

Corrective Action Plan

Project Number: 49244-002
May 2020

ARM: Armenia–Georgia Border Regional Road (M6 Vanadzor–Bagratashen) Improvement Project

Prepared by the “Road Department” State Non-Commercial Organization of the Ministry of Territorial Administration and Infrastructure of the Republic of Armenia for the Asian Development Bank.

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Corrective Action Plan (CAP)-1

May 2020

Armenia: M6 Vanadzor – Alaverdi – Georgian Border Interstate
Road Rehabilitation and Improvement Project

(Km38+450 –Km90+190)

Project Number: 49244-002

Loan Number: 3449-ARM

*Prepared by the “Road Department” SNCO, the Ministry of Territorial Administration and
Infrastructure of the Republic of Armenia for the Asian Development Bank (ADB)*

ABBREVIATIONS

ADB	Asian Development Bank
AH	Affected Household
AMD	Armenian Dram
CR	Completion Report
DMS	Detailed Measurement Survey
EA	Executing Agency
EIB	European Investment Bank
GRM	Grievance Readdress Mechanism
IA	Implementing Agency
LAR/LARP	Land Acquisition and Resettlement (Plan)
MTAI	Ministry of Territorial Administration and Infrastructure
PAP/AP	(Project) Affected Person
RA	Republic of Armenia
RD	Road Department
SNCO	State Non-Commercial Organization
SPS	Safeguard Policy Statement

