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LAND ACQUISITION AND RESETTLEMENT FRAMEWORK OF
THE YEREVAN URBAN DEVELOPMENT INVESTMENT PROJECT

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Chapter 1. Land Acquisition and Resettlement Framework Terms and Definitions

Affected Household – The affected household as a whole. This unit operates as a single economic and domestic unit and may consist of an individual, a single nuclear family or an extended family. This is the significant unit receiving compensation or rehabilitation.

Affected Person – Any person (individual) affected by Project-related changes in use of land, water, natural resources, or income losses.

Affected Persons with formal legal rights – Affected Persons whose right to the affected property is registered in accordance with legislation of the Republic of Armenia.

Compensation – Payment in cash or in kind of the replacement cost of the acquired assets.

Cut-off Date – The date when the results of census, inventory of affected assets and socioeconomic survey have been summarized by drawing up of the affected property or assets description protocol (the first day of signing of protocol by Affected Persons and the Acquirer) for this section. The improvements made after the cut of date will not be eligible for compensation.

Entitlement – Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation which are due to affected people, depending on the nature of their losses, to restore their economic and social base.

Indigenous Peoples – “Indigenous Peoples” as used in the Asian Development Bank’s Policy on Indigenous Peoples encompasses a generic concept not easily reflected in a single term. Ethnic Minority is one of the other terms relating to the concept of indigenous peoples as addressed in the Asian Development Bank policy. Others are “cultural minorities,” “indigenous cultural communities,” “tribals,” “scheduled tribes,” “natives,” and “aboriginals.” Accepted or preferred terms and definitions vary country by country. “Indigenous Peoples” is the term used in the United Nations documents, and is used by Asian Development Bank solely for convenience. In Armenia, the term Ethnic Minority is considered more applicable. In this respect, to qualify for consideration as being covered under the Asian Development Bank’s IP Policy, an ethnic minority *‘should be regarded as those with a social or cultural identity distinct from the dominant or mainstream society, which makes them vulnerable to being disadvantaged in the processes of development.’*

Improvements – Structures constructed (dwelling unit, fence, waiting sheds, animal pens, utilities, community facilities, stores, warehouses, etc.) and crops or plants planted by the person, household, institution, or organization.

Land Acquisition – The process whereby a person is compelled by a government

agency to alienate all or part of the land a person owns or possesses to the ownership and possession of the government agency for public purpose in return for a consideration.

Legalizable Affected Persons – APs who have no registered ownership or other property rights toward the affected land or adjacent building or asset but are legally eligible to obtain such by the force of law, as per the legal acts of the Republic of Armenia.

Non – legalizable Affected Person– Affected Persons who actually occupy and use affected asset as of the date of drawing up the description protocol but do not have a legal possibility or eligibility to obtain ownership or other property rights toward the affected asset.

Rehabilitation - Compensatory measures provided under the Policy Framework on involuntary resettlement (including relocation allowance) other than payment of the replacement cost of acquired assets.

Relocation - the physical relocation of an Affected Persons and Affected Households from her or his pre-Project place of residence or business location.

Replacement Cost - The value determined to be fair compensation for land based on its productive potential or current market value, the replacement cost of houses and structures (current market price of building materials and labor without depreciation or deductions for salvaged building material), and the market value of residential land, crops, trees, and other commodities.

Resettlement - All measures taken to mitigate any and all adverse impacts of the Project on Affected Person's property or livelihood, including compensation, relocation (where relevant), and rehabilitation of the damaged or removed infrastructure and installations.

Restrictions on land use – limitations or prohibitions on the use of agricultural, residential, commercial or other land that are caused by the project. These may include restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, and restrictions on land use, including those within utility easements or safety zones.

Severely Affected Household – Include (i) Affected Household s losing 10% or more of their productive land or income generating assets, (ii) physically displaced Affected Household and (iii) Affected Household s losing commercial or business establishments.

Vulnerable Household – Affected Households living below the eligibility threshold for receiving the insecurity allowance, Affected Households headed by women, or elderly, or persons with disabilities.

Chapter 2. General Provisions

1. The Land Acquisition and Resettlement Framework is prepared for the Yerevan Urban Development Investment Project (Project) which is implemented by the Asian Development Bank loan financing. The Project implementation period is 4 years with the completion date of 30 March 2028 per the loan agreement.

2. The Project is implemented jointly with the Ministry of Territorial Administration and Infrastructure, which acts as the Executing Agency. Yerevan Municipality is the Project Implementing Agency acting through the “Investing Projects Implementation Unit Building Up of Yerevan” CNCO.

3. The Project includes Kentron, Malatia-Sebastia and Shengavit administrative districts of Yerevan, approximately 3 km south-west of Yerevan City Center. Isakov-Arshakunyats Road Link will be constructed within the scope of the Project, which will significantly reduce travel time from Isakov Avenue to Arshakunyats Avenue and reduce congestion in city center. The new alignment will link Isakov Avenue to Arshakunyats Avenue and will be continuation of Monte Melqonyan Street.

4. The Project comprises construction of approximately 6,6 km (including ramps) of urban dual carriageway with central reserve and footways on a new alignment (approximately 1860m main road). A reinforced concrete bridge with 28m long beams will be constructed over Hrazdan River.

5. The detailed design of Isakov-Arshakunyats road link was done by the Detailed Engineering Design and Supervision Consultant under Sustainable Urban Development Program Tranche 1 and is final.

6. The Land Acquisition and Resettlement Framework describes mechanisms, procedures and compensation entitlements in the planning and implementation of land acquisition and resettlement tasks of the Project, and will guide further preparation and implementation of the tasks. The Land Acquisition and Resettlement Framework is consistent with the Asian Development Bank Safeguard Policy Statement 2009 and applicable regulations of the Republic of Armenia. The Land Acquisition and Resettlement Framework will be published on the websites of the Yerevan Municipality, Yerevan Municipality Project Implementation Unit and the Asian Development Bank.

7. Screening for involuntary resettlement impacts under the Project has identified 3 sections without any land acquisition and resettlement related impacts. Those 3 sections are included in the Draft Social Due Diligence Report, and the sections with land acquisition and resettlement impact are included in the Land Acquisition and Resettlement Plan for the Project.

8. Sectional approach will be applied in the civil works contract for Isakov-Arshakunyats road link to foster commencement of civil works. The sections with no land acquisition and resettlement related impacts, which are included in the Social Due Diligence Report, will be handed over to the Contractor upon signing of the Contract.

Contract award itself is conditional on finalization of the Land Acquisition and Resettlement Plan. The remaining sections with land acquisition and resettlement impact are included in the Land Acquisition and Resettlement Plan for Isakov-Arshakunyats. Commencement of the construction in these sections will be conditioned by implementation of the Land Acquisition and Resettlement Plan and acceptance of the Land Acquisition and Resettlement Plan Implementation Compliance Report by Asian Development Bank.

9. No impact on Indigenous Peoples is expected for the Project. Special attention will be given to identifying and addressing the needs of disadvantaged groups such as the poor, elderly-headed, female-headed households and households headed by persons with disabilities, through measures included in the Land Acquisition and Resettlement Plan to improve (over and above cash compensations and restoration of) their livelihoods.

Chapter 3. Social Due Diligence Report and Land Acquisition and Resettlement Plan Preparation and Implementation

10. The preparation activities of the Social Due Diligence Report and the Land Acquisition and Resettlement Plan for the Project are an integral part of its implementation, starting from defining and verifying the scope of the Land Acquisition and Resettlement to delivering a Land Acquisition and Resettlement Plan ready for execution based on the detailed design.

11. The scope of actions carried out from June 2022 to February 2023 includes the following:

1) Upon the availability of the detailed project design, a preliminary cadastral survey was conducted to identify the affected properties and their owners (or users), based on which the Government issued a decision on the preliminary assessment of the affected properties;

2) Upon enactment of the Government Decree on Preliminary Study the Yerevan Municipality Project Implementation Unit, Yerevan Municipality and the Project consultants have conducted detailed surveys in the field, including a Detailed Measurement Survey of all land and non-land impacts, a census and Socio-economic Survey of all Affected Households and Affected Persons and, through the services of an independent assessor, a valuation survey of all affected assets. A census of the households in the multistory buildings located 70-100 meters out of the RoW of the Project was also conducted. This aimed to identify vulnerable households living next to the Project area;

3) The Social Due Diligence Report is prepared in land acquisition and resettlement free areas based on the results of the Detailed Measurement Survey and inventory of affected land plots;

4) A socio-economic survey of all affected entities within the scope of the Project was conducted in alignment with Asian Development Bank requirements. The socio-economic survey was also carried out for Affected Households identified during the census of apartment buildings adjacent to the Project area, with the aim of identifying vulnerable or disabled individuals and ensuring the implementation of mitigation measures. This effort was intended to identify vulnerable or disabled residents and ensure the application of appropriate mitigation measures;

5) Based on these surveys, a draft Land Acquisition and Resettlement Plan was compiled. During the course of the surveys, all Affected Households were thoroughly informed of the stipulations of the Land Acquisition and Resettlement Framework, including the provisions related to impacts, compensation rates, and schedules. The Detailed Measurement Survey, Affected person's census, and compensation costs were reviewed and, if necessary, updated after the finalization of the detailed design.

12. Land Acquisition And Resettlement Plan preparation and implementation process:

1) Land Acquisition and Resettlement Plan preparation for the Project was carried out by the Detailed Engineering Design and Supervision Consultant under Sustainable Urban Development Project in January-February 2023 (standard outline of Land Acquisition and Resettlement Plan is given in in Clause 15).

