

**North-South Road Corridor
Investment Program
Program Management Unit**



Asian Development Bank



LAND ACQUISITION and RESETTLEMENT PLAN

PROJECT INFORMATION PAMPHLET

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ABBREVIATIONS

ADB	Asian Development Bank
AH	Affected Households
AMD	Armenian Dram
AP	Affected Person
GRG	Grievance Redress Group
LARF	Land Acquisition & Resettlement Framework
LARP	Land Acquisition & Resettlement Plan
MOTC	Ministry of Transport and Communications
NSRCP	North South Road Corridor Project
PMU	Project Management Unit

DEFINITION OF TERMS

Affected Household (AH)	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/rehabilitation.
Affected Person (AP)	Any person (individual) affected by Project-related changes in use of land, water, natural resources, or income losses.
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.
Expropriation	Government's action in taking or modifying property rights in the exercise of the right of Eminent Domain.
Informal Tenants	An Affected Person who uses affected agricultural land or asset based on an informal agreement with an absent owner or the community as confirmed by a statement from a Community Leader.
Rehabilitation	Compensatory measures provided under the Policy Framework on involuntary resettlement other than payment of the replacement cost of acquired assets.
Relocation	The physical relocation of a AP/AH from her/his pre-Project place of residence requiring the rebuilding of housing or assets, in another location.
Replacement Cost	The value necessary to replace an affected asset/item with an equal asset of same value and quality free of transactions and other costs. Replacement value can be determined differently based on type of affected item and project conditions as follows: a) Land - current market value determined by a survey of land transactions or, if land markets are absent, productive value/reproduction cost of affected plot; b) buildings – full reproduction cost of affected building, inclusive of materials, labor and transport costs and free of depreciation/salvaged materials; c) crops - current market value and; d) trees – income losses at market rate (for productive/wood trees) and reproduction costs (for non-productive trees/seedlings).

Resettlement Plan	A time-bound action plan with budget setting out resettlement strategy, objectives, entitlement, actions, responsibilities, monitoring and evaluation.
Vulnerable Affected Households (AH)	Vulnerable AH are households that are: (a) Poor AH registered in the Family Benefit System of the MLSI of RA; (b) women-headed AH without another AH member with income, or (c) AH headed by a pensioner without another household member with income.

PROJECT BACKGROUND

The Asian Development Bank (ADB) has agreed to provide the Government of Armenia (GoA) with a US\$ 500 million Multi-Tranche Financing Facility (MFF) to finance the North-South Corridor Road Investment Program (the Program). The initial phase covers the route from Ararat, via Yerevan, through Ashtarak and Talin to Gyumri. The Project involves the upgrading of the existing M1 from 2-lane single carriageway to international standard Category 1, 4-lane dual carriageway. Tranche 2 of the Project, between Ashtarak and Talin, includes the provision of 18 agricultural underpasses of which 8 are 3.0m high x 5.0m wide for animals and pedestrians and 10 which are 4.5m high x 6.0m wide for agricultural machinery. There are also nine grade separated interchanges to provide connection between the new highway and the local roads and communities. Three of these interchanges comprise over-bridges and the remaining six are underpasses. Electrical lighting is provided at each of the interchanges along the main highway over a distance of 250m before and after the on/off ramp intersections. Road marking and signage is provided in accordance with the requirements of the national standards, augmented where appropriate by international standards. The road safety aspects have also been incorporated in the design.

Figure A1: Tranche-2 Project Location



The new alignment generally follows the line of the existing highway in order to minimize overall impacts, but also includes by-passes around existing communities on greenfield alignments. It requires substantial land acquisition and resettlement (LAR).

IMPACTS SUMMARY

The Project affects 838 land plots with:

- 1,186 owners and co-owners on 484 private land plots,
- 16 community-owners on 352 community land plots,
- 2 land plots owned by Republic of Armenia (RoA).

Some of private and community land plots are given in leasehold or free usufruct to third party users. These third party users are

- 14 formal leaseholders on community land,
- 23 informal tenants on private lands and
- 4 informal tenants on community lands.