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1. INTRODUCTION

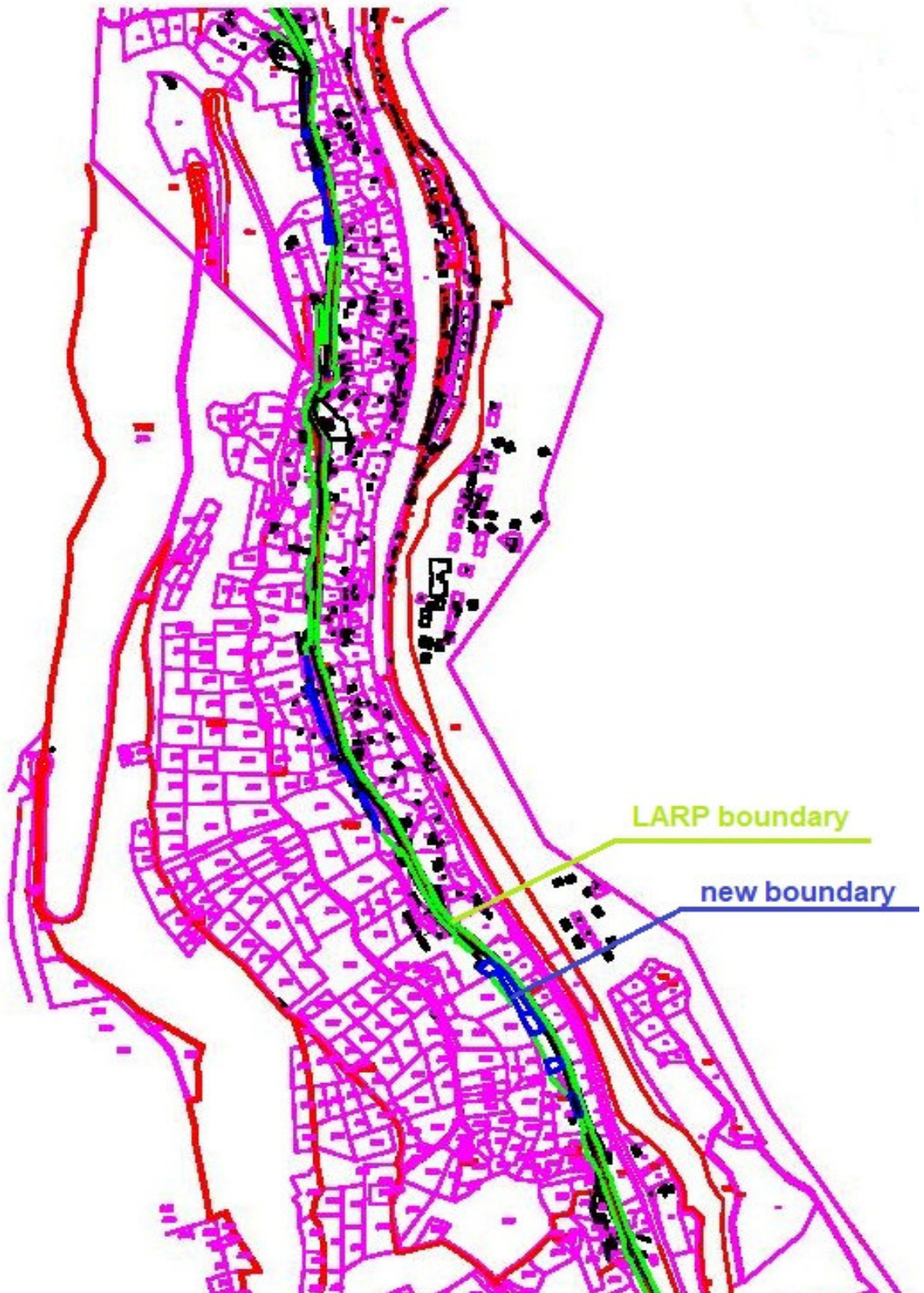
1.1 PROJECT BACKGROUND

1. The Asian Development Bank (ADB) has agreed to co-finance the M6 Vanadzor-Alaverdi-Georgian Border Interstate Road Rehabilitation and Improvement Project (hereinafter: Project) with the European Investment Bank (EIB). Section 1 (Km0+000-Km38+450) is financed by EIB; and section 2 (Km38+450-Km91+190) is financed by ADB (ADB-financed road section). The ADB financed section has no extensive land acquisition impacts and is classified as Category B for Involuntary Resettlement.
2. The project road is about 90 km long connecting the city of Vanadzor with the Georgian border near the city of Bagratashen. The existing M6 road alignment runs along the narrow valley of the river Debed through 14 communities along the ADB financed road section.
3. 10 communities are affected by the project in the ADB financed section. The affected communities are located within the administrative territory of Lori and Tavush Marzes and involve: Akhtala, Aygehat, Tumanyan, Aqori, Haghpat, Neghots, Shnogh, Alaverdi, Odzun and Archis. In terms of construction works the Project is divided into three road sections (Lots) which have separate Contractors. The breakdown of the Project road per Lots and communities is shown in the table 1 below.

Table 1: Breakdown of the Project per Lots and Communities

Lot	Start Km-End Km	Length, m	Community	Number of Communities	Remarks
Lot 1	Km 38+450 - Km 48+140	9,690	Aygehat	4	One community in Lot 1 (Alaverdi) is in lot 2 as well, and one of 3 communities in Lot 2 (Haghpat) is in Lot 3 as well.
			Alaverdicity		
			Odzun		
			Tumanyan		
Lot 2	Km 48+140 - Km 62+300	14,160	Haghpat	3	One community in Lot 1 (Alaverdi) is in lot 2 as well, and one of 3 communities in Lot 2 (Haghpat) is in Lot 3 as well.
			Alaverdicity		
			Aqori		
Lot 3	Km 62+300 - Km 90+191	27,891	Haghpat	9	4 communities in Lot 3 are not affected by the project: Ayrum, Haghtanak, Ptghavan and Bagratashen
			Akhtala		
			Shnogh		
			Artchis		
			Neghots		
			Ayrum		
			Haghtanak		
			Ptghavan		
Bagratashen					
Total		51,741	-	14	The total number of 14 communities is presented without double counting

Figure 1: M6 CAP 1 Impacted Locations



4. As the Project's Executing Agency, the RA Ministry of Territorial Administration and Infrastructure (MTAI) is responsible for planning and implementation of the Land Acquisition and Resettlement Plan (LARP). The Road Department (RD) State Non-Commercial Organization (SNCO) acts as the Implementing Agency (IA) for the Project.
5. The Project LARP covering the ADB financed section was prepared by the RA Ministry of Territorial Administration and Infrastructure (MTAI). The LARP was approved by the ADB and RA Government in November 2017 and is available on the RD's¹ and ADB's² web-sites.
6. LARP implementation in all 3 Phases have been completed and the respective Completion Reports (CRs) are approved by ADB. Consequently, the LAR-completed sections have been handed over to the contractors. So far, 8 CRs have been prepared and approved (CR of Phase 1 includes all 3 lots, subsequently for Phases 2 and 3 separate CRs were prepared for each lot). The CRs of Phases One, Two and Three were approved in May 2018, September 2018, and February 2019 respectively. Subsequently access was provided to the contractors. All completion reports are available at the RDs website.³