2) The Land Acquisition and Resettlement Plan will be reviewed and finalized after this decision is approved and comes into force. The list of properties recognized as prevailing public interest was approved by the Government Decree on Eminent Domain No. 1357-N, dated August 11, 2023. October 13, 2023 was declared as the cut-off date for the Land Acquisition and Resettlement Plan, which is the date of drawing up of description protocols for the affected properties. This phase includes final updates to impact, /socio-economic survey data, reviews of potential compensation rates, and administrative work for the legalization of affected entities with legalization rights. Once the final version of the Land Acquisition and Resettlement Plan is approved by Asian Development Bank, construction contracts will be signed.

3) Land Acquisition and Resettlement Plan implementation phase will start after the final Land Acquisition and Resettlement Plan is approved by Asian Development Bank and the Government of the Republic of Armenia and will be concluded with the provision of due compensation to all Affected Households. Land Acquisition and Resettlement Plan implementation will be overseen by External Monitoring Agency. The service will be hired by "Investing Projects Implementation Unit Building Up of Yerevan" CNCO due to sectional approach.

13. No objection to proceed with the civil works will be issued to the Contractor only after all Affected Households are compensated and a compliance report prepared by the External Monitoring Agency is accepted by Asian Development Bank.

14. Within the scope of the Social Due Diligence Report preparation the screening

for involuntary resettlement impacts was done from August to October 2022 to implement the due diligence exercise. Both permanent and temporary impacts were considered and analyzed during the screening process through detailed measurement survey and inventory of affected land plots. 3 land acquisition and resettlement free sections were identified. The Social Due Diligence Report for those 3 sections was prepared and submitted to Asian Development Bank on 31 October 2022. The map of the Isakov-Arshakunyats road link with marked land acquisition and resettlement free sections is presented in Figure 1. The Social Due Diligence Report:

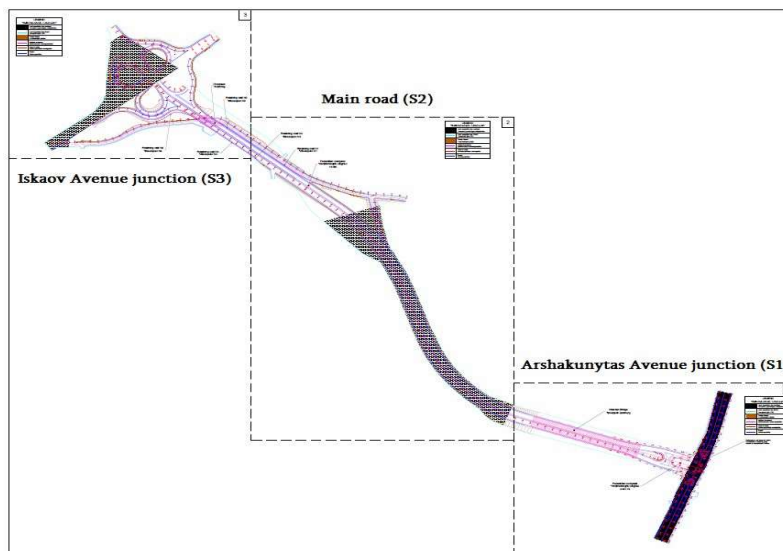
1) Demonstrates the absence of land acquisition and resettlement-related permanent and temporary impacts in the 3 sections of the Project in terms of involuntary resettlement with respect to the requirements of the Asian Development Bank Safeguard Policy Statement (2009);

2) Indicates the area for which commencement of civil works can be started with exact chainage and length;

3) Demonstrates the mitigation measures to be undertaken by the Yerevan Municipality Project Implementation Unit to ensure, that publicity is properly informed about the commencement of the construction and all types of possible impacts during the construction will be mitigated, if any.

15. Once the Social Due Diligence Report is approved by the Asian Development Bank, civil works in Social Due Diligence Report sections may start immediately after contract signing. Contract signing itself is conditional to finalization of the Land Acquisition and Resettlement Plan.

Figure1. Map of Isakov-Arshakunyats road link with 3 marked LAR free areas



Chapter 4. Legal Basis for the Land Acquisition and Resettlement

16. The Constitution of the Republic of Armenia recognizes and protects the right to private property. At the same time, Article 60, Part 5 of the Constitution stipulates that the expropriation of property for the purpose of ensuring overriding public interests is carried out only in exceptional cases and in accordance with the procedure established by law, with prior and adequate compensation.

17. Issues related to land acquisition and compensation are regulated by Article 218 of the Civil Code of the Republic of Armenia, Clause 4 of Part 1 of Article 100, Part 8 of Article 102, and Article 104 of the Land Code, as well as the Law of the Republic of Armenia "On Expropriation of Property for the Needs of Ensuring Overriding Public Interests" (hereinafter referred to as the national Land acquisition and resettlement legislation).

18. Compensation for expropriated land or property is determined by mutual agreement between the Yerevan Municipality or Yerevan Municipality Project Implementation Unit and the Affected Persons, taking into account the market value and damages, including consequential damages, and may include land or property replacement. The property owner must be paid fair compensation for the alienation of their property. Compensation is considered adequate if it amounts to 15% above the market value of the alienated property. The valuation of real estate or rights to real estate is conducted in accordance with the procedures established by the - Law of the Republic of Armenia "On Appraisal Activities."

19. The Asian Development Bank Policy on Involuntary Resettlement is based on the following principles:

- 1) Involuntary resettlement is to be avoided or at least minimized;
- 2) Compensation and Rehabilitation provisions will ensure the maintenance of the Affected Persons' pre-project standards of living;
- 3) Affected Persons should be fully informed and consulted on land acquisition and resettlement compensation options;
- 4) Affected Persons' socio-cultural institutions should be supported and used as much as possible;
- 5) Compensation of lost assets at replacement cost or the replacement of land and other lost assets in kind;
- 6) Compensation will be carried out with equal consideration of women and men;
- 7) Lack of legal title should not be a bar to compensation or rehabilitation;

8) Particular attention is paid to households headed by women and other vulnerable groups, such as Indigenous Peoples, and appropriate assistance should be provided to help them improve their status;

9) Land acquisition and resettlement is conceived and executed as a part of the project, and the full costs of compensation are included in Project costs and benefits;

10) Compensation and resettlement subsidies are fully provided prior to clearance of right of way or ground leveling and demolition.

20. There are certain differences between the national land acquisition and resettlement legislation and Asian Development Bank policies regarding the clarity of livelihood restoration for affected entities, as well as the eligibility of titled and non-titled persons or registered and unregistered tenants or users to receive compensation or at least restoration assistance (the main differences between national legislation and Asian Development Bank policies are presented in Table 1).

Table1. Comparison of Resettlement Laws and Regulations

	National legislation	ADB SPS
Compensation Subject	Land compensation only for titled landowners	Lack of title is not a bar to compensation and/or rehabilitation. Non-titled landowners receive rehabilitation allowance.
Compensation for Damage/Demolition	Only for buildings/structures that have been legally registered in accordance with the law	Also includes compensation for unregistered buildings/structures
Compensation for Crop Loss	Only for registered landowners	All Affected Persons
Land Valuation Method	Based on Current Market Value with 15% Premium	Based on Current Market Rates/Replacement Cost
Information provision to APs/AFs	Information on the extent/value of impacts, rights, compensation, and support amounts must be provided prior to the commencement of the assessment	
Additional Support Measures	No provisions for income or livelihood restoration measures, benefits, or relocation expenses for severely - Affected Persons and vulnerable groups.	Income or livelihood restoration, compensation for severe losses, and reimbursement for relocation expenses incurred by Affected Persons are required.

21. The Land Acquisition and Resettlement Framework reconciles these gaps between the Armenian legislation and Asian Development Bank's Policy, ensuring compensation at full replacement cost of all items and at least rehabilitation of informal or non-titled settlers, unregistered businesses. The Land Acquisition and Resettlement Framework also provide rehabilitation packages for Affected Persons that will be

relocated are vulnerable or severely affected.

22. Attempts should first be made to acquire private land on the basis of negotiation with individual affected entities. Should the negotiation fail, the power of eminent domain will be sought and the expropriation process will start. In case of negotiated sale Asian Development Bank requires that appropriate due-diligence will be put in place to ensure that the AP are offered fair price, are informed, are allowed sufficient bargaining space and their case is monitored by independent external party. These conditions are fully guaranteed by the use of an External Monitoring Agency and by the Armenian Government practice of engaging independent land assessors to determine asset compensation rates.

Chapter 5. Land Acquisition and Resettlement Framework Principles and Entitlements Adopted for the Project

23. Based on Armenian laws and Asian Development Bank's Safeguard Policy Statement, 2009, core involuntary resettlement principles are developed for this Project which are as follows:

- 1) Land acquisition, and other involuntary resettlement impacts will be avoided or minimized exploring all viable alternative project designs;
- 2) Where land acquisition and resettlement is unavoidable, a time-bound Land Acquisition and Resettlement Plan will be prepared and Affected Persons will be assisted in improving or at least regaining their pre-program standard of living;
- 3) Consultation with Affected Persons on compensation, disclosure of resettlement information to Affected Persons, and participation of Affected Persons in planning and implementing sub-projects, such as providing their views on design alternatives and participating in monitoring activities, will be ensured;
- 4) Vulnerable and severely Affected Persons will be provided special assistance;
- 5) Compensation of lost assets at replacement cost or the replacement of land and other lost assets in kind;
- 6) Non-titled Affected Persons (e.g., informal dwellers or squatters, Affected Persons without registration details) will receive a livelihood allowance in lieu of land compensation and will be fully compensated for losses other than land;
- 7) Legalizable Affected Persons will be legalized and fully compensated for land losses;
- 8) Provision of income restoration and rehabilitation;
- 9) The Land Acquisition and Resettlement Plan will be disclosed to the Affected Persons in Armenian;
- 10) Payment of compensation, resettlement assistance and rehabilitation measures will be fully provided prior to the contractor taking physical possession of the land and to the commencement of any construction activities on a particular package;

11) Appropriate redresses mechanisms to solve Affected Persons grievances are established.