The Project requires the acquisition of 1,734,144 m² of land. Of these, 746 plots (1,643,777 m²) are devoted to agricultural use while 92 (90,547 m²) are used for non-agricultural use (83 residential and 9 industrial plots). The agricultural land includes: 297 arable irrigable land plots (432,183 m²); 34 arable non-irrigable land plots (83,393m²); 2 grazing plots (560 m²); 98 orchard plots (101,464 m²); 10 vineyards plots (19,446 m²); 108 pasture plots (718, 071 m²) and 197 other agricultural land plots (rural roads, stream channels, lands that can be used, but are not) (288,480 m²).

The major crops in project areas are cereals, mainly wheat and barley; the total area affected is 219,566 m². In all 4,378 fruit and 1,555 wood trees will be affected. The affected vineyards cover 6,485 linear meters.

In all 28 buildings measuring overall 2,699 m² (2 houses and 26 nonresidential buildings) will be affected. The 2 house owners will have to relocate.

There are 7 affected businesses (6 permanently). The affected employees are 19.

There are a total of 536 Affected Households (AHs) and 2,263 Affected Persons (APs), including land/building owners, leaseholders and informal tenants on private and community lands. The Project will affect 91 vulnerable AHs, including female and/or elderly headed households as well as poor AHs. It will also severely affect 326 AHs, including two who will have to be relocated.

Table 1. Impacts Summary

Impact Category	Plots/ Units	AHs	Area, m2	Comment/ Description of Unit
A. Land				
A1. Agricultural (Private Land)	449	441	619,594	
A2. Agricultural (Community Land)	296	0	1,022,270	
A3. Residential/Industrial (Private Land)	35	36	27,588	
A4. Residential/Industrial (Community Land)	56	0	61,152	
A5. Governmental Land	2	0	3,540	
Subtotal (A)	838	477	1,734,144	
B. Structures				
B1. Residential	2	2	3,693	
B2. Non-Residential	11	11	44,031	No of plots & AHs included in A
Sub-Total (B)	13	13	47,724	
C. Annual Crops				
	174	216	241,070	
D. Fruit Trees				
	110	139	n.a.	
E. Wood trees				
	40	40	n.a.	No of plots, AHs & area included in A
F. Business/Income Losses				
F1. Temporary losses with tax declaration	5	5	n.a.	
F2. Permanent losses with tax declaration	1	1	n.a.	
F3. Permanent losses without tax declaration	1	1	n.a.	No of business
Subtotal (F)	7	7	n.a	
G. Jobs losses				
	19	19	n.a.	No of employees
H. Leaseholders/ Informal Tenants				
H1. Leases (Community Land)	14	14	57,940	No of plots & area is included in A
H2. Usufruct User (Private Land)	23	23	21,776	No of plots & area is included in A
H3. Usufruct User (Community Land)	4	4	29,543	No of plots & area is included in A
I. Vulnerable/Severely Affected Households				
I1. Vulnerable AH	n.a	91	n.a	Included in A & H
I2. Severely Affected AH	n.a	326	n.a	Included in A & H
J. Total AH	n.a	536	n.a.	Without double counting
K. Total AP	n.a	2,263	n.a	Without double counting

POLICY AND PRINCIPLES

The Armenian Constitution (1995) guarantees protection of private ownership rights. It also provides that private ownership may be terminated “in exclusive cases of prevailing public interests” (eminent domain) based on established procedure and with prior adequate compensation. Land acquisition and compensation issues are discussed in the Land Code Article 102, 104, the Civil Code (1998), Articles 218 through 221 and in the Law of RA on the Alienation of the Private Property for Public and State Needs adopted on 27 November 2006.

The consideration for the land/property being acquired is established by contract and agreement between MOTC and APs or their official representatives taking into account the market value and damages, including consequential damages.

Adequate compensation shall be paid to the owner against alienation of his/her property. “Adequate” is defined as the amount 15 percent over and above the market price for the alienated land and buildings. Assessment of the real estate or the real estate rights has been made by a licensed Valuator in accordance with the procedure defined in the Law of the Republic of Armenia on Assessment of Real Estate in Armenia adopted on October 4, 2005.

