10	300.0	300.0
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
Facade (meter)	9.65	14.50	12.0	12.0
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
Availability of infrastructures	Satisfactory	Good	Satisfactory	Satisfactory
Adjustment coefficient		0.85	1.00	1.00
Adjustment by AMD		-4,510	0	0
Slope	Flat	Flat	Flat	Flat
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
Improvements	None	None	None	None
Adjustment coefficient		1.00	1.00	1.00
Adjustment by AMD		0	0	0
General adjustment (AMD)		-10,522	5,333	5,173
Price for 1 adjusted square meter (AMD)		19,542	18,666	18,106
Weight coefficient		0.33	0.34	0.33
A unit price for the assessed real estate	18,770			

Step 5

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

Step 6

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

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

where:

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

P_{SA} – is the surface area of the plot,

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

BUILDING/STRUCTURE VALUATION METHODOLOGY

21. The valuation of building/structures should be carried out at replacement cost. Replacement cost is understood as the total cost to reconstruct a building/structure comparable in area, materials and features to the building/structure to be replaced, free of deductions for transaction costs and amortization. The calculation of the replacement cost was based on the following factors:
- (i) current market value of materials
 - (ii) current cost of transportation of materials
 - (iii) current labor costs, and
 - (iv) cost of specific structural/esthetic features of the affected building.
22. Calculations should be made in compliance with official measurement indicators and adjustment coefficients established for the whole RA territory and civil works valuation parameters defined under the official Aggregative Indicators for Civil Works (AICW).
23. The replacement costs of buildings and structures will be determined on the basis of
- (i) data presented in relevant specialized normative bulletins and other reliable sources
 - (ii) data on costs mentioned in construction contracts for similar structures in market conditions.
24. For the assessment of real estate, the replacement costs of structures will be calculated as the sum of direct and indirect expenses and business (constructor's) profit. The required expenses, for constructing 1 square meter of real estate with similar use and purpose, will be defined by the following formula:
- $$S_E = D_E + I_E + BP \quad \text{where:}$$
- S_E – required expenses for construction of 1 square meter of real estate with similar use and purpose
 D_E – sum of direct expenses,
 I_E – sum of indirect expenses, and
 BP – business (constructor's) profit.
25. Direct expenses included the following expenses directly associated with construction:
- (i) expenses for purchasing materials, products, engineering networks and systems, and constructors' salaries

- (ii) expenses for operation of construction vehicles and machinery
 - (iii) expenses related to temporarily constructed structures, safety measures, other expenses considered the norm in the transport and local market
 - (iv) expenses related to financing the construction, and
 - (v) contractor's overhead expenses and profit.
26. Indirect expenses will be defined based on market tariffs for works and services. The following expenses arising from the construction of structures will be considered indirect expenses and will be included in the cost of construction:
- (i) design, estimate preparation, technical and other control expenses
 - (ii) payments for consulting, legal, accounting and audit services
 - (iii) expenses related to advertising, marketing and object sale
 - (iv) entrepreneur's administrative and other expenses.
27. The amount of business profit will be determined on the basis of market analysis. According to the RPF depreciation deductions will not be applied. Structure replacement expenses will be determined using the following formula:

$$R_E = B_S \times S_E$$

where:

R_E - Structure reproduction (or replacement) expenses

B_S –floor surface area of assessed buildings and structures

S_E - expenses required for the construction of 1 square meter of real estate with similar use and purpose.

28. An example of calculation of structure replacement costs is given in the following table:

Table 2. Sample calculation of replacement cost of a residential building

#	Type of building/structure	Residential house
	Measurement unit	Cubic meter
1	1 unit expenses (presented in INCC 2009) directly related to implementation of works (absolute value), INCC 2009, volume I, section I, line 29	30,420
2	Height between the interfloor ceilings of the assessed real estate (m) (Reference: Ownership certificate and/or topography or measurement results)	2.4
3	1 unit expenses (presented in INCC 2009) directly related to implementation of works: salary, cost of materials, operation cost of vehicles and machinery, social contributions, management apparatus maintenance (overhead) expenses, profit of contractor organizations (absolute value), Reference: Standard point 6.5, subpoints a., b., c. and e.; section 6 to section 8 of the Urban Development Minister's Decree N 05-Ū, dated 14.01.2008	73,008
4	Exchange rate change coefficient (Ā/305,0) (absolute value), Reference: INCC 2009, general provisions, point 5	1.334
5	Reproduction expenses (3x4) (absolute value),	97,424
6	Difference between the construction material (used during the assessed real estate construction) and work prices considered in the expenses (presented in INCC 2009) directly related to implementation of works: depending on the quality and/or completion degree (%). Reference: private analysis, format: electronic version, Excel, "tarberutyun", sheet 1	0
7	Reproduction expenses (5+/-6) (absolute value)	97,424