1.2 SCOPE AND OBJECTIVES

7. As specified in the LARP, the Executing Agency (EA) considers and prepares Corrective Action Plan(s) (CAP) for any unforeseen Land Acquisition and Resettlement impact during the project implementation and compensate and/or provide rehabilitation allowance based on the provisions in the LARP Compensation Entitlements.
8. This CAP is prepared to present the unforeseen impact caused by discrepancies between cross sections drawings and LAR boundary that emerged in Lot 1 during the project construction. This relates to the unforeseen impact as design changes/realignments and the consequent additional LAR impacts that were not covered by the LARP initially in two of the affected communities/settlements, namely; Odzun and Alaverdi town.
9. The discrepancies were identified as APs' raised concerns that the potential impact to their property seemed to be larger than they were initially told and compensated for. The contractor consequently had to stop construction activities in those locations where discrepancies were found until LAR issues were taken care of and APs were compensated for any additional impact that was not foreseen in the project LARP. Therefore, failure to timely address these discrepancies could have had serious legal consequences and affect RD's credibility. The APs were therefore assured of prompt handling and were compensated quickly in accordance with the LARP compensation entitlements and procedures.
10. As the discrepancies were individual and not interrelated cases, these are presented in one single CAP. Having one CAP instead of many smaller ones - which would have made the overall picture of the additional impacts hard to follow – allows to create better oversight on the unforeseen impact and consequent actions taken. These impacts and respective corrective actions are presented in the following sub-sections of the plan.

2. METHODOLOGY

11. This CAP assesses the unforeseen Project impact and provides details on required

¹ <https://armroad.am/en/safeguard/social-impact-and-resettlement>

² <https://www.adb.org/projects/documents/arm-49244-002-rp>

³ <https://armroad.am/en/safeguard/social-impact-and-resettlement/monitoring-and-evaluation>

compensation and restoration measures based on the final detailed road design. It is developed based on a thorough analysis of the impact of the project on the Affected People (APs) which served as a bases for preparation of compensation and rehabilitation measures. The impact assessment details loss of land, structures, improvements, trees and other assets located in the project affected area. The following activities were undertaken to make an inventory of all unforeseen resettlement impacts of the Project:

- Detailed Measurement Survey (DMS) – to measure the affected area of the lands, as well as the number and types of the affected assets.
- Inventory of Losses - to identify and evaluate the characteristics of the lands and other assets to be acquired.
- Valuation of Replacement Cost of the Affected Assets as per LARP which is in harmony with RA legislations and ADB SPS - to identify the amount of compensation of lost assets, income and other livelihood sources and allowances for development of the CAP budget. All envisaged entitlements were addressed.
- Census Survey - to identify the number and characteristics of Project Affected Households (AHs) and their members such as gender, ethnicity, education, employment status including also certain socioeconomic conditions, particularly the sources of livelihood of AHs.

12. The Census, Socioeconomic Survey along with the detailed measurement surveys along with the valuation of affected assets were carried out during August- September of 2019.

3. IMPACT ASSESSMENT

3.1 IMPACT SUMMARY

13. The project impact is divided into impact on Land, Structures, Improvements on lands, trees, crops and transition allowances such as compensation for transportation costs and Severe impact allowances.

14. The caused impact relates to 19 land plots that belong or are used by 10 households. In exception to one household, all households are informal land users. 8 out of 10 households were affected by the Project previously and were included in the LARP already.

Table 2: Impact Summary

Impact Category	Plot	Impact Size			AH Per Type of Impact	AP Per Type of Impact	AH No Double Counting	Absolute number of APs	Remarks
	No.	m ²	I.m	No.	No.	No.	No.	No.	
A1. Community Land	18	2194.3	-	-	9	25	9	25	-
A2. Private Land	1	54.13	-	-	1	5	1	5	-
B. Structure	4	36.25	-	-	4	17	-	-	3 AHs are included in A1, 1 AH is included in A2.
C. Fence	7	691.3	-	-	6	20	-	-	5 AHs are included in A1, 1 AH is included in A2.
D. Improvements	4	19	47	11	4	13	-	-	3 AHs are included in A1, 1 AH is included in A2.