Chapter 6. Compensation Eligibility and Entitlements for the Project

24. Land acquisition and resettlement tasks under the Project will be implemented according to a compensation eligibility and entitlements framework in line with both Armenian laws and regulations and Asian Development Bank Policy. The basis to determine the amount of compensation is the market value of the property, and in case the cadastral value approximated to market value (in the case of agricultural land, cadastral value) exceeds the market value of the property then the basis is considered to be the cadastral value approximated to market value (in the case of agricultural land, cadastral value). An entitlements matrix is included in Table 2 below.

Table2. Entitlement Matrix

NN	Type of Loss	Application	Affected Persons or Affected Households	Entitlements
1.	Land loss	Affected Persons or /Affected Households losing land regardless of impact severity	Owners	Compensation at replacement value +15% either in cash at market rates or cadastral value approximated to market value (in the case of agricultural land, cadastral value) (whichever the highest). When there are no active land markets cash compensation will be based on the value of the yearly product of the land for a sufficient number of years to ensure the affected parties' rehabilitation for the loss of their land.
			Legalizable Affected Persons or /Affected Households	Legalizable Affected Person or/ Affected Household will be legalized and paid the same compensation as owners in case of registration the ownership right towards the land.
			Leaseholder (lease and sublease of community or state land)	Leaseholder will be legalized and compensated as full owners at market rates or cadastral value approximated to market value (in the case of agricultural land, cadastral value) (whichever the highest) or will be given a new lease. If this is not possible, they will receive compensation equal to "the market or cadastral value approximated to

NN	Type of Loss	Application	Affected Persons or Affected Households	Entitlements
				market value (in the case of agricultural land, cadastral value) of affected land (whichever the highest) + 15%” in the following proportions according to the length of the lease: 1) < 1 year 5%; 2) <15 years 14%; 3) < 25 years 20%; 4)>25 years -25%.
			Leaseholder (lease and sublease of private land)	Compensation for already paid but unused lease and for integral improvements made with the lessor’s consent.
			Non-legalizable Affected Persons or /Affected Households	These Affected Persons or /Affected Households will receive a rehabilitation allowance equal to 25% of the affected land market or cadastral value approximated to market value (in the case of agricultural land, cadastral value) (whichever the highest)
2.	Residential buildings		All Affected Persons or Affected Households regardless of legal status	Cash compensation + 15% for loss of building at full replacement cost (to be not less than the market value) free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs (with agreement of Affected Persons).
			Relocated Renters	Severe impact and Relocation allowances as entitlements 9, 10 and 11 below
				Cash refund of unused rent already paid and for integral improvements made with the lessor’s consent.
3.	Non-residential buildings/assets		Affected Persons or /Affected Households with valid registration	Cash compensation + 15% for loss of building at full replacement cost (to be not less than the market value) free of depreciation and transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs (with agreement of Affected Persons).
			Affected Persons or /Affected Households with non-legal	Cash compensation for loss of building at full replacement cost (to be not less than the market value) free of depreciation/transaction costs

NN	Type of Loss	Application	Affected Persons or Affected Households	Entitlements
			buildings or structures built on legal or non-legal land	and salvaged materials.
			Relocated Renters	Relocation and severe impact allowance as entitlement 9, 10 and 11 below
				Cash refund of unused rent already paid and for integral improvements made with the lessor's consent.
4.	Common property Loss	Community or Public Assets	Community or State	Reconstruction of lost structure and restoration of their functions in consultation with community or state authorities.
5.	Public Utilities (Gas, water, electricity and etc.) and infrastructure structures owned by private organizations	Private Property	Owners or operator of the utility or infrastructure	Reconstruction of lost structure and restoration of their functions in consultation with community/state authorities and the utility owner or operator (if applicable). All such infrastructures will be reflected in the detailed design and in the scope of works of the General Contractor and will be relocated within the Project budget.
6.	Crop Losses	Standing crops affected	All Affected Persons or /Affected Households regardless of legal status (including owners subject to obtaining legal status and users having no residency status)	One year crop compensation in cash at market rate at gross crop value of expected harvest.
7.	Tree Losses	Trees affected	All Affected Persons or /Affected Households regardless of legal status (including owners subject to obtaining legal status and users having no residency status)	Cash compensation at market rate based on type, age and productive value of the trees.
8.	Business or	Business,	All Affected	Owner: (i). <u>permanent impact</u> : cash

NN	Type of Loss	Application	Affected Persons or Affected Households	Entitlements
	Employment Losses	employment loss	Persons or /Affected Households regardless of legal status (including owners subject to obtaining legal status and users having no residency status).	indemnity of 1 year net income; (ii) <u>temporary impact</u> : cash indemnity of net income for months of business stoppage up to 1 year. Assessment will be based on tax declaration. In absence of tax declaration, the Affected Households will receive a rehabilitation allowance based on the maximum non-taxable salary for the number of months of business stoppage up to 1 year. The maximum nontaxable salary is equal to minimum salary. Employees: Indemnity equal to: (i) Permanent job loss 6 months of average monthly salary (calculated in accordance with the procedure established by the Labor Code of the Republic of Armenia); (ii) Temporary loss average monthly salary (calculated in accordance with the procedure established by the Labor Code of the Republic of Armenia) for the number of months of job loss up to 6 months.
9.	Transportation allowance	Allowance for transportation	All Affected Persons having movables on the affected land or building to be relocated regardless of ownership rights	Cash allowance to cover transportation, loading/unloading costs (will be determined based on the market research in the area and provided as a single payment).
10.	Allowances for Severe Impacts	AHs with loss of 10% or more income generating productive assets loss or to be relocated	All severely affected households including informal settlers and relocated renters	Additional crop compensation covering 1 year yield from affected land part. A rehabilitation allowance of 6 months at minimum monthly salary (defined by the legislation of the Republic of Armenia).
			Affected Households losing commercial/ business establishments or other income	A rehabilitation allowance of 6 months at minimum monthly salary (defined by the legislation of the Republic of Armenia).

NN	Type of Loss	Application	Affected Persons or Affected Households	Entitlements
			generating property	
11.	Relocation allowances		All relocated Affected Household including relocated renters	Provision of funds to cover transport costs and livelihood expenses for 1 month.
	Vulnerable People Allowances		Affected Householdss headed by women, or elderly, or persons with disabilities and Affected Householdss living below the eligibility threshold for receiving the insecurity allowance.	Allowance equivalent to 6 months of minimum monthly salary (defined by the legislation of the Republic of Armenia) and employment priority in project-related jobs.
12.	Temporary impacts		All Affected Persons or Affected Households	Due rent and rehabilitation for temporarily affected assets will be provided.
13.	Temporary impacts due to utility relocation	All Affected Households' losses based on their legal status	Owners	Compensation will be provided both for land and improvements as in case of permanent impacts.
			Non-legalizable Affected Households	Compensation will be provided only for improvements added to the affected land by users such as trees, crops, fences etc. In these cases, no allowance will be paid to users for illegal land use; however, these lands should be covered and returned to the user.
14.	Unforeseen LAR impacts, if any		All Affected Persons or Affected Households	Yerevan Municipality will consider the unforeseen land acquisition and resettlement impacts (including unanticipated access restrictions) during project implementation and will compensate/rehabilitate based on the above provisions and in accordance with SPS 2009 and Land Acquisition and

NN	Type of Loss	Application	Affected Persons or Affected Households	Entitlements
				Resettlement Plan methodology. The damage caused by Contractor (or subcontractor) during the construction works will be compensated in accordance with this Land Acquisition and Resettlement Framework.
15.	Compensation for improvements	Improvements that are not included in this Entitlement Matrix but exist on the affected land (except the moveable property)	Affected Persons or Affected Households who have done the improvements regardless of legal status	Cash compensation at replacement cost.

25. Affected Persons or Affected Households entitled for compensation or at least rehabilitation provisions under the Project are:

- 1) All Affected Persons or Affected Households losing land either covered by legal title or land rights or without legal status;
- 2) Tenants and sharecroppers whether registered or not;
- 3) Owners of buildings, crops, plants, or other objects attached to the land; and
- 4) Affected Persons or Affected Households losing business, shelter, income, or salaries.

26. Compensation eligibility will be limited by a cut-off date to be set for the Project. The cut-off date will be the same for all Affected Persons regardless of their legal status. This will be the first day of drawing up of the affected property or assets description protocols (and the first day of signing of protocols by Affected Persons and the Acquirer). A public consultation will be organized and the cut-off date will be announced officially. Also, the Affected Persons will be informed about the cut-off date when Yerevan Municipality Project Implementation Unit submits 1 copy of signed description protocol as a notification with a written letter. Affected Persons or Affected Households who settle in the affected areas after the cut-off date will not be eligible for compensation. They, however will be given sufficient advance notice, requested to vacate premises and dismantle affected structures prior to project implementation. Their dismantled structures materials will not be confiscated and they will not pay any fine or suffer any sanction.