8	Real expenses of buildings and structures that are of temporary, household purpose (moveable or constructible), warehouses, temporary engineering networks (electricity, water, connecting roads and platforms, etc.) * (%)	1.83
9	Line 8 with absolute value (7*8)	1,783
Reference: Table of section 3 of the "Decree N 69 (dated 21.08.2001) on Approving Estimate Norms of Temporary Buildings and Structures Built for Construction," RA Ministry of Urban Development, arithmetical average of points a. and b. of line 24, line 34		
10	Additional expenses related to climatic conditions impact on construction works * (%)	1.2
11	Line 10 with absolute value (7x10)	1,169
Reference: Table of the "Decree N 68 (dated 21.08.2001) on Approving Estimate Norms Taking Into Account the Climatic Conditions Impact on Construction Works," RA Ministry of Urban Development, arithmetical average of points a. and b. of line 24, line 34, then columns 1, 2, 3 of the mentioned lines		
12	Work implementation expenses in cramped conditions (%)	0
13	Line 12 with absolute value (7x12)	0
Reference: EPEP-85 collection		
14	Expenses necessary for mandatory examination of design/ estimate documents of objects ** (%)	7.94
15	Line 14 with absolute value (25x14)	246
Reference: Decree N 41-Ü dated 16.06.2008, section 14, arithmetical average of lines 1-9 of table 4		

16	Additional expenses envisaged for construction and mounting works of small volume * (%)	1.5
17	Line 16 with absolute value (7x16)	1,461
Reference: Decree N 41-Ü dated 16.06.2008, section 15, arithmetical average of lines 1-3 of table 5		
18	Expenses related to activities for transferring waste (not current) formed after construction and mounting works * (%)	0.15
19	Line 18 with absolute value (7x18)	146
Reference: Decree N 41-Ü dated 16.06.2008, section 16, table 6		
20	Object technical control service expenses * (%)	1.41
21	Line 20 with absolute value (7x20)	1,374
Reference: Decree N 41-Ü dated 16.06.2008, section 17, arithmetical average of lines 1-7 of table 7		
22	Object author's control service expenses * (%)	0.5
23	Line 22 with absolute value (7x22)	487
Reference: Decree N 41-Ü dated 16.06.2008, section 18, arithmetical average of table 8, lines 1 and 2		
24	Expenses required for preparation of design-estimate documents * (%)	3.18
25	Line 24 with absolute value (7x24)	3,098
RA Urban Development Minister's "Decree N 19-Ü (dated 15.02.2008) on Approving the Procedure of Calculating the Preparation Work Cost of Urban Documents (project and architectural)," arithmetical average of lines 1-13, then columns 1-5 of table 8 of the annex (to (hereinafter) the Urb. Dev. Minister's "Decree N 19-Ü dated 15.02.2008)		
26	Expenses related to payments for consulting, legal, accounting and audit services	0
Reference: Standard, subpoint b. of point 1 of section 7.7.4		
27	Expenses related to construction funding	0
Reference: Standard, subpoint c. of point 1 of section 7.7.4		
28	Expenses related to advertising, marketing and object sale	0
Reference: Standard, subpoint d. of point 1 of section 7.7.4		
29	Entrepreneur's administrative and other expenses	0
Reference: Standard, subpoint e. of point 1 of section 7.7.4		
30	Non-envisaged expenses * (%)	3.5
31	Line 30 with absolute value (7x30)	3,410
Reference: Decree N 41-Ü dated 16.06.2008, table 1, arithmetical average of points c., d., e., f. of section 1 and a., b., c., and d. of section 2		

32	Equipment cost (ventilation, heating, etc.) (absolute value)			10,000
Reference: INCC 2009, general provisions, point 3, subpoint 1.1				
33	Taxes: VAT * (%)			20
34	Line 33 with absolute value 33 (7x33)			19,485
Reference: INCC 2009, general provisions, point 3, subpoint 1.1, Decree N 41-Ü dated 16.06.2008, section 12, RA Law on Value Added Tax, Clause 2 of Article 6, Article 9				
35	Business profit (%)			0
36	Line 35 with absolute value (7+9+11+13+15+17+19+21+23+25+26+27+28+29+31+32+34) x35			0
Reference: Standard, point 3 of section 7.7.4, Analysis				
37	Reproduction (or replacement) expenses (7+9+11+13+15+17+19+21+23+25+26+27+28+29+31+32+34+36)			140,083