The ADB Involuntary Resettlement safeguards under the SPS are based on the following principles:

- Involuntary resettlement is to be avoided or at least minimized.
- Compensation/Rehabilitation provisions will ensure the maintenance of the APs’ pre-project standards of living.
- APs should be fully informed and consulted on LAR compensation options.
- APs’ socio-cultural institutions should be supported/used as much as possible.
- Compensation will be carried out with equal consideration of women and men.
- Lack of legal title should not be a bar to compensation and/or rehabilitation.
- Particular attention should be 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.
- LAR should be conceived and executed as a part of the project, and the full costs of compensation should be included in project costs and benefits.
- Compensation, resettlement allowances and subsidies will be fully provided prior to clearance of right of way/ground leveling and demolition.

Any differences between Armenia’s Law and Regulations and ADB Safeguard Policy Statement have been addressed in the Land Acquisition and Resettlement Framework that highlights compensation and eligibility issues for this project (*See the brief description in the Section on “Compensation Eligibility and Entitlements” below*). Based on Armenian laws and ADB’s SPS, 2009, core involuntary resettlement principles have been developed for this MFF which are as follows¹:

- Land acquisition, and other involuntary resettlement impacts will be avoided or minimized by exploring all viable alternative project designs;
- Where unavoidable, a time-bound LARP will be prepared and APs will be assisted in improving or at least regaining their pre-program standard of living;
- Consultation with APs on compensation, disclosure of resettlement information to APs, and participation of APs in planning/implementing sub-projects, such as providing their views on design alternatives and participating in monitoring activities, will be ensured;
- Vulnerable and severely affected APs will be provided special assistance;
- Non-titled APs (e.g., informal dwellers or squatters, APs without registration details) will receive a livelihood allowance in lieu of land compensation and will be fully compensated for the other losses other than land;
- Legalizable APs will be legalized and fully compensated for land losses;
- Provisions will be made for income restoration and rehabilitation;
- The LARP will be disclosed to the APs in Armenian;
- Payment of compensation, resettlement assistance and rehabilitation measures will be fully provided to the APs prior to initiation of Physical Civil Works and actual taking of the land.

¹ Paragraph 18, E4 LARF Principles and Entitlements Adopted for this MFF, Land Acquisition and Resettlement Framework (Updated), December 2010.

- Appropriate redress mechanisms to solve APs grievances will be established.

COMPENSATION ELIGIBILITY AND ENTITLEMENTS

All APs residing, working, doing business and cultivating land within the project impacted areas are entitled to compensation for their affected assets, based on the modified and finalized design of the road alignment and consequent updated census and detailed measurement survey of the losses. They are also entitled to rehabilitation measures sufficient to assist them to improve or at least maintain their pre-project living standards, income earning capacity and production levels.

Lack of legal rights to the assets lost, or adversely affected tenure status or social or economic status, will not bar the AP from entitlements to such compensation and rehabilitation measures or resettlement objectives.

Any person, who settles in the affected areas or builds/ expands their houses/ structures or makes any other improvements on the affected area, after the cut-off date, will not be eligible for compensation. The cut-off date for this project is **June 17, 2011**. They will, however, be given sufficient advance notice, and requested to vacate premises and dismantle affected structures prior to project implementation.

The Entitlement Matrix below defines types of losses and compensation entitlements, as well as allowances for different groups, such as severally affected, poor, elderly, woman headed households etc.