27. Entitlement provisions for Affected Persons or Affected Households losing land,

houses, and income and rehabilitation subsidies will include provisions for permanent or temporary land losses, buildings losses, crops and trees losses, a relocation subsidy, and a business losses allowance based on tax declarations and/or lump sums. These entitlements are detailed below:

1) Land impacts

- a. Land owners will be compensated in cash at current market rates or cadastral value approximated to market value (in the case of agricultural land, cadastral value) (whichever the highest) plus a 15%. When there are no active land markets cash compensation will be based on the value of the yearly product of the land for a sufficient number of years to ensure the affected parties' rehabilitation for the land loss of their land. Non-directly affected sections of a plot which become inaccessible or unviable for cultivation or any use after the impact will be included in the affected land.
- b. Legalizable Affected Persons or Affected Householdss will be legalized and paid as titled owners in case of registration the ownership right towards the land.
- c. Non-legalizable Affected Persons or Affected Householdss will be compensated with one-time self-relocation allowances in cash equal to 25% of the market or cadastral value approximated to market value (in the case of agricultural land, cadastral value) of the affected land (whichever the highest).
- d. Leaseholders (lease and sublease) of community or state land will be compensated as full owners or will be given a new lease. If this is not possible, they will receive compensation based on the market or cadastral value approximated to market value (in the case of agricultural land, cadastral value) (whichever the higher) of the affected land + a 15% in proportion to the remaining years of lease as follows: 1) < up to 1 year - 5% of land value; 2) < up to 15 years - 14% of land value; 3) < up to 25 years - 20% of land value; 4) 25 years and more- 25% of land value.
- e. Leaseholder (lease and sublease) of private land will be compensated for already paid but unused lease and for integral improvements made with the lessor's consent

2) Residential Buildings/structures

- a. The Affected Persons or Affected Households losing their residential houses will be compensated irrespective of the formal legal rights towards the building/structure or legal status of the building/structure in cash at replacement cost plus a 15%. Compensation will be free of deductions for depreciation, transaction costs and salvageable materials regardless of the fact of state record and registration status of the building. In case of partial impacts and unwillingness of the owner to relocate, compensation will cover only the affected portion of a building, if further use and exploitation of the

non-affected part of the building is technically possible. In this case, the costs of repairing the building are also subject to compensation.

- b. Relocated renters will be given all relocation and severe impacts allowances (see below) and cash refund of unused rent already paid and for integral improvements made with the lessor's consent.

3) Non-Residential Buildings/structures

- a. Affected Persons or Affected Households with valid registration - Cash compensation + 15% for loss of building at full replacement cost (to be not less than the market value) free of depreciation/transaction costs and salvaged materials.
- b. Affected Persons or Affected Households with non-legal buildings or structures built on the legal land – As above, but without 15%.
- c. Affected Persons or Affected Households with non-legal buildings or structures built on the non-legal land – Rehabilitation allowance equal to replacement cost (free of depreciation/transaction costs and salvaged materials).
- d. Relocated renters will be given all relocation and severe impacts allowances (see below) and cash refund of unused rent already paid and for integral improvements made with the lessor's consent.

4) Community/Public Assets

- a. Community and state buildings will be fully replaced or rehabilitated so as to satisfy their pre-project functions, in consultation with community or state authorities.

5) Public Utilities (Gas, water, electricity and etc.) and infrastructure structures owned by private organizations

- a. Public Utilities (Gas, water, electricity and etc.) and infrastructure structures owned by private organizations will be restored in consultation with community/state authorities and the utility owner or operator (if applicable).
- b. All such infrastructures will be reflected in the detailed design and in the scope of works of the General Contractor and will be relocated within the Project budget.
- c. In case when the public utilities are relocated onto private land, provisions of the Land Acquisition and Resettlement Plan apply to compensation.

6) Crop impacts

- a. Cash compensation at current market rates for the gross value of 1 year's harvest. Crop compensation will be paid both to landowners and tenants based on their specific sharecropping agreements.

7) Impact on Trees

- a. Cash compensation at market rate based on type, age and productivity of trees.

8) Impact on Businesses

- a. Permanent losses (1 year or more) will be compensated in cash equal to a 1-year net income based on tax declaration.
- b. Temporary losses will be compensated in cash equal to the monthly income based on tax declaration with the number of months of business stoppage.
- c. In absence of tax declaration these Affected Persons or Affected Households will be compensated as above but based on the maximum non-taxable salary (minimum salary).
- d. The methodology for the compensation of business losses is presented in Clause 16 of this Land Acquisition and Resettlement Framework.

9) Employment Loss

- a. Employees: Indemnity for lost wages for the period of business interruption up to a maximum of 6 months.

10) Severe impacts allowances: This allowance is given for the Project's severe impacts to;

- a. Affected Persons or Affected Households (including the Affected Persons or Affected Households as leaseholders and actual land users) in cases where 10% or more of their owned or cultivated agriculture land is affected and they receive benefits such as fruits, yield and crops by the result of land-use. The basis for calculating the above-mentioned allowance is the actual usage purpose of these lands, regardless of the usage purpose (significance) of the land defined in the cadastral data, certificates of ownership rights and other documents confirming the property right. If the non- agricultural land is impacted 10% and more but is used as productive agricultural land and there are actually crops and yields from the land, then the latter is subject to compensation in accordance with the above-mentioned principles without the provision of legalization requirement;
- b. Affected Persons or Affected Households to be relocated (including the relocated renters) will receive rehabilitation (livelihood restoration) allowance for severe impacts equal to maximum non-taxable salary (minimum salary) for 6 months;
- c. Affected Persons or Affected Households losing 10% or more of the income generating asset will receive rehabilitation (livelihood restoration) allowance for severe impacts equal to maximum non-taxable salary (minimum salary) for 6 months.

11) Relocation subsidy: Affected Persons or Affected Households to be relocated (including renters) will receive a relocation subsidy sufficient to cover transport costs and living expenses for 1 month.

12) Vulnerable people Livelihood: Vulnerable people (Affected Person or Affected Households living below the eligibility threshold for receiving the insecurity allowance, Affected Households headed by women, or elderly, or persons with

disabilities) will be given a rehabilitation allowance equal to 6 months minimum monthly salary and priority in employment in project-related jobs. Socially vulnerable persons are:

- a. Households registered (documented) in the Family Vulnerability Evaluation System and eligible to receive an insecurity allowance;
- b. households headed by a breadwinning woman and not including other adult, working age person with stable employment providing at least minimum monthly salary except for persons doing compulsory military service or students under twenty-three years of age;
- c. households headed by persons entitled to old age allowance and not including other adult, working-age person with stable employment providing at least minimum monthly salary except for persons doing compulsory military service or students under twenty-three years of age;
- d. households headed by persons with disabilities, who have major and severe limitation of functionality, and not including other adult, working-age person with stable employment providing at least minimum monthly salary except for persons doing compulsory military service or students under twenty-three years of age.

13) If the household is living below the eligibility threshold for receiving the insecurity allowance and simultaneously is vulnerable according to criteria described in points b), c), or d) only one rehabilitation allowance equal to 6 months minimum monthly salary will be provided.

14) If, during the compilation of the description protocols the Yerevan Municipality Project Implementation Unit discovers that some affected households that are poor but are not included in the Family Vulnerability Evaluation System, the Yerevan Municipality Project Implementation Unit will make application to the appropriate regional centers of Joint Social Services to register these households in the Family Vulnerability Evaluation System. After they are registered (documented) in the Family Vulnerability Evaluation System and are eligible for the family or social allowance these households shall receive the allowance entitlement.

15) Temporarily affected (caused by project-related restrictions on land use) Affected Persons or Affected Households will be given compensation for losses or damages (at full replacement cost) defined by the legislation of the Republic of Armenia and in accordance with the provisions of the Land Acquisition and Resettlement Framework entitlement matrix. The compensation given to the temporary Affected Persons or Affected Households will not include the rehabilitation allowances defined by the Land Acquisition and Resettlement Framework.

16) Unforeseen land acquisition and resettlement impacts if any:

- a. Yerevan Municipality Project Implementation Unit will consider unforeseen land acquisition and resettlement impacts during the project implementation

and will compensate and will provide rehabilitation allowance based on the provisions of this Land Acquisition and Resettlement Framework. In such cases a Corrective Action Plan will be prepared and submitted to Asian Development Bank. The Corrective Action Plan will be implemented after Asian Development Bank approval.

- b. In cases of unforeseen impacts, all the procedures defined by the Land Acquisition and Resettlement Framework will be applied (Detailed Measurement Survey, Socio-economic Survey, Census and other necessary surveys and legal procedures, including the preparation of an updated Land Acquisition And Resettlement Plan or the Corrective Action Plan if necessary).

17) Compensations for Improvements: The improvements which are not included in the entitlement matrix but exist on the affected land (excluding the movable assets), will be compensated at full replacement cost.

28. In addition to compensation entitlements described above, the following livelihood restoration activities will be implemented by Yerevan Municipality Project Implementation Unit at the stage of Land Acquisition and Resettlement Plan implementation:

- 1) Legal support and consultation in legalization of the property rights and heritage;
- 2) Support and consultation in finding job opportunities. The Affected Persons or Affected Households will have priority in Project related jobs;
- 3) Trainings will be provided based on Affected Persons or Affected Households preferences which will be assessed prior to Land Acquisition and Resettlement Plan implementation;
- 4) Rehabilitation of Komitas Park;
- 5) Other activities upon availability of the Project funds, which will be agreed or requested by the affected persons and local communities during consultations and focus group discussions.