ANNEX 8: DOCUMENTS CONSULTED

1. MCA-Armenia SNCO, Resettlement Policy Framework (2009);
2. Armenia Social Protection Administration Second Project (2014-2018), Resettlement Policy Framework (2014);
3. Transmission Line Reconstruction Project Hrazdan to Shinuhair Corridor, Resettlement Policy Framework (2011);
4. Lifeline Network Improvement Project, Resettlement Policy Framework (2012);
5. Irrigation System Enhancement Project, Resettlement Policy Framework (2013);
6. Republic of Armenia: Constitution (1995, amended in 2005);
7. Republic of Armenia: the Civil Code (1998);
8. Republic of Armenia: Land Code (2001);
9. Republic of Armenia: Law on Property alienation for social/public and state needs (2006);
10. Republic of Armenia: Code of Civil Procedure (1998);
11. Republic of Armenia: Code of Administrative Procedure (2007);
12. Republic of Armenia: Law on Real Estate Valuation Activity (2005);
13. The “RA Law ԶՕ-189-Ն on Real Estate Assessment Activities” (2005)
14. The RA National Standard on Real Estate Assessment in the Republic of Armenia
15. World Bank: Operational Policy on Involuntary Resettlement (WB OP 4.12) (January 2002);
16. World Bank: Operational Policy on Involuntary Resettlement - Annex A to OP 4.12 (January 2002);
17. World Bank: Bank Procedure (BP) 4.12 (January 2002);
18. World Bank: Involuntary Resettlement Sourcebook and Appendices (2004).

ANNEX 9: CONTRACTOR FORMS FOR TREE AND STRUCTURE REMOVAL

It was agreed that construction contractors would cover the cost of removal any trees (compensated in cash) and the temporary removal of structures (mainly bridges to be rebuilt following works). This compensation and rehabilitation would proceed on the no-objection of the APIU and the WB following the completion and submission of the attached forms by the contractor before works commence. In the case of trees these would form the basis for the preparation of RAPs, while the temporary removal of bridges and other non-productive assets would be captured in progress reports submitted by the APIU.

Tree Removal – Contractor Form and Procedures:

- Do not remove trees unless absolutely necessary; m
- Complete this form in consultation with owner before works commence;
- Do not remove tree without getting APIU approval following submission of form (section 7 completed);
- Following payment completion complete section 7 and re-submit to APIU. Refer any complaints to the APIU

1. Information on Tree

Location of trees	Community	
	Land plot lot and code	

	Type of the tree	No	Wood tree	Decorative tree	Fruit tree		
			The volume of the tree in m ³	Size of the tree (mention the unit (sm, m))	Seedling	Not-yet productive	Productive
1							
2							
3							
4							
5							
6							

2. Information on Owner

Name of the Owner	
Document of the ownership*	
Passport data	
Contact address and phone number	
Date consulted	
Signature of owner	

* In case of registered owners it can be cadaster certificate, in case of leaseholders it can be a lease agreement or lease cadaster certificate, in case of non-registered users it can be certificate from Local Authorities

3. Calculate compensation to be paid for wood trees

	Type of the tree	No	Wood tree	Unit cost	Total compensation
			The volume of the tree in m ³	AMD per m3	AMD per tree
1					
2					
3					
4					
5					
	Grand Total	-	-	-	

4. Calculate compensation to be paid for decorative trees

	Type of the tree	No	Decorative tree	Unit cost	Total compensation
			Size of the tree (mention the unit(sm, m))	AMD per unit	AMD per tree
1					
2					
3					
4					
5					
	Grand Total	-	-	-	

5. Calculate compensation to be paid for fruit trees

	Type of the tree	No	Fruit tree (mention only one type per line)			Unit cost	Total compensation
			Seedling	Not-yet productive	Productive	AMD per unit	AMD per tree
1							
2							
3							
4							
5							
	Grand Total	-	-	-			

6. Submit to APIU

Date Reviewed by	
Signature	
Revised/final compensation estimate	

Comment	
---------	--

7. After PIU approval

Total compensation		
Date of payment		
Owner signature confirming the payment	<i>Name</i>	
	<i>Signature and date</i>	
Contractor signature confirming the payment	<i>Name</i>	
	<i>Signature and date</i>	

CARMAC II Structure Removal – Contractor Form and Procedures:

- Only remove structures if absolutely necessary e.g. bridge or wall blocks access to canal;
- Do not remove structure without discussing with owner first;
- Reassure owner that structure will be restored to original state following works completion;
- Inform APIU of structures to be removed by submitting copies (1 per structure, with sections 1-2 complete) of this form along with pictures, before starting works;
- Following rehabilitation complete section 4 and re-submit to APIU for their records.