Table 2: Entitlement Matrix

Type of Loss	Application	Definition of APs	Compensation Entitlements
1. Agricultural land Loss	AH losing agricultural land regardless of impact severity	Owners	Compensation at replacement value +15% either in cash at market rates or cadastral values (whichever the highest) or through replacement land acceptable to the AP. 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 Owner	Legalizable APs will be legalized and paid the same compensation as above
		Leaseholder (Community, state)	These AH will be compensated as full owners at market rates or cadastral values (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 of affected land (whichever the highest) + 15%" in the following proportions according to the length of the lease: i) < 1 year 5%; 2) < 15 years 14% ; 3) < 25 years 20%;4)>25 years - 25%.
		Non-legalizable Ahs	These APs will receive a rehabilitation allowance based on the affected land market or cadastral value (whichever the highest) in proportions to the number of years of land occupation as follows: i) < 1 year 5%; 2) < 15 years 14% ; 3) < 25 years 20%;4)>25 years - 25%.
2. Non-Agricultural Land loss	AH losing their commercial/ residential land	Owners	Compensation at market value or cadastral value (whichever the highest) +15% or through replacement land acceptable to the AP.
		Legalizable Owner	Same compensation as above
		Renter/ Leaseholder (community, state)	These AHs will be compensated as full owners at market rates or cadastral values (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 of affected land (whichever the highest) + 15%" in the following proportions according to the length of the lease: i) < 1 year 5%; 2) < 15 years 14% ; 3) < 25 years 20%;4)>25 years - 25%.
		Non legalizable Ahs	These APs will receive a rehabilitation allowance based on the affected land market or cadastral value whichever the highest. In proportions to the number of years of land occupation as follows: i) < 1 year 5%; 2) < 15 years 14% ; 3) < 25 years 20%;4)>25 years - 25%.
3. Residential buildings		All AH regardless of legal status	Cash compensation + 15% for loss of building at full replacement cost free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs.
		Relocated Renters/	Relocation and severe impact allowance as entitlement 9 and 10 below
4. Non-residential buildings/assets		AHs with valid registration	Cash compensation + 15% for loss of building at full replacement cost free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs.
		AHs without valid registration	As above but after building is legalized/registered, in cases where legalization/registration of the building is required

Type of Loss	Application	Definition of APs	Compensation Entitlements
		Relocated Renters	Relocation and severe impact allowance as entitlement 9 and 10 below
5. Common property Loss	Community/Public Assets	Community/State	Reconstruction of lost structures and restoration of their functions in consultation with community/state authority
6. Crop Losses	Standing crops affected	All AH regardless of legal status (including owners subject to obtaining legal status and residents having no residency status)	Crop compensation in cash at market rate by default at gross crop value of expected harvest.
7. Tree Losses	Trees affected	All AH regardless of legal status (including owners subject to obtaining legal status and residents having no residency status)	Cash compensation at market rate based on type, age and productive value of the trees.
8. Business or Employment Losses	Business employment loss	All AH regardless of legal status (including owners subject to obtaining legal status and residents having no residency status)	Business owner: For the businesses with a tax declaration (i). (permanent impact) cash indemnity of 1 year net income; (ii) (temporary impact) cash indemnity of net income for months of business stoppage up to 1 year. In absence of a tax declaration (i)(permanent impact) rehabilitation allowance based on official minimum salary for 1 year plus compensation for state registration fees and licenses if any (ii) (temporary impact) rehabilitation allowance based on official minimum monthly salary for the number of months of business stoppage up to a maximum of 1 year. Permanent Worker/Employees: Indemnity equal to: (i) Permanent job loss: the employee will receive lump sum compensation of 6 months average salary, where the amount for each month is the average monthly wage; (ii) Temporary loss - the employee will receive a lump sum compensation for all months of business stoppage based on the actual average salary in the period considered up to 6 months
9. Allowances for Severe Impacts	AH with >10% agricultural income loss or to be relocated	All severely affected AHs including informal settlers	i) 1 additional crop compensation covering 1 year yield for APs affected by severe agricultural income losses; ii) for relocated APs a rehabilitation allowance of 6 months at minimum salary ² for relocated AHs.
10. Relocation allowances	Transport/transition costs	All relocated AH including relocated renters	Provision of funds to cover transport costs and livelihood expenses for 1 month.
11 Vulnerable AP Allowances		AHs below poverty line or headed by a woman or an elderly person.	Allowance equivalent to 6 months of minimum salary ³ and employment priority in project-related jobs
12. Temporary impacts		All Ahs	Due rent and rehabilitation for temporarily affected assets will be provided.
13. Unforeseen LAR impacts, if any			MOTC will consider the unforeseen resettlement impact during project and will compensate them based on the above provisions.