29. Based on the need assessment survey implemented by the Yerevan Municipality Project Implementation Unit the livelihood restoration entitlements will be clarified in the Land Acquisition And Resettlement Plan, and the scope of trainings and courses for livelihood restoration will be defined as follows:

- 1) Loss of income or of livelihood sources due to land loss:
 - a. Assistance to identify alternative land for purchase or use;
 - b. Support in registering non-legalizable Affected Persons so that they have an opportunity to lease or to buy the land.
- 2) Loss of income or livelihood sources due to loss of residential buildings and structures. Relocated households will also receive the following livelihood restoration support:

- a. Support in the registration of place or residence and utility registration at new residential places;
 - b. Support in access to social infrastructure if the area of residence is changed (e.g., registration at new school, kindergarten or policlinics);
 - c. Support in access to employment induced by the Project (during the construction);
 - d. Assistance in finding a new lease to reside.
- 3) Loss of income or livelihood sources due to loss of non-residential buildings and structures and infrastructure. The owners of the affected non-residential building will be provided with the following livelihood restoration support:
- a. Support in securing the due asset relocation permits and provision of consultations if new construction permits or power or water re-connections are required.
 - b. Leaseholders of the relocated non-residential structures will be given livelihood restoration support in the form of assistance in finding a new lease.
- 4) Loss of income or livelihood sources due to crop loss. All Affected Persons or Affected Households who planted crops and made improvements regardless of their legal status will also receive the following livelihood restoration support:
- a. Opportunity to harvest crops before land acquisition;
 - b. Assistance to identify alternative land for use (where applicable);
 - c. Support in access to employment induced by the Project during the construction.
- 5) Loss of income or livelihood sources due to lost trees, orchards or harvest. All Affected Persons or Affected Households who had trees or orchards and made improvements (regardless of their land ownership and property rights) will receive the livelihood restoration support in access to employment induced by the Project during the construction.
- 6) Loss of income or livelihood sources due to lost Employment or Business. Affected Persons or Affected Households who lost business or have worked for affected business (company or Individual entrepreneurs) based on employment contract (or individual legal act on hiring) will be provided:
- a. livelihood restoration support in case of permanent job or business loss, in particular, support to access to employment induced by the Project, support to access to the vocational training, courses or else,
 - b. livelihood restoration support in case of temporary job or business loss, in particular, support to access to the vocational training, courses or else.

30. Assessment of the real estate or the real estate rights shall be made in accordance with the procedure defined in the Law of the Republic of Armenia on Assessment of Real Estate, National Standard of the Republic of Armenia on Real Estate Valuation, Applicable Standards and on this Land Acquisition And Resettlement

Framework requirements, in terms of which the agreed valuation methodology between Asian Development Bank and the Government of the Republic of Armenia for compensation unit rates of different impacts is as follows:

1) Agricultural and Non-Agricultural Land will be valued at market rates based on a survey of land sales in the year before the impact survey.

2) Houses and buildings will be valued at replacement rate based on construction type, materials cost, labor, transport and other construction costs. No deduction for depreciation and transaction costs. If an Affected Person or Affected Household does not wish to relocate, partial impacts may be paid only for the affected portion of the building or repairs.

3) Annual crops will be valued at net market rates at the farm gate for the first-year crop. In the eventuality that more than one-year compensation is due to the Affected Person or Affected Households the crops after the first will be compensated at gross market value.

4) Trees will be valued according to different methodologies depending whether the tree lost is a wood tree or a productive tree. Wood trees will be valued based on age category (a. seedling; b. medium growth and c. full growth) and wood value and volume. Fruit or productive trees will be valued based on age (a. seedling; b. adult-not fruit bearing; and c. fruit bearing). Stage (a) and (b) trees will be compensated based on the value of the investment made; stage (c) trees will be compensated at net market value of 1 year income x number of years needed to grow a new fully productive tree.

31. The unit compensation rates will be assessed by a certified independent evaluator based on clear and transparent methodologies acceptable to Asian Development Bank. The certified independent evaluator prepares valuation or calculation reports for all types of properties, where all the sources of baseline data and valuation period should be mentioned regardless of the type of property being valued.

32. Acquisition of land through expropriation proceedings entails lengthy procedures and often may be resisted. Such an approach will thus be pursued under the Project only in extreme cases when negotiations between Affected Persons or Affected Households and Yerevan Municipality Project Implementation Unit fail and no alternative land is available to implement a subproject. In these cases, however, the Yerevan Municipality Project Implementation Unit will not occupy the needed plots until:

1) the compensation and rehabilitation amounts are deposited in the courts deposit account;

2) the proper judicial process as defined by the law is initiated;

3) a court injunction has been obtained and properly communicated to the Affected Persons or Affected Households.

33. In principle all occupants of untitled-plots can be legalized as long as they do not occupy areas classified as "Red Zones" (areas that are officially reserved for specific public use such as military areas, hospital areas, school areas or areas that are not fit

for settlement (river beds, radioactive terrains or other dangerous or ecological unfit lands)¹ and corresponds to the legislation of the Republic of Armenia.

34. All Affected Persons or Affected Households eligible (person who has the documents certifying his or her rights on acquired property, but who has still not registered his or her ownership right) for the acquired property are entitled to register their ownership and other property rights related to the acquisition of the property in compliance with the procedure established by legislation of the Republic of Armenia.

35. Affected Persons or Affected Households that have rights towards the acquired property, but have not ensured its proper formalization or state registration in accordance with law, are entitled either to acquire rights towards the affected property and receive the compensation corresponding to their newly formalized (registered) rights till the Acquisition contract's conclusion or till the rendering of the judicial act, in a result of legalization procedure.

36. Affected Persons or Affected Households are entitled to start the process of rights legalization and state registration on their own initiative and discretion according to the legislation of the Republic of Armenia. Yerevan Municipality Project Implementation Unit will conduct consultations with Affected Persons or Affected Households and provide support in the frame of its jurisdiction to those who will initiate the legalization process.

37. However, an easier procedure for legalization issues is set out in this Land Acquisition and Resettlement Framework:

1) In case of affected illegal residential construction, Affected Persons or Affected Households will not go through the legalization procedure but will be given compensation as rightful owners (115% of the replacement cost);

2) In case of affected non-residential constructions, Affected Persons or Affected Households will not need to go through the legalization procedure. The compensation amount will be paid at replacement cost;

3) In case of legalizable affected non-titled land, Affected Persons or Affected Households will be legalized and paid as titled owners;

4) In case of non-legalizable affected land, Affected Persons or Affected Households will be compensated with one time allowance in cash equal to 25% of the market or cadastral value approximated to market value (in the case of agricultural land, cadastral value) of the affected land (whichever the highest).

¹ See Land Code of the Republic of Armenia (2nd of May, 2001) article 60

Chapter 7. Public Consultation, Participation and Documents Disclosure

38. According to Asian Development Bank policy, Affected Persons and Affected Households must be fully consulted and provided with opportunities to participate in the planning and implementation of land acquisition and resettlement. They also must be informed in an appropriate and timely manner of the outcomes of the planning process, as well as the schedules and procedures for implementation of the Land Acquisition and Resettlement Plan. Public information and consultation campaign must be carried out by the Yerevan Municipality Project Implementation Unit during all stages of the land acquisition and resettlement process. In addition, the Project Implementation Unit must also organize public information meetings, participation of the Affected Persons or Affected Households in the Detailed Measurement Survey, full disclosure of the Land Acquisition and Resettlement Plan and informing the Affected Persons about the procedures for payments of compensation and relocation.

39. Within the Draft Land Acquisition and Resettlement Plan preparation the first public consultation was conducted for potentially affected persons living in the area of the Project on 6 October, 2022. The public consultation was held in the administrative building of Shengavit district of Yerevan. Another public consultation with the Affected Persons or Affected Households was conducted on 13 October 2023. The cut-off date for the Project (11 October 2023) was disclosed to the Affected Persons or Affected Households during the public consultation.

40. The Land Acquisition and Resettlement Framework will be distributed to the offices of affected administrative districts of Yerevan and disclosed on the websites of the Yerevan Municipality Project Implementation Unit and the Asian Development Bank.

41. During the different stages of the Project (planning, implementation, and monitoring) the distribution of public information brochure or booklets, placement of copies of the Land Acquisition and Resettlement Plan in community offices, and disclosure of the Land Acquisition and Resettlement Plan on the Asian Development Bank resettlement website and Yerevan Municipality Project Implementation Unit website will be ensured.

42. Prior to the finalization of the Land Acquisition and Resettlement Plan the Affected Persons and Affected Households will be thoroughly informed on the results of the Census and Detailed Measurement Survey, and their preferences on compensation or other resettlement assistance will be given due consideration. The processes and mechanisms ensuring the active involvement of Affected Persons and Affected Households and other stakeholders will be detailed in the Land Acquisition and Resettlement Plan s including the date, list of participants, and minutes of consultation

meetings.

Chapter 8. Institutional Arrangements

43. The institutional governance is defined through the loan agreement of the Project. The implementation of the Land Acquisition and Resettlement Plan will be ensured by the Yerevan Municipality Project Implementation Unit land acquisition and resettlement specialists with the assistance of consultants based on the policy and procedures set out in this Land Acquisition and Resettlement Framework. Several Government and non-Government agencies will play instrumental roles in land acquisition and resettlement processes. Pursuant to current legislation, the Cadaster Committee is responsible for providing information about the status of real estate ownership, and is in charge of the state registration of ownership rights. An organogram of the Project is reflected by the Figure 2.