1. Information on Structure (attach pictures)

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

2. Information on Owner

Name of the Owner	
Document of the ownership*	

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

3. Submit to APIU (as needed APIU may inform WB)

Date Reviewed by	
Signature	
Comment	

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

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

5. Confirm owner satisfaction once structure is rehabilitated

Owners signature and date	
Contractor signature and date	

ANNEX 10. MINUTES OF PUBLIC CONSULTATION MEETING

Introduction

Public consultation on the Resettlement Policy Framework (RPF) and Environmental and Social Management Framework (ESMF) for the Second Community Agriculture Resource Management and Competitiveness Project (CARMAC Project II) was held in two stages.

- A 1st informal discussion with stakeholders was organized by APIU on 11 March 2014. This discussion was aimed to present and discuss the preliminary approaches to be presented in the RPF and ESMF.
- A 2nd official public consultation was organized on 21 March 2014 after disclosure of the English and Armenian versions of the Draft RPF and draft ESMF.

The Informal Consultation

Date: March 11, 2014

Venue: Yerevan Aarhus Center – Public Environmental Information Centre in the Ministry of Nature Protection

Time: 12:00 pm - 14:30 pm

Agenda:

1. Presentation and discussion of the RPF prepared by Agriculture Projects Implementation Unit (APIU) State Institution (SI) resettlement consultant.

Speaker – Zaruhi Hayrapetyan

Resettlement Consultant, Member of the CARMAC Project II preparation team.

2. Presentation and discussion of the ESMF prepared by the APIU environmental and social expert.

Speaker – Alice Savadyan

Environmental and Social Consultant, Member of the CARMAC Project II preparation team

This meeting was organized in Aarhus Public Environmental Information Center. Some 48 stakeholders and beneficiaries from RA ministries of Agriculture and Nature Protection, Village Mayors of RA Marzes, Scientific Centers under the RA Ministry of Agriculture, APIU Marz Support Teams (MST), Non-Governmental Organizations (NGO), farms engaged in livestock and representatives of Pasture User Associations Consumer Cooperatives, independent valuation companies, Sustainable Urban Development PIU (the Asian Development Bank), North South Investment Corridor PIU (the Asian Development Bank) actively participated in the consultation (list of the participants is presented below).

Opening speech: Mr. G. Khachatryan, Director of APIU

Mr. G. Khachatryan briefly presented the CARMAC Projects I and II and spoke about the main objectives, tasks and implementation mechanisms of the Projects, as well as about the activities under the Components of CARMAC Project I and those to be included in CARMAC Project II.

After the presentation, Mr. Khachatryan answered the raised questions on new activities and important details of CARMAC Project II.

The presenters were:

1. **K. Torosyan** – CARMAC Project I, Coordinator of Component 1
2. **V. Ghukasyan** – CARMAC Project I, Coordinator of Component 3
3. **S. Tsarukyan** - CARMAC Project I, Coordinator of Component 2

The Coordinators briefly presented the tasks of the Components, as well as the differences between the functions and objectives of the components included in CARMAC Project I and CARMAC Project II.

[Ms. Z. Hayrapetyan presented the draft RPF prepared for CARMAC Project II.](#)

After the presentation of the draft RPF the following issues were raised:

1. NGO representatives raised the issue of the limited functions envisaged in the RPF for the NGOs participation in the implementation process.
2. Valuation experts emphasized the inconsistency between some points in the designed methodology of evaluation and comprehensive RA Valuation Law and Standard, particularly, land valuation approach.
3. Resettlement specialists paid attention to the Entitlement Matrix and proposed to revise the compensation approaches to the legal land and structures owners in lines with RA laws and regulations.

This feedback was welcomed by the APIU and all issues raised were subsequently addressed in the document. Particularly, with respect to the 1st point the subheading “2.6 Non-Governmental Organizations” was added under Chapter 2 “Institutional Framework” where the involvement of the NGOs was specified. NGOs were added in the Figure 1 Overview of key actors in resettlement and resettlement issues. With respect to the point 2 the Valuation methodology was re-written in accordance to the comments. With respect to the point 3 Entitlement Matrix was revised based on the RA laws and regulations and additional 15% compensation for the acquired legal lands and structures was added.

[Ms. A. Savadyan presented the draft ESMF prepared for CARMAC Project II.](#)

The purpose and development objectives of the Project, as well as the main principles of ESMF were explained. Possible environmental impacts and their respective mitigation measures were identified for each Component of CARMAC Project II. Particularly noted were environmental risks associated with infrastructural development subprojects and mandatory development of environmental mitigation and monitoring plans for each subproject. Ms A. Savadyan outlined the ESMF finalization process, including the public consultation meeting, which would be held on March 21, 2014. It was noted that the final version of ESMF will be disclosed on the APIU web page and through the WB Infoshop after WB approval.