COMPENSATION RATES

Compensation for losses

Agricultural and Non Agricultural Land Impacts

- *Legal owners* are compensated in cash at market or cadastral value (whichever is the highest) + 15%.
- *Leaseholders* receive compensation in cash at market or cadastral value (whichever the higher) of the affected land + 15% in proportion to the remaining years of lease as follows: i.) < 1 year - 5% of land value; ii) < 15 years - 14% of land value; iii) < 25 years - 20% of land value; iv) 25 years and more - 25% of land value.
- *Informal tenants* will not be compensated for land losses. Only short term investments, if any, will be compensated.
- When >10% of an AP's agricultural land is affected, the AP (land owners, leaseholders and/or informal tenants) receive an additional allowance for severe impacts equal to the market value of a year's gross yield (for 2011) of the land lost or lump sum compensation equal to 6 six month minimum salary (195,000 AMD) if there was no yield in 2011 but there was yield in 2010.

Residential and Non Residential Buildings Impacts

- Buildings are compensated to all APs, irrespective of the house registration status, in cash at replacement cost + 15%. In case of non-residential buildings APs without registration will be compensated only after legalization of the property.
- Compensation is free of deductions for depreciation, transaction costs, etc.
- In case of partial impacts and unwillingness of the owner to relocate, building impacts cover only the affected portion of a building and its full rehabilitation to previous use.
- Relocated owners as well as leaseholders are given a relocation allowance and severe impacts allowances.

Crops Impacts

- Cash compensation at current gross market rate value (inclusive of inputs) of 1 year's harvest by default. Additional years of crop losses will be valued at net value (without inputs).

² Minimum salary - RA LAW on "Minimal Monthly Wage" dated on December 17, 2003, article 1, revised on 2010 December, N164- and the minimum wages were fixed at AMD 32,500

- Crop compensation will be paid as above defined to landowners, leaseholders and informal tenants on community and private land.

Trees Impacts

- Cash compensation at market rate based on tree type, productivity (in case of productive or wood trees) and reproduction cost (in case of non productive trees/seedlings)
- Trees compensation will be paid to owners and to leaseholders or informal tenants on community land (when they have demonstrably planted the trees).
- Informal tenants on private land will be paid the value of one-year fruit yield in respect of productive fruit trees and vineyards.

Permanent and Temporary Impact On Business

- In the case of permanent impact, business owners (sole proprietors), who have submitted a tax declaration, are compensated in the amount of 1 year of their assessed annual income, together with the amount of any expenses incurred for business state registration and for obtaining the licence required, if any, to implement the business activities on the affected area.
- In the case of temporary impact, compensation to business owners (sole proprietors) who have submitted a tax declaration) is provided in the same way, but calculated for the months of business stoppage. The applicable number of months is calculated based on the civil works schedule for the particular section of the road and has been calculated as 6 months. If the actual stoppage is longer, then AP will receive additional compensation up to a maximum of 12 months.
- In the case of permanent impact, business owners (sole proprietors) without a tax declaration are compensated based on 1 year of official minimum salary and for the amount of expenses incurred for business state registration and for obtaining the licence required, if any, to implement the business activities on the affected area.
- In the case of temporary impact, business owners (sole proprietors without a tax declaration) are compensated based on the official minimum monthly salary (AMD 32,500) for the months of business stoppage. The applicable number of months is calculated based on the civil works schedule for the particular section of the road and have been calculated as 6 months. If the actual stoppage is longer, then AP will receive additional compensation up to a maximum of 12 months.

Employment Impacts

- In the event of permanent or temporary termination of the employer's activity, the employee receives lump sum compensation for six months based on his/her average monthly wage.

Allowances for special groups

Relocates

- in addition to the full compensation of their affected assets, they will receive a special relocation allowance in cash covering transport costs + 1 month livelihood at minimum salary (32,500 AMD) and, since relocates are also severely affected AH, they will also receive a livelihood allowance equal to 6 months at minimum salary (195,000 AMD).