44. Ministry of Territorial Administration and Infrastructure of the Republic of Armenia implements general functions of the Project including cross-agency coordination. Yerevan Municipality is responsible for all land acquisition and resettlement preparation, implementation and financing. It will exercise its functions through Social Safeguards and Resettlement Specialist under the Project Implementation Unit, who directly reports to Project Lead for the general management of the planning and implementation of all land acquisition and resettlement tasks.

45. The Social Safeguards and Resettlement Specialist will be responsible for:

- 1) Cooperation with Cadaster Committee;
- 2) Assisting the consultants in mapping, surveying and title verification activities;
- 3) Sending the Land Acquisition and Resettlement Plan to Asian Development Bank for review,
- 4) Disclosing the Land Acquisition and Resettlement Plan;
- 5) Planning and managing Land Acquisition and Resettlement Plan implementation and the distribution of compensation;
- 6) Assisting in case of complaints;
- 7) Ensuring proper internal monitoring; and
- 8) Hiring, following Asian Development Bank recommendation, the external monitoring agency.

46. The Social Safeguards and Resettlement Specialist will also provide all needed documentation to ensure the prompt allocation of land acquisition and resettlement budgets to the Affected Persons and Affected Households and will maintain the coordination of all land acquisition and resettlement related activities.

47. Author and technical supervision consultants are involved in land acquisition and resettlement tasks to ensure Land Acquisition and Resettlement Plan preparation, and an external monitoring agency to conduct the external monitoring and evaluation

of the Land Acquisition and Resettlement Plan implementation.

48. Local authorities have direct jurisdiction for land administration and title verification. Community authorities will support surveys tasks, complaints resolution, and Affected Persons and Affected Households consultation and compensation delivery as needed.

49. Other state institutions will participate in the preparation and implementation of land acquisition and resettlement tasks. These are:

1) The Ministry of Finance will provide the budget for the implementation of the Land Acquisition and Resettlement Plan following the official approval of the final Land Acquisition and Resettlement Plan;

2) The Ministry of Labor and Social Affairs will provide the information on Affected Persons and Affected Households included in the family vulnerability evaluation system;

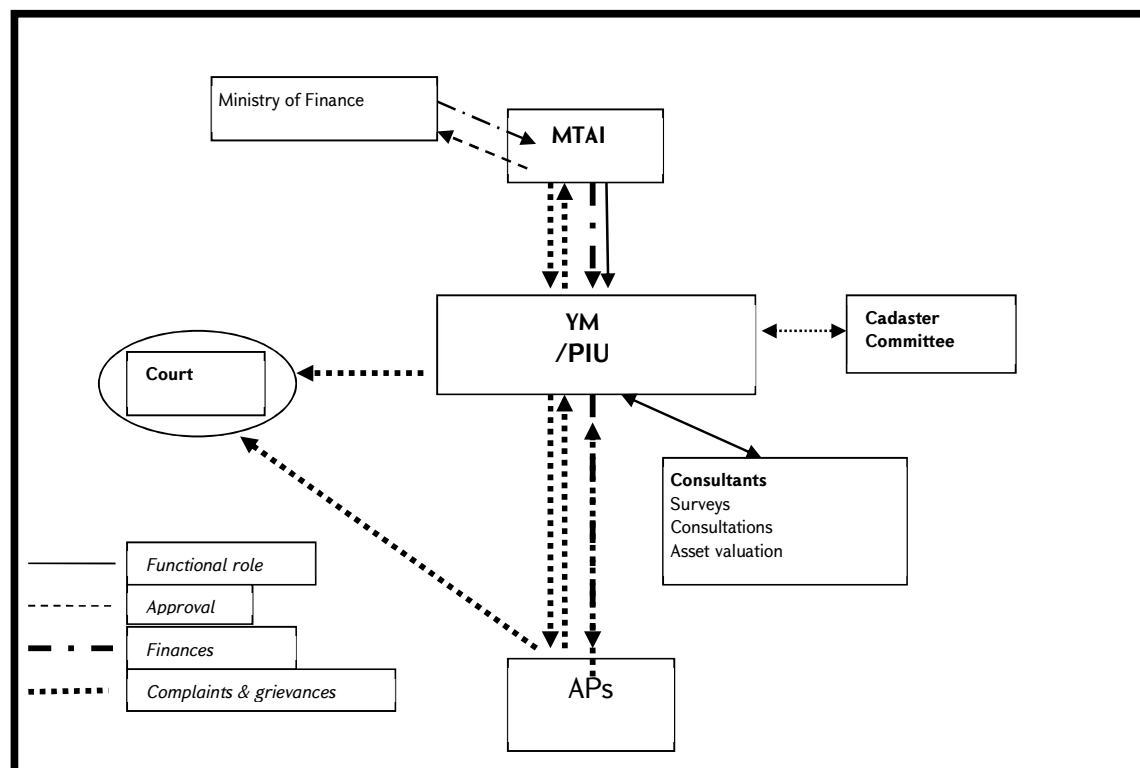
3) The State Revenue Committee will provide the information on calculations and reports submitted by the affected legal entities and individual entrepreneurs for the previous years;

4) The Cadaster Committee is responsible for providing information about the real estate ownership status and will conduct the state registration of ownership;

5) In solving problematic cases related to property acquisition for public and state needs, the basis will be the court decision entered into force.

6) Besides supervising periodically, the Project Asian Development Bank will review the Land Acquisition and Resettlement Plan and provide clearance to contract awards, signing, initiation of civil works.

Figure 2: Land Acquisition and Resettlement Organogram



Chapter 9. Complaints and Grievances

50. The grievance redress mechanism will allow Affected Persons and Affected Households to appeal any disagreeable decision, practice or activity arising from land or other assets compensation. During consultation, survey and compensation the Affected Persons and Affected Households shall be duly notified orally or in a written form about their rights and the procedure of complaints introduction. Complaints and not elimination of consequences should be ensured (based on the steps provided in table 3). This can be achieved by due preparation of land acquisition and resettlement, providing full participation of Affected Persons and Affected Households and consultation, as well as providing contact and coordination between affected communities and Implementation Agency.

Table3. Grievance Resolution Process

Compensation Issues for Complaints
1. First, complaints resolution will be attempted at Yerevan Municipality Project Implementation Unit level. Within 30 days the Yerevan Municipality Project Implementation Unit will dismiss the case or recommend its settlements to the Affected Persons and Affected Households. The responses to Affected Person and Affected Household s will be given in a written manner.
2. If an Affected Person is not satisfied with the response or Yerevan Municipality Project Implementation Unit responsible staff needs additional capacity to response the ' grievance, the Grievance Review Group can be formulated. A settlement will be made within 30 days from the day of the start of the Grievance Review Group review. The responses to Affected Persons will be given in a written manner.
3. If after the intervention and assistance with the Yerevan Municipality Project Implementation Unit or the Grievance Review Group no solution has been reached, the Affected Persons and Affected Households should present their grievance to Yerevan Municipality. Yerevan Municipality should provide a written response within 30 days.

51. Nevertheless, above mentioned grievance mechanism does not limit the citizen's right to submit the case to the court of law just in the first stage of grievance process.

Chapter 10. Monitoring and Evaluation

52. Land acquisition and resettlement under the Project will be subjected to both internal and external monitoring. Internal monitoring will be conducted by Social Safeguard and Resettlement Specialist. External monitoring will be conducted due to sectional approach and will be assigned to an External Monitoring Agency to be hired by Yerevan Municipality Project Implementation Unit and approved by Asian Development Bank. The External Monitoring Agency will be selected among Non-Governmental Organizations, academic institutions, or consulting firms. Asian Development Bank will advise Yerevan Municipality on the External Monitoring Agency's terms of reference once Project implementation has begun.

53. The internal monitoring will be carried out routinely by Social Safeguards and Resettlement Specialist either directly or through the services of a consultant. The results will be communicated to Asian Development Bank through the quarterly project implementation reports. Indicators for the internal monitoring will be those related to process and immediate outputs and results, which allow to assess the progress and results of Land Acquisition and Resettlement Plan implementation, and to adjust the work program, if necessary. The quarterly reports will be included in the standard supervision reports to Asian Development Bank. Specific monitoring benchmarks will be:

- 1) Information campaign and consultation with Affected Persons and Affected Households;
- 2) Status of land acquisition and payments on land compensation;
- 3) Compensation for affected structures and other assets;
- 4) Relocation of Affected Persons;
- 5) Payments for loss of income;
- 6) Income restoration activities;
- 7) Livelihood restoration.

54. The above information will be collected by Social Safeguards and Resettlement Specialist which is responsible for monitoring the day-to-day resettlement activities of the project through the following instruments:

- 1) Review of census information for all Affected Persons and Affected Households;
- 2) Consultation and informal interviews with Affected Persons and Affected Households;
- 3) In-depth case studies;
- 4) Sample survey of Affected Persons and Affected Households;
- 5) Key informant interviews; and
- 6) Community public meetings.

55. External monitoring will be carried out in parallel with the implementation of Land Acquisition and Resettlement Plan and will result in a final compliance report

indicating whether the compensation program has been carried out based on the provisions of this Land Acquisition and Resettlement Framework and Asian Development Bank policy and with the satisfaction of the Affected Persons and Affected Households. The compliance report will be communicated to Yerevan Municipality Project Implementation Unit and Asian Development Bank and will be a condition to start civil works.