Ms. Savadyan mentioned that the objective of public disclosure of the document is to promote public awareness on the ESMF drafted for CARMAC Project II, as well as receiving opinions and suggestions of the public.

After the presentation of the preliminary draft ESMF, the following issues were raised:

- How could NGOs and beneficiary communities be more actively involved in the process of supervision of environmental impact mitigation measures during Project implementation?
- Where, on which web sites or in which newspapers will the environmental information (EMMP, environmental reports) be disclosed once the project is started?

Director of APIU responded to the issues raised. He encouraged participation of local communities in the oversight of contractors' performance in the aspects that are easy to follow by visual observation. This would include on-site storage and timely removal of waste from the construction sites, maintenance of local roads free from construction materials and waste, and other similar indicators of good performance which directly affect local communities. In case issues are identified, project affected people can (i) contact contractors' management – the APIU will guarantee that contact information of construction contractor is posted at the work site; and/or contact APIU using the grievance redress mechanism that APIU is also mandated to maintain. Director of APIU and Environmental Consultant mentioned that for infrastructural sub-projects Environmental Management Plans (EMPs) must be developed to specify what types of mitigation measures shall be applied during works. These EMPs, while in draft, will be published through the APIU's web-page and be made available for local communities for comments prior to their finalization.

List of Participants

No.	Name, surname	Position	Contact information
1	Marine Mukhsyan	Coordinator's Assistant of Aragatsotn MST, APIU	094 88-76-89
2	Artak Khachatryan	Coordinator of Shirak MST, APIU	091 01-35-41
3	Hamlet Petrosyan	Community Mayor, RA Shirak marz, Basen village	091 03-23-01
4	Cherv Vardanyan	Chairman of Shenakert-11 Cooperative	091 96-96-23
5	Lia Asatryan	Consultant on Environmental Projects	093 42-40-79
6	Vahan Ghukasyan	Coordinator of Component 3, APIU	091 01-35-15
7	Hayk Karapetyan	Lawyer, APIU SI	091 01-93-95
8	Manvel Harutyunyan	Community Mayor of Lernapar, RA Aragatsotn marz	093 51-20-95
9	Nune Sarukhanyan	Kanach arahet NGO	091 43-82-25
10	Movses Movsisyan	Community Mayor of Lernakert, RA Shirak marz	094 82-15-51
11	Armenak Hovhannisyan	Leading specialist of Component 3, APIU	077 31-07-03
12	Harutyun Artashesyan	Coordinator's Assistant of Shirak MST, APIU	077 85-96-85
13	Razmik Sahakyan	Scientific Center for Food Safety Risks Evaluation and Analyzes, Head of Fodder Production Section	093 78-45-06
14	Artur Karapetyan	Community Mayor of Norashen, RA Aragatsotn marz	093 22-12-72
15	Artsruni Karapetyan	Chairman of Cooperative of Norashen community, RA Aragatsotn marz	093 77-76-07
16	Sona Tsarukyan	Coordinator of Component 2, APIU	091 01-35-28
17	Irena Arustamyan	Monitoring Specialist, APIU SI	091 01-93-99
18	Gayane Sargsyan	Director of Scientific Center of Vegetable and Industrial Crops, RA Ministry of Agriculture	093 57-62-05
19	Karen Torosyan	Coordinator of Component 1, APIU	091 46-44-42
20	Alisa Savadyan	Consultant on Environmental Issues, APIU	091 20-42-15
21	Armen Vanyan	Deputy Director of APIU	091 21-73-32