Severely Affected Households

- AHs losing >10% of agricultural land receive a severe impact allowance of 1 additional crop compensation equal to the value of 1 year's yield.
- AHs who did not have any crop during the assets inventory process, but had a crop in the previous year, are compensated with an allowance equal to 6 months at minimum salary (195,000 AMD)

Vulnerable AHs allowances

- AHs registered in the Family Benefit System, and women-headed or elderly-headed households are provided with an allowance equivalent to six months of minimum salary (195,000 AMD)

COMPLAINTS AND GRIEVANCE REDRESS

A grievance redress mechanism is made available to allow an AP to appeal against any disagreeable decision, practice or activity arising from compensation of land or other assets. Several parties will be involved in the grievance redress process, such as MOTC, PMU, PGC. Attempts will be made to resolve complaints at community level with the help of a Grievance Redress Group (GRG) with the involvement of important stakeholders.

The GRG will be composed of

- Representative of SEU-PMU (Convener)
- Member of concerned LSGB

- One female representative of APs in the affected village
- One male representative of APs in the affected village

The schedule of the meetings will be prepared and announced as soon as the GRG is formed.

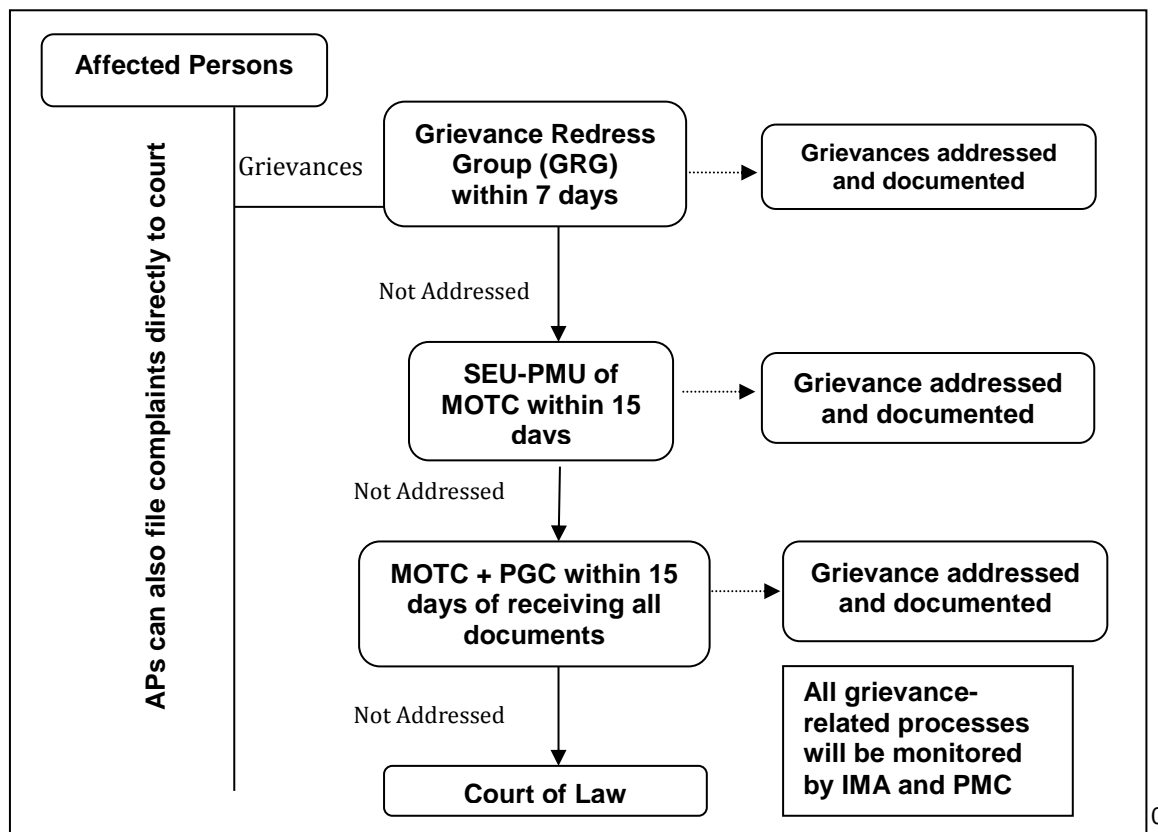
- The time and venue will be informed to APs and AHs by the local authorities and also put up at public places.
- The GRGs' meetings will be held in the respective Local Self Governing Bodies Office in the project area or other location(s) as agreed by all members of the group.
- At least one meeting per week will be implemented in every community.
- Some additional meetings may be necessary in communities where numerous issues arise.
- The GRG members will undertake field visits to verify and review the issues of dispute, including titles/shares, reason for any delay in payments or other relevant matters.
- All complaints received and addressed will be documented whether solved or unsolved.
- Once GRGs are formed, grievances can be lodged to them.