56. Short-term monitoring and evaluation task will be carried out in parallel with the implementation of each Land Acquisition and Resettlement Plan activity and will entail extensive field visits and communication with Affected Person and Affected Households and the Yerevan Municipality Project Implementation Unit. This task will result in Land Acquisition and Resettlement Plan Implementation Compliance Report indicating whether the compensation program has been carried out based on the provisions of this Land Acquisition and Resettlement Framework, Asian Development Bank SPS 2009 and with the livelihood restoration of the Affected Persons and Affected Households. The Compliance report will also identify non-compliance issues that need to be addressed in a Corrective Action Plan and will be communicated to the Yerevan Municipality Project Implementation Unit and Asian Development Bank and will be a condition to start civil works. The Compliance Reports will include the results of following activities:

- 1) Verification of internal monitoring reports prepared by the Yerevan Municipality Project Implementation Unit;
- 2) Verification of Affected Households and Affected Persons numbers;
- 3) Verification that the impacts measurements in the protocols fit actual impacts;
- 4) Verification that the unit compensation rates used in the protocols fit Land Acquisition and Resettlement Plan provisions;
- 5) Verification that compensation was delivered to all Affected Persons and Affected Households and in the amounts defined in the Land Acquisition and Resettlement Plan or Corrective Action Plans;
- 6) Assessment of the way the compensation process was conducted and timed in relation to Land Acquisition and Resettlement Plan provisions and effectiveness parameters;
- 7) Review of grievance cases including an assessment of whether grievance resolution was carried out in accordance with Land Acquisition and Resettlement Plan provisions and with satisfaction of Affected Persons and Affected Households;
- 8) Assessment of Affected Persons and Affected Households' satisfaction based on a 25% sample survey of the Affected Persons and Affected Households;
- 9) Assessment of the conducting and completion of expropriation cases;
- 10) Assessment of the conducting of public consultation, stakeholder engagement and Implementing Agency -Affected Person and Affected Household communication;

11) Assessment of the delivery of allowances to severely affected, vulnerable and resettled Affected Persons and Affected Households, and

12) Final assessment of the appropriateness or not of Land Acquisition and Resettlement Plan implementation and mitigation measures in the Social Due Diligence Report.

57. If Land Acquisition and Resettlement Plan implementation or implementation of mitigation measures in the Social Due Diligence Report is not satisfactory or due to the unanticipated impacts, the final assessment will detail the necessary outstanding corrective measures to be implemented by the Project Implementation Unit according to a detailed Corrective Action Plan.

58. Long-term evaluation of post-Land Acquisition and Resettlement Plan impacts on Affected Persons and Affected Households' livelihood will be carried out tentatively 1 year after the end of the Land Acquisition and Resettlement Plan implementation. A Post- Land Acquisition and Resettlement Plan Evaluation shall be carried out to find out if the objectives of the Land Acquisition and Resettlement Plan have been attained. The evaluation will address the following major topics:

1) Assessment of the impact of the Land Acquisition and Resettlement Plan implementation on the Affected Persons and Affected Households;

2) Assessment of the satisfaction of Affected Persons and Affected Households with the appraisal of assets and entitlements, timing of payments, fund availability and disbursements, etc.;

3) Assessment of the efficiency of the Land Acquisition and Resettlement Plan implementation; and

4) Lessons learned and recommend appropriate corrective actions and

5) Supplemental assistance for the Affected Persons and Affected Households to be included in a Corrective Action Plan if the outcome of the study shows that the objectives of the Land Acquisition and Resettlement Plan have not been (fully) attained.

59. As part of the final compliance report the External Monitoring Agency will also assess the status of Project affected vulnerable groups such as households headed by female, or persons with disabilities, or elderly members and families below the eligibility threshold for receiving the insecurity allowance. The following will be considered as the basis for indicators in monitoring and evaluation of the project:

1) Socio-economic conditions of the Affected Persons and Affected Households in the post-resettlement period;

2) Communications and reactions from Affected Persons on entitlements, compensation, options, alternative developments and relocation timetables etc.;

3) Changes in housing and income levels;

4) Rehabilitation of informal settlers;

5) Valuation of property;

6) Grievance procedures;

- 7) Disbursement of compensation; and
- 8) Level of satisfaction of Affected Persons and Affected Households in the post resettlement period.

60. The External Monitoring Agency will carry out a post-implementation evaluation of the Land Acquisition and Resettlement Plan about a year after completion of its implementation. The compelling reason for this study is to find out if the objectives of the Land Acquisition and Resettlement Plan have been attained or not. The benchmark data of socio-economic survey of severely Affected Persons and Affected Households conducted during the preparation of the Land Acquisition and Resettlement Plan and Poverty Social Assessment will be used to compare the pre and post project conditions. The External Monitoring Agency will recommend appropriate supplemental assistance for the Affected Persons and Affected Households should the outcome of the study show that the objectives of the Land Acquisition and Resettlement Plan have not been attained.

Chapter 11. Capacity Building and Training in Land Acquisition and Resettlement Plan Implementation

61. All concerned staff involved in land acquisition and resettlement tasks will undergo a two days-long orientation and training in Asian Development Bank resettlement policy, management and Armenian legislation related to land acquisition and resettlement. The training will be provided by the international and local Resettlement specialists of the project preparation consultants. Training will cover the following topics:

- 1) Principles and procedures of land acquisition;
- 2) Public consultation and participation;
- 3) Entitlements and compensation & assistance disbursement mechanisms;
- 4) Grievance redress and monitoring of resettlement operations.

Chapter 12. Resettlement Budget and Financing

62. All Land Acquisition and Resettlement Plan preparation and implementation costs, including cost of compensation and land acquisition and resettlement administration, will be considered an integral part of Project cost and will be contributed by Asian Development Bank and as a counterpart fund by the Government of Armenia, in particular Yerevan Municipality. Land compensation and other expenses arose from the land acquisition (taxes, duty fees, and transaction costs) will be covered by the Yerevan Community budget. Compensation for the remaining assets will be covered by the loan, except taxes, duty fees, and transaction costs envisaged by legislation of the Republic of Armenia. The Land Acquisition and Resettlement Plan will

include a budget section indicating unit compensation rates for all affected items and allowances, methodology followed for the computation of unit compensation rates, and a cost table for all compensation expenses including administrative costs and contingencies. Costs for external monitoring tasks and for the preparation of surveys and Land Acquisition and Resettlement Plan can be allocated under the loan.

63. Being the project owner, Yerevan Municipality is responsible for the timely allocation of the funds needed to implement the Land Acquisition and Resettlement Plan. As per the land acquisition and resettlement finances flow the budget for compensation and rehabilitation will be directly disbursed by Yerevan Municipality to the Affected Persons and Affected Households.

Chapter 13. Land Acquisition and Resettlement Plan Implementation Process

64. Based on experience in Armenia the Preparation and implementation of a Land Acquisition and Resettlement Plan may take up to a few months. The basic land acquisition and resettlement -related steps for the preparation and implementation of a Land Acquisition and Resettlement Plan are summarized in table 4 below.

Table 4. Land Acquisition and Resettlement Tasks Process

Step	Action	Responsibility
A)	Land Acquisition and Resettlement Plan and /Social Due Diligence Report Preparation	
1	Assessment of Project's Poverty and Social Impacts	Project Preparation Technical Assistance Consultant
2	Finalization of preliminary design	Detailed Engineering Design and Supervision Consultant, /Project Implementation Unit, Yerevan Municipality
3	Prepare surveys forms for Census and Detailed Measurement Survey, train local Census and Detailed Measurement Survey teams	Detailed Engineering Design and Supervision Consultant, / Project Implementation Unit, Yerevan Municipality
4	Collection of cadastral and land parcel maps of the project area	Detailed Engineering Design and

Step	Action	Responsibility
		Supervision Consultant
5	Verify land records in affected areas, update cadastral maps and carry out impacts and valuation surveys – Detailed Measurement Survey	Detailed Engineering Design and Supervision Consultant, Project Implementation Unit
6	Conduct public consultations	Detailed Engineering Design and Supervision Consultant, Project Implementation Unit
7	Identification of land acquisition and resettlement free area	Detailed Engineering Design and Supervision Consultant, Project Implementation Unit
8	Preparation of Social Due Diligence Report and submission to Asian Development Bank	Detailed Engineering Design and Supervision Consultant, Project Implementation Unit
9	Negotiations with Affected Persons	Detailed Engineering Design and Supervision Consultant, Project Implementation Unit
10	Integrate data from Census into the land acquisition and resettlement plan	Detailed Engineering Design and Supervision Consultant
11	Submission of Land Acquisition and Resettlement Plan for the Government of the Republic of Armenia endorsement and Asian Development Bank for approval	Project Implementation Unit, Yerevan Municipality, Government of the Republic of Armenia, Asian Development Bank
12	Disclosure	Detailed Engineering Design and Supervision Consultant, Project Implementation Unit
B)	land Acquisition and Resettlement Plan and Social Due Diligence Report Finalization	