22	Zaruhi Hayrapetyan	Consultant on Resettlement Issues, APIU	095 23-59-50
23	Lala Tevosyan	Ecologist, Armenian Technological Academy, NGO	099 22-06-42
24	Hrachya Sahakyan	Lorut Village Mayor, RA Lori marz	093 74-72-44
25	Norik Mkrtumyan	Village Mayor of Karinj, RA Lori marz	094 17-07-57
26	Ara Grigoryan	Chairman of Dsegh Cooperative, Lori marz	094 99-07-88
27	Andranik Karapetyan	Coordinator of Lori MST, APIU SI	091 01-35-44
28	Khoren Badalyan	Coordinator of Gegharkunik MST, APIU	091 01-35-26
29	Rubik Ghukasyan	Verin Getashen Village Mayor, RA Gegharkunik marz	094 20-89-71
30	Revik Gevorgyan	Chairman of Cooperative of Verin Getashen, RA Gegharkunik marz	093 98-87-44
31	Karen Darbinyan	Chinchin Village mayor, RA Tavush marz	093 69-17-49
32	Arevik Hovsepyan	Country Water Partnership, NGO	091 530292
33	Zaruhi Khachatryan	Sustainable Water Environment, NGO	096343578
34	Garnik Kocharyan	Chairman of Tavush Cooperative	093 04-29-24
35	Armen Saghatelyan	Director of Ecocenter of National Academy of Sciences	091 41-80-29
36	Artur Petrosyan	Head of Forestry Department of the RA Ministry of Agriculture	095 56-52-91
37	Kamo Khachatryan	Chief Specialist of Component 1, APIU	091 41-36-74
38	Siraq Gyulbudaghyan	Yerevan Construction Investment PIU	099 33-33-09
39	Ashot Mirzoyan	President of Consumers' Support Center NGO	093 36-73-27
40	Armine Yedigaryan	North-South PIU	091 72-72-45
41	Sona Poghosyan	North-South PIU	093 59-86-85
42	Tigran Grigoryan	Project Director, UPTIME Ltd.	093 90-05-04
43	Margarita Karimayan	For Sustainable Human Development, NGO	093 54-06-97
44	Yurik Baghdasaryan	Lanjaghbyur Village Mayor, RA Gegharkunik marz	055 88-98-38
45	Gagik Khachatryan	Director, APIU	010 29-73-01
46	Nune Darbinyan	Ecoglob, NGO	091 41-83-77
47	Ruzanna Voskanyan	Environmental Specialist,	094 08-30-88

		Sustainable Urban Development PIU	
48	Tatyana Sargsyan	Monitoring and Evaluation Specialist, Sustainable Urban Development Project	055 58-25-08

Photos



Presentation of RPF and ESMF



Discussion, questions and answers

The Official Public Consultation

Date: March 21, 2014

Venue: Yerevan Aarhus Center – Public Environmental Information Centre in the Ministry of Nature Protection

Time: 12:30 pm - 14:30 pm

The official Public Consultation was organized by APIU in the Aarhus Public Environmental Information Center after the official disclosure of the draft RPF and ESMF in English and Armenian (on March 14, 2014). Some 36 stakeholders and beneficiaries from the RA Ministry of Agriculture, village Mayors of RA Marzes, APIU SA Marz Support Teams (MST), NGO, farms engaged in livestock and representatives of Consumer Cooperatives and Pasture User Associations actively participated during the public consultation (list of the participants are presented below).

Agenda:

1. Presentation and discussion of the ESMF

Speaker – Alice Savadyan

Environmental and Social Consultant, Member of the CARMAC Project II preparation team

2. Presentation and discussion of the RPF

Speaker – Zaruhi Hayrapetyan

Resettlement Consultant, Member of the CARMAC Project II.

Ms A. Savadyan presented the main goals of the public consultation meeting and emphasized that feedback from participants on social risks for each component of CARMAC II and respective mitigation measures were particularly sought during the consultation. After the presentation Ms. A. Savadyan answered the raised questions:

Questions and answers:

Question: Z. Khachatryan – Sustainable Water Environment NGO

Who will be responsible for environmental documents, particularly EMMP development for infrastructural investments and grant schemes? Moreover, what are the differences between these two types of subprojects?

Answer: A. Savadyan

Environmental and social impact specialists of APIU will be responsible for environmental screening and EMMP development under the Component 1 infrastructural subprojects. For each subproject EMMP should be developed, including specific environmental and social impact mitigation measures that depend on subproject types (irrigation network, watering system, etc.). Under Component 2 grants will be provided based on the submitted applications and if a subproject requires development of EMP, the applicants will be responsible for that. APIU environmental specialist will provide guidance to applicants on the development of EMPs as well as on their implementation over the course of a grant-financed subproject.

Question: N. Sarukhanyan – Green line NGO

Who will be responsible for environmental supervision of the Project?

Answer: A. Savadyan

Overall responsibility for environmental performance under the CARMAC Project II is with APIU. Supervision of environmental compliance of the Project-financed activities will be undertaken by component coordinators and environmental and social specialists of APIU.

Question: A. Hovsepyan – CWP-Armenia NGO

How will the public be informed about infrastructural subprojects and their environmental documents?

Answer: A. Savadyan

For each subproject EMMP should be developed and publicly disclosed. Announcements with a date and a time of public consultation meetings will be placed on the APIU's web page. Depending on the size and scale of subprojects, announcements about upcoming public consultation meetings may also be made in local newspapers and TV.

Ms. A. Savadyan presented to the audience possible social risks of various Project Components. It has been mentioned that as a result of the Project implementation, apart from long-term positive social impacts, there may be short-term negative impacts. These impacts may have significant influence on the course of the Project implementation and therefore must be carefully considered at the Project design stage.

