

2011

INFORMATION
PAMPHLET

FOR THE AFFECTED PEOPLE OF THE LANDS DECLARED EMINENT DOMAIN
AND TO BE ACQUIRED IN THE FRAMEWORK OF TRANCHES 2 AND 3 OF
“NORTH-SOUTH ROAD CORRIDOR INVESTMENT PROGRAM ”



A. PROJECT DESCRIPTION

“North-South Road Corridor Investment Program” is a major infrastructure project which aims at connecting the Southern border of the country with its Northern point by means of a highway to be built or reconstructed in accordance with the highest international standards and at providing access to international markets. The project will be implemented in Tranches, resulting in a highway meeting all international standards from Bavra (Georgian border) to Meghri (Iranian border) with modern border and customs infrastructure and efficient road corridor management system. Under Tranches 2 and 3 of “North-South Road Corridor Investment Program” the highway will cross the borders of some private and community lands and assets in Aragatzotn and Shirak regions.

These lands and assets were declared eminent domain as per the RA Government Decree No. 931-N dated 27 May 2010 (decree amendment No. 977-N dated 23 June 2011) and will be acquired by the Republic of Armenia.

PERSONS CONSIDERED AFFECTED BY THE PROJECT

These are owners, tenants and users whose lands or/and buildings are declared eminent domain to be fully or partially acquired.

B. ENTITLEMENTS OF AFFECTED PERSONS

1. APs are entitled to be informed about the whole process related to the Project.
2. APs may agree or refuse to sign the contracts of alienation of their property to the state.
3. APs are entitled to request to alienate not only the affected part but the whole asset.
4. APs may apply to the court in case of disagreement in certain issues.

D. OBLIGATIONS OF AFFECTED PERSONS

1. The APs are obliged to allow the authorities to draw up property description protocols of assets to be taken.
2. In order to get full compensation, the APs are obliged to provide accurate information and submit all the required documents.
3. After the contract signing and receiving compensation, the APs are obliged to transfer their property rights to the Republic of Armenia.
4. In case of acquisition of buildings/structures, the APs are obliged to transport the movable property and subsequently transfer their property rights to the Republic of Armenia.

E. ENTITLEMENTS OF THE ACQUIRER

In case the owners of assets to be taken obstruct the acquisition process or disagree with it, the acquirer is entitled to apply to the court. If the court decision is in favor of the acquirer, the latter may become rightful owner and deposit the compensation amount to bank account.

F. OBLIGATIONS OF THE ACQUIRER

1. The acquirer is obliged to inform the APs about the Government Decree on declaring their assets eminent domain.
2. The acquirer is obliged to involve independent valuator who will calculate the market value of assets to be acquired using corresponding criteria.
3. The acquirer is obliged to transfer the compensation amount to the deposit bank accounts after the contract signing within the set timeframe.
4. The acquirer is obliged to provide the regulation of process hindering protection of APs' rights (mainly in order to avoid unnecessary protraction with state authorities)

G. 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.
		Legalizable Owner	Legalizable APs will be legalized and paid the same compensation as above
		Leaseholder	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 APs	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
		Leaseholder	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

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			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 APs	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		APs 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.
		APs without valid registration	As above but after building is legalized/registered, in cases where legalization/registration of the building is required
		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	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	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	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 the official minimum monthly salary for 1 year plus compensation for state registration fees and licenses if any (ii) (temporary impact) rehabilitation allowance based on the official minimum monthly salary for the number of months of business stoppage up to a

Type of Loss	Application	Definition of APs	Compensation Entitlements
			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 (ii) Temporary loss – average monthly salary for the number of months of job loss 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; or for relocates; ii) a rehabilitation allowance of 6 months at minimum salary ¹ 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 ² 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.

H. CONDITIONS FOR LEGALIZATION

1. In general illegal land users will be legalized with the exception of the ones on “Red zone” (*see RA Land Code, Article 60*).
2. The APs shall start the legalization process in accordance with respective administrative regulations. The PMU will assist the legalizable APs and will facilitate the legalization process.
3. The amount of state fee for license for activities carried out on the lands to be taken as well as registration costs for business activities without legal status will be fully compensated.

I. COMPLAINTS AND GRIEVANCE REDRESS PROCESS

The grievance redress process will be implemented in the following way:

1. It is necessary to resolve the grievances at the community level by involving community leaders and informal parties.
2. If the grievances are not resolved in the above mentioned way, then a complaint/application can be

¹ 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

submitted to the Ministry of Transport and Communication (MOTC) and the latter will pass them to the IA (Implementing Agency). Within 15 days the MOTC shall either reject the complaint or propose its solution to the IA.

3. If after the assistance of MOTC and PMU the complaint is not resolved, then the MOTC shall submit it to the Governing Council (GC) to get their viewpoint whether to solve the complaint or to take it to the court. Moreover, the AP shall submit the complaint within a month after receiving preliminary response from the MOTC and shall provide all supporting documents. The GC shall respond to the complaint within 15 days after its registration. The GC decision shall be in compliance with LARF provisions.

4. If the APs are not satisfied with the grievance redress system, they may apply to respective court.

However, the abovementioned mechanism does not restrict the citizen's right to apply to the court at the very first stage of the appeal process.

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