Step	Action	Responsibility
1	Detailed Design	Detailed Engineering Design and Supervision Consultant, Project Implementation Unit
2	Review of impacts and Affected Person lists based on detailed design	Detailed Engineering Design and Supervision Consultant, Project Implementation Unit
3	Review of prices based on the updated rate	Detailed Engineering Design and Supervision Consultant, Project Implementation Unit, Yerevan Municipality
4	Legalization of legalizable Affected Persons	Detailed Engineering Design and Supervision Consultant, Project Implementation Unit, Yerevan Municipality
5	Preparation of the final Land Acquisition and Resettlement Plan	Detailed Engineering Design and Supervision Consultant, Project Implementation Unit
6	Asian Development Plan Approval of the Social Due Diligence Report and the Land Acquisition and Resettlement Plan	Asian Development Bank
7	Final Land Acquisition and Resettlement Plan disclosure: Distribution of Land Acquisition and Resettlement Plan and information pamphlets in Armenia in the affected communities; posting of Land Acquisition and Resettlement Plan in English on the website of Asian Development Bank	Detailed Engineering Design and Supervision Consultant, Project Implementation Unit, Asian Development Bank
8	Signing of civil contract award	Asian Development Bank, Yerevan Municipality, Project Implementation Unit
9	Handover of the Land Acquisition and Resettlement free section included in the Social Due Diligence Report to the Contractor	Project Implementation Unit, Yerevan Municipality

Step	Action	Responsibility
C)	Land Acquisition and Resettlement Plan Implementation	
1	Approval of Contract awards Signing	Asian Development Bank
2	Detailed Schedule for compensation action plan	Project Implementation Unit, Yerevan Municipality
3	Distribution of Relocation Notices to Affected Persons	Project Implementation Unit, Yerevan Municipality
4	Award of Cheques for Land Compensation	Project Implementation Unit, Yerevan Municipality
5	Award of Cheques for other Compensation & Assistance/ Rehabilitation	Project Implementation Unit, Yerevan Municipality
6	Demolishing/ Relocation of Affected Structures/Assets	Project Implementation Unit, Yerevan Municipality, Contractor
7	Review of Land Acquisition and Resettlement Plan Implementation through a compliance report	Project Implementation Unit, Yerevan Municipality, External Monitoring Agency, Asian Development Bank
8	If Land Acquisition and Resettlement Plan Implementation found satisfactory, notice to proceed for Civil works is issued	Asian Development Bank, Yerevan Municipality
D)	Post-Implementation Tasks	
1	Independent evaluation of Land Acquisition and Resettlement Plan and Social Due Diligence Report	External Monitoring Agency
E)	Cyclical or Continuous Tasks	
1	Internal monitoring. Semi-annual reporting to Asian Development Bank	Project Implementation Unit
2	External Monitoring.	External Monitoring Agency
3	Grievances Redress/Law Suites	Project Implementation Unit, Yerevan Municipality, Court
4	Inter-agency coordination and Communication with Affected Person	Ministry of Territorial Administration and Infrastructure, Yerevan Municipality, Project

Step	Action	Responsibility
		Implementation Unit

Chapter 14. Standard Land Acquisition Resettlement Plan Outline

1) Land acquisition and resettlement issues for the scheme

This chapter describes the scheme activities and items requiring land acquisition and resettlement; alternative options, if any, considered minimizing land acquisition and its effects; and why remaining effects are unavoidable.

2) Scope of land acquisition and resettlement

This chapter describes the preparation of the impacts (who carried it out and when it was initiated) and provides a full assessment of each type of impact and a census of affected persons as described in the Land Acquisition and Resettlement Framework. The chapter also includes a description of the methodology followed to determine unit-compensation rates for each affected item and subsidy and allowance.

3) Objectives, policy framework, and entitlements

Based on the Land Acquisition and Resettlement Framework, this chapter outlines the eligibility and compensation framework for the scheme.

4) Consultation and grievance redress participation

This chapter summarizes procedures for redress of grievances by affected persons described in Land Acquisition and Resettlement Framework and describes the consultation and participation process and grievance redress that occurred in the subproject at hand.

5) Compensation, relocation, and income restoration

This chapter outlines the income restoration measures to be implemented.

6) Institutional framework

This chapter outlines the institutional arrangements for the scheme based on this Land Acquisition and Resettlement Framework. It includes the following issues: responsibilities for main tasks and for planning, negotiating, consulting, approving, coordinating, implementing, financing, monitoring, and evaluating land acquisition and resettlement.

7) Resettlement budget and financing

This chapter provides the unit compensation rate for each affected item and assesses the land acquisition and resettlement budget for the scheme. The land acquisition and resettlement budget will include land acquisition and eventual land acquisition costs,

amounts due for crop compensation and for the subsidies and allowances, monitoring and evaluation costs, and administrative costs and will be adjusted for inflation and applicable taxes.

8) Implementation schedule

This chapter provides a time schedule showing the land acquisition and resettlement process and linking land acquisition and resettlement tasks with civil works implementation.

9) Monitoring and evaluation

This chapter specifies arrangements for routine and independent monitoring and evaluation activities.

Chapter 15. Methodology for the Compensation of Business and Employment Losses

65. This section presents the compensation principles and methodology for Business and Employment Losses set forth in Point 8 “Business or Employment Losses of the Entitlements Matrix of the Land Acquisition and Resettlement Framework for the Project. For this Annex the following definitions and concepts are used:

- 1) Affected parties are: “Legal Persons” or “Individual Entrepreneurs” owning the affected business;
- 2) Permanently affected Legal Persons and Individual Entrepreneurs are affected parties whose business activities are permanently stopped by Project activities;
- 3) Temporarily affected Legal Parties and Individual Entrepreneurs are affected parties whose business activities are temporarily interrupted;
- 4) Permanently stopped business activities are business activities stopped for at least 12 Months;
- 5) Temporarily interrupted business activities are business activities interrupted up to 12 months.

66. According to the Land Acquisition and Resettlement Framework principles, compensation eligibility is restricted by a cut-off date established on the description protocols preparation (signing) day for the affected assets. Improvements made to affected items after the cut-off date will not be eligible for compensation.

67. The monthly compensation amounts specified in this document shall not be less than the minimum monthly salary defined in Article 1 of the Republic of Armenia Law on “Minimum Monthly Salary”.

68. Provisions for affected persons with tax report or calculation

- 1) Permanently affected organizations or individual entrepreneurs operating within the General system of taxation shall receive a cash indemnity equal to 1-year net profit calculated as the difference between the taxable profit amount stated in the profit

tax calculation for the preceding year and the corresponding tax amount due. Temporarily affected organizations or individual entrepreneurs operating within the general system of taxation will be compensated as above, but only for the number of months of business stoppage up to 1 year.

2) Permanently affected organizations or individual entrepreneurs operating within the Turnover Tax system of taxation shall receive a cash indemnity equal to 1-year net income, calculated as the difference between the sales turnover amount stated in the turnover tax calculations for the preceding four quarters and the sum of the corresponding turnover tax amount due and the salary of the employees. Temporarily affected organizations or individual entrepreneurs taxable within the Turnover Tax system of taxation will be compensated as above but only for the number of months of business stoppage up to 1 year.

3) Permanently affected organizations or individual entrepreneurs operating within the Micro- Enterprise system of taxation shall receive a cash indemnity equal to 1-year net income calculated as the amount of the difference between the sales turnover for all types of activities and the amount of salary of employees involved in micro-enterprise. Temporarily affected organizations or individual entrepreneurs who operate within the Micro- Enterprise system of taxation will be compensated as above, but only for the number of months of business stoppage up to 1 year.

69. Provisions for affected persons without tax report/calculation.

1) Permanently affected Legal Persons, Individual Entrepreneurs or neutral persons without tax report or calculation shall receive a cash indemnity calculated on the basis of the minimum monthly salary of the Republic of Armenia (as of cut-off date) and to be provided in a lump sum covering 12 months.

2) Temporarily affected Legal Persons, Individual Entrepreneurs or neutral persons without tax declaration shall receive a cash indemnity calculated on the basis of the minimum monthly salary of the Republic of Armenia (as of the cut-off date) and to be provided in form of a lump sum covering the number of months of business stoppage.

70. The number of months of temporary business stoppage will be calculated based on the duration of scheduled project activities within the road section affecting business. In the event that the schedule of project activities stopping the business is prolonged, the compensation will be increased for the additional months of civil works but not in excess of 12 months (if longer than for 12 months, then it is considered to be permanent).

71. Reimbursement of state registration costs and business license fees

1) Permanently affected Legal Persons or Individual Entrepreneurs with tax report/calculation or other official tax statements will be also reimbursed of state registration and licensing fees costs. In case of licenses issued in accordance with the Republic of Armenia Law “On Licensing” to undertake activities in a specific location

(letter «Վ» indicates the type of activity) the licenses will not be suspended and therefore reimbursed but will be amended so as to allow the legal person/individual entrepreneur to undertake the same business activities in a different address. In these cases, reimbursement is provided for the prescribed license re-issue fee.

2) Temporarily affected Legal Persons or Individual Entrepreneurs with tax report/calculation or other official tax statements will be also reimbursed for licensing fees costs in the amount of 1/12 of the annual state fee multiplied for the number of months of business stoppage.

72. The employees entitled to this compensation are registered employees who have worked for an affected business for at least two months prior to the cut-off date and at the moment of stoppage still working at the affected business (company or Individual Entrepreneur) for whom social security payments are calculated in accordance with law of the Republic of Armenia. The compensation will be calculated based on the following principles:

1) In the event of permanent termination of an affected business operation (permanent impact) the employees shall receive cash indemnity for six months in the amount of their average monthly salary (calculated in accordance with the procedure established by the Labor Code of the Republic of Armenia) for each month;

2) In the event of temporary interruption of an affected business operation (temporary impact) the employees shall receive a cash indemnity amounting to the average monthly salary (calculated in accordance with the procedure established by the Labor Code of the Republic of Armenia) for each month of business stoppage, but cumulatively for no more than six months.

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