During the implementation of all Components, separate groups of people - especially women, youth, vulnerable groups, persons with disabilities and ethnic minorities may fall out of the Project. Therefore, APIU is committed to specifically target these groups of people for enabling their participation in the Project. Not only the Project must not affect these groups in a negative manner, but their full participation and amplification of their benefits from the Project will be actively sought.

Ms. Savadyan also noted that grievance redress mechanism will be put in place and operated throughout the Project implementation, so that the Project-related concerns, questions, and possible complains are submitted, received, handled and flowed up in a timely and organized manner.

Meeting participants were asked to provide feedback on whether they see any additional social risks to the Project implementation which are not covered in the present draft ESMF and how would they suggest mitigating those risks.

Q&A, opinions and comments

Question: N. Darbinyan – Ecoglobe NGO

It is very important to involve in the Project all the groups of the poor communities and different groups of beneficiaries, and for that reason it is very important to provide additional consultancies and conduct explanatory work with women, youth and other groups to fill in the information gaps. In all the Components, it is very important to discuss the issue of strengthening women's role, taking into consideration that the membership of women in the cooperatives, including their representation in the boards must be encouraged and their participation in the activities implemented by the cooperatives must be enhanced.

Answer: G. Khachatryan, A. Savadyan

CARMAC II Project intends to expand participation of women and to enhance their role in the Cooperatives, but the communities themselves should also propose some solutions, as there are communities where women do not have any participation neither in social life nor in decision making process.

Comment

Syunik MST Coordinator, R. Sardaryan

There are communities in our Marz, where the work of Cooperatives and general opinion is organized by women. For example, in Qarahunj Community, the Mayor is a woman, and women have big role and actively participate in the solution of all the issues.

Question: N. Darbinyan – “Ecoglobe” NGO

How can women be encouraged to participate in the subprojects and make decisions on behalf of cooperatives, if in some communities women are not allowed to participate even in general meetings.

Answer: A. Savadyan

The subproject selection criteria may be designed the way encouraging women’s involvement in organizations/cooperatives.

Question: S. Ayvazyan – Aarhus Center Coordinator

What category lands will be used for the establishment of pastures? Will any deforestation occur?

Answer: A. Savadyan

The pasture use will be expanded not through the deforestation but through the improvement of degraded lands and bringing them back to use. Generally, if any subproject is expected to have notable environmental impacts, an environmental management plan will be developed for such subproject to ensure that the risks are avoided or properly mitigated.

Question: S. Ayvazyan

Will any of the Project supported activities be subject to Environmental expert review, and if yes, then what steps will be taken?

Answer: A. Savadyan

For some cases defined by the RA legislation, an Environmental expert review may be required and activities may be financed only upon issuance of a positive conclusion of RA Ministry of Nature Protection. Such necessity may arise especially for infrastructural subprojects. If this is the case, the procedure required by the national law must be followed, including public consultations on a subproject design. The CARMAC Project II will not finance any activity that requires a positive conclusion from the national environmental authority and fails to obtain it.

Savadyan also mentioned the issue of the grievance submission mechanism and asked Mr. G. Khachatryan to present in details how the procedure will be implemented in the frameworks of the Project.

Comments: G. Khachatryan

In the development stage of each Project, one must be ready and also to have definite approach to the issue of grievance submission by the beneficiaries and, naturally, various types of claims and grievances will arise in this Project as well.

Concerning this issue, Mr. Khachatryan mentioned that in the framework of the current CARMAC Project II, the grievance redress mechanism is functioning properly, which will be applied for the CARMAC Project II as well. Representatives of the beneficiary organizations presented, on the examples of their communities, how and on which levels the mechanism is functioning. The grievance redress mechanism will be described in detail in the Project’s Operation Manual.

The received feedback was welcomed by the APIU and all issues raised during the consultation were subsequently reflected in the ESMF document. In particular, with respect to potential social impacts of the Project, Chapter 5, sub-chapter 5.1 was revised to reflect additional possible social risks related Component 1. In sub-chapter 5.2 additional measures to promote the involvement and participation of women, youth and vulnerable people in the Project, and to ensure timely information-sharing to beneficiaries were included.

In Chapter 6, sub-chapter 6.1 additional possible social risks for Component 2 were included and their respective mitigation measures reflected in subchapter 6.2.

In Chapter 7, sub-chapter 7.1, the risk of limited participation of woman and youth in various trainings to be offered under the Project and in the capacity building activities in Component 3, due to lack of information and insufficient capacity was also reflected in the ESMF and relevant mitigation measures were added in sub-chapter 7.2. These include targeting these groups of potential beneficiaries during information dissemination campaigns, as well as ensuring smooth operation of grievance redress mechanisms.

Question:

Why the budget for resettlement costs should be generated from the loan and not from the local government budgets? We will propose to have a cost sharing of the budget like it will be done in grant sub-projects.