Steps in resolving grievances by GRGs are as follows:

- An aggrieved AP or AH may bring his/her complaint before GRG.
- The complaint must be made in writing by the AP him/herself or an appointed representative.
- The Convener of the GRG will be responsible for documenting and keeping file of all complaints that the GRG handles.
- The judgment made by GRG will be communicated to the concerned AP in writing.
- If the matter remains unsettled following the discussion with the GRG, the grievance can then be lodged to PMU by the AP, which will be forwarded to MOTC for resolution. Settlement will be made within 15 days from the day of final discussion with GRG.
- The local GRGs will also forward the records of all cases, both resolved and unresolved, to the PMU to maintain the case records.
- If grievances are not settled by this process, the AP may lodge the complaint within one month after receiving response on the original complaint from the MOTC and must produce relevant documents supporting his/her claim with MOTC.
- The MOTC will consult the PGC for its decision. The PGC will provide a response within 15 days of registering the complaint. The PGC's decision will be in compliance with LARP provisions.

Should the grievance redress system fail to satisfy the AP, he/she can pursue their complaint further by submitting their case to the appropriate court of law. Nevertheless, the above mentioned grievance mechanism does not limit the citizen's right to submit the case to the court of law at any point in time of the grievance process.

Figure 1: Grievance Redress Mechanism



FREQUENTLY ASKED QUESTIONS

➤ ***Can civil works start before compensations are paid?***

Contractors will not commence civil works in any section of the Project with LAR impacts until (a) the LARP is fully implemented; (b) agreed compensation is provided and rehabilitation assistance is in place, and (c) the affected areas are free of all encumbrances.

➤ ***If I do not have a bank account, should I pay to open new one to receive compensation?***

You can receive compensation on your private bank account. For it, you should ensure, that it is mentioned in the contract for land acquisition. If you do not have bank account, it will be opened by PMU free of charge.

➤ ***If the owner is not in Armenia, how can he/she get the compensation?***

If the owner is not in Armenia, he/she can send power of attorney to a relative or close friend to sign land acquisition contract and receive compensation. Please, consult with notaries or PMU lawyers about the format of the power of attorney. As soon as somebody gets this document, please contact PMU and inform them of the relevant contact details. If no representative is appointed, the property will be legally expropriated through a Court process and the compensation will be transferred to the Court deposit account. The Court may subsequently pay this compensation to any person who establishes their legal entitlement to receive it.

➤ ***If the owner is dead, how will the compensation be provided?***

If the owner has any heirs, the compensation will be paid to them after registration of all proper inheritance documents. If there are no any heirs, the property will be expropriated and the compensation will be transferred on the Court deposit account. Please, consult with local notaries or PMU lawyers about the process of registration.

➤ ***How will the compensation be paid?***

The compensation payment is one of the critical phases in LARP implementation. The steps envisaged are as follows.

- a. Allocation of the relocation and resettlement budget to Government Treasury by MoF.
- b. Selection of commercial Banks with the best conditions for APs (geographical location and low/no transaction charges). The APs can also operate through their existing Bank accounts.
- c. Signing of the Land acquisition contract with AP
- d. Transfer of the compensation money from Ministry of Finance.
- e. Transfer of the compensation and allowances to APs' Bank accounts.
- f. Vacating of the property by the APs within 14 days after payment of compensation.
- g. MOTC taking possession of the land/structure.

➤ ***What should I have with me during signing of the contract for land acquisition?***

All persons holding registered rights towards the real estate shall be present at the notary's office. If a right holder cannot be present then respective Power of Attorney shall be presented by one of the other right holders.