Answer:

All the efforts will be done to minimize the impact on the private land. If it is not possible, it means that the other design option is more expensive. We believe that the adopted approach is fairer and will allow the Project not to exclude the poorer communities because of the limitations of the co-sharing.

Question:

Is it true, that even project affected persons who do not have any registration will be compensated for the trees and crops?

Answer:

Yes, in accordance with the RPF and the WB policy, a project affected person that has no legal claims to the land, will be compensated for all the improvements done on the land - including buildings, crops, trees etc.

Question:

How the land compensation will be calculated: based on the cadastral or actual land type/land usage?

Answer:

The decision will be done in favor of project affected people. If the land's cadastral category is higher than factual (for example it is commercial land, but is used as pasture) then the land will be valued based on the cadastral type. If the land's actual usage type is higher, then cadastral (for example, pasture land is used as orchard), then the actual usage will be used during the land valuation process.

Question:

In what stages of a subproject cycle will public consultations be organized?

Answer:

Public consultations will be organized during the design stage, before the construction works commence. Minutes of meetings will be prepared for each public consultation.

List of participants

N o.	Name, surname	Position	Contact information
1	Vanik Qaryan	RA Lori Marz, Ahindzor Community Mayor	098 04-07-89
2	Armen Avetisyan	RA Gegharkunik Marz, Head of Zolaqar Cooperative	077 60-36-99
3	Benik Matevosyan	RA Lori Marz, Head of Ahindzor Cooperative	098 53-01-17
4	Babik Khachatryan	RA Gegharkunik Marz, Head of Geghhovit Cooperative	077 14-23-44
5	Andranik Karapetyan	Coordinator of Lori MST	091 01-35-44
6	Khoren Badalyan	Coordinator of Gegharkunik MST	091 01-35-26
7	Armen Vanyan	Deputy Director of APIU	010 29-73-03
8	Alla Hovhannisyan	Translator, APIU SI	098 73-66-20
9	Sona Tsarukyan	Coordinator of Component 2, APIU	091 01-35-28
10	Silva Ayzazyan	Coordinator of Aarhus centers in Yerevan	010 55-13-64
11	Emma Mkrтчyan	Consultant, APIU	099 01-70-30
12	Alisa Savadyan	Environmental Consultant, APIU	091 20-42-15
13	Levon Janpoladyan	Green Lane, NGO	010 57-57-79
14	Hrahat Barseghyan	Green Lane, NGO, Agronomist	093 10-09-40
15	Marine Mukhsyan	Coordinator's Assistant of Aragatsotn MST	094 88-76-89
16	Andranik Shamoyan	RA Aragatsotn Marz, Nerkin Sasnashen Community Mayor	077 18-69-99
17	Irena Arustamyan	Monitoring Specialist, APIU	091 01-93-99
18	Zaruhi Hayrapetyan	Consultant on Resettlement Issues, APIU	095 23-59-50
19	Hayk Karapetyan	Lawyer, APIU	091 01-93-95
20	Yeranosyan Artush	Engineer-Constructor, APIU	091 01-35-48
21	Vardan Khostikyan	Engineer-Constructor, APIU	091 41-30-84
22	Gagik Khachtryan	Director, APIU	010 29-73-01
23	Artak Khachatryan	Coordinator of Shirak MST	091 01-35-41
24	Harutyun Artashesyan	Coordinator's Assistant of Shirak MST	077 85-96-85
25	Hayk Petrosyan	RA Shirak Marz, Head of Basen Cooperative	077 78-37-00
26	Kamo Khachatryan	Chief Specialist of Component 1,	091 41-36-74

		APIU	
27	Karen Torosyan	Coordinator of Component 1, APIU	091 46-44-42
28	Albert Haroyan	RA Aragatsotn Marz, Tatush Village Mayor	098 11-00-59
29	Nune Darbinyan	Ecoglobe, NGO, President	091 41-83-11
30	Gevorg Galstyan	RA Aragatsotn Marz, Avan Village Mayor	093 20-95-63
31	Agharon Voskanyan	RA Shirak Marz, Jrarat Village Mayor	093 70-40-77
32	Armenak Hambarzumyan	RA Shirak Marz, Head of Aghin Cooperative	096 58-50-18
33	Arevik Hovsepyan	Country Water Partnership, NGO	091 53-02-92
34	Zaruhi Khachatryan	Sustainable Water Environment, NGO	096 34-35-78
35	Artur Petrosyan	Head of Forestry Department of the RA Ministry of Agriculture	095 56-52-91
36	Rubik Sardaryan	RA Syunik MST Coordinator	091 01-35-68

Photos



Presentation of ESMF and RPF



Discussion, comments, questions, answers