The following original documents shall be presented:

1. Passport
2. Ownership certificate
3. If there are right holders other than owners, then the respective right certificate (for example: certificate of lease, certificate of lien, ...)

Spouse of the owner is deemed to be co-owner, even if his/her name is not mentioned in the ownership certificate.

➤ **What will happen if the owner refuses to sign the contract?**

In this case the expropriation procedure will be initiated. Expropriation proceedings for the Project will be pursued only in extreme cases when negotiations between APs and MOTC failed. MOTC will not occupy the needed plots until:

- the proper judicial process as defined by the law is initiated;
- a court decision has been obtained and properly communicated to the AHs/APs;
- the compensation/rehabilitation amounts are deposited in an escrow account.

In accordance to the Armenian Law on Eminent Domain the procedures to be followed to initiate expropriation proceedings are as follows:

- The Acquirer (MOTC) must transmit the Draft Contract (including re-valuation if any) for Property Acquisition to the property owner, and to all other persons having rights or entitlements of any kind related to the property to be acquired.
- If the Land Acquisition Contract is not signed within **3 months** of the date of transmission of the draft Contract, MOTC may begin the process of applying to the Court for a decision confirming the right of the Acquirer to the transfer of ownership.
- To begin the procedure, MOTC must lodge, with the Court, the calculated value of the compensation which is due to be paid to the AP, (referred to as “the deposit”) and must notify the owner, and those having rights to the property, that the deposit has been so lodged. If the AP exercises his right to withdraw those funds, it is treated by the Court as equivalent to acceptance and signing of the Acquisition Contract. MOTC has the details required for deposits with the Courts. One banking day will be required to make the transfers.
- If the Acquisition Contract is not signed within 7 days of depositing the compensation, MOTC must submit a Property Expropriation Claim to the Court, within 1 month of the date of the deposit. In hearing the Claim, only the amount of proposed compensation can be disputed in the Court. The right of the Acquirer to expropriate the property cannot be disputed.
- The MOTC has the right acquire ownership rights for the expropriated property as soon as Court decision enters into force.

➤ **Where can I get full Land Acquisition and Resettlement Plan?**

A copy of the full Land Acquisition and Resettlement Plan is available at the “North-South Road Corridor Investment Program” Program Management Unit and at the offices of your local self-government and marz administration. A copy is also posted on the MOTC and ADB’s websites. Details of the relevant contacts can be seen at the end of this Information Pamphlet.

SUMMARY COSTS AND SOURCE OF FINANCING

The total LARP cost calculated for the implementation of the LARP for this Tranche-2 Project is 2,304,484,560 AMD which is equivalent to 5,620,694 US Dollars, as detailed in **Table 3** below. The MOTC will ensure that the funds for compensation to be paid for land acquisition and resettlement are approved from the Ministry of Finance and allocated on time for implementation of this LARP.

1. Miscellaneous expenses have been included to cover administrative costs as may be incurred during implementation of the LARP. This has been considered on a lump sum basis.

Table 3: Summary Budget Costs

ITEM	TOTAL
I. Compensation Budget, Including Allowances	
Land (Includes a 15% Compensation Provision)	630,048,872
Buildings and Structures (Includes a 15% Compensation Provision)	458,665,955
Crops	14,351,766
Fruit Trees	524,109,325
Wood Trees	4,576,498
Vineyards	27,820,957
Leases Compensation	1,873,191

ITEM	TOTAL
Businesses	39,578,404
Employment	5,271,000
Allowances	95,881,993
Registration Services	26,778,039
<i>Sub-Total</i>	<i>1,828,956,000</i>
II. Administrative Costs	
Direct Administration Costs (5% of Total)	91,447,800
Total	1,920,403,800
Contingency 20%	384,080,760
Total LAR Budget (AMD)	2,304,484,560
Total LAR Budget (1 USD= 410AMD)	5,620,694

CONTACTS

*If you still have questions or need consultation,
please, do not hesitate to contact NSCIP PMU or ADB representatives.*

North-South Road Corridor Investment Program Program Management Unit

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