Impact Category	Plot	Impact Size			AH Per Type of Impact	AP Per Type of Impact	AH No Double Counting	Absolute number of APs	Remarks
	No.	m ²	l.m	No.	No.	No.	No.	No.	
E. Crops	2	40	-	-	2	10	-	-	All AHs are included in A1.
F. Fruit trees/bushes	11	-	-	537	10	30	-	-	9 AHs are included in A1, 1 AH is included in A2.
G. Wood trees	4	-	-	11	4	9	-	-	All AHs are included in A1.
H. Decorative trees	1	-	-	5	1	4	-	-	AH is included in A1.
I. Severe Impact	10	-	-	-	9	25	-	-	All AHs are included in A1.
Total					-	-	10	30	

3.2 SOCIO-ECONOMIC PROFILE

15. A census survey was carried out with the affected households - including the two AHs which were not impacted previously - to clarify the socioeconomic characteristics of these households including vulnerability levels in accordance with the LARP provisions.
16. According to the census results, the 10 AHs accounted for a total of 30 affected people (APs). In terms of gender distribution, 17 persons or 57% of all APs are male and 13 are women. All of the APs are Armenians.
17. The age of the APs presented in the following table. About 60% of the APs were aged younger than 55 years old.

Table 3: Age Distribution of APs

Age	APs	%
0-5	1	3.3
6-15	4	13.3
16-25	2	6.7
26-35	6	20.0
36-45	1	3.3
46-55	4	13.3
56-65	10	33.3
66 and more	2	6.7
Total	30	100

18. 15 APs (50% of all APs) were employed of which 14 were employees in public and private sector and one was a sole entrepreneur. The average monthly income of the AHs was 154,200 drams. There were 3 pensioners of which 2 also were engaged in other subsistence farming and animal husbandry activities. Two of the pensioners lived with other working age HH members and one did not have other working age HH members. The later was already considered as vulnerable and received vulnerability allowance in accordance to the LARP provisions.

Table 4: Employment Status

Employment Status	No.	%
Employed	15	50.0%
Pensioner	3	10.0%
Pupil/Student	4	13.3%
Unemployed (looking for job)	7	23.3%
Not applicable	1	3.3%
Total	30	100.00%

19. There are seven unemployed individuals among the APs. Of the unemployed, one AP has additional income in the form of disability allowance. The later has a 3rd disability group⁴ and lives with a working age HH member. Two unemployed APs are involved in subsistence farming of which one also receives additional support from abroad in the form of remittances.
20. A large number of the APs (50%) have completed secondary education. The second and third largest of the APs group obtained vocational (20%) and elementary education (14%).
21. Based on the results of the census, no new vulnerability cases were identified in accordance with the LARP criteria. 9 AHs out of 10 are severely impacted and will receive severe impact allowance as foreseen in the LARP.

3.3 IMPACT ON LAND

22. 19 land plots were impacted of which 18 involved community lands in the Odzun and Alaverdi communities and 1 privately owned land plot in Odzun. The private land is garden with summer cottage. Here fruit trees and 1 shed are affected. Out of 18 community land plots 8 are without any improvements and are not used by anyone and 10 land plots are used by 9 illegal users. 7 community land plots out of 11 in Odzun are illegally used by 7 APs. One residential land is used by 1 AP. This land is located next to his residential building where fruit trees are planted. 6 other land plots are illegally used by 6 APs out of which 2 land plots are located next to the residential buildings of the APs, where they have fruit trees, and remaining 4 other lands are with planted fruit trees. 3 community land plots out of 7 in Alaverdi are used by 2 illegal user APs, from which 1 AP uses 2 residential land plots which are located next to his residential building where he has fruit trees and plants vegetables and the next 1 is other land with planted fruit trees.
23. Altogether the impact on land involved an area of 2,248.44 sq.ms. In terms of the number of the land plots more impact was identified in Odzun, although the total area of affected land was larger in the Alaverdi community.

Table 5: Impact on Land

Type of usage	Private Land			Community Land			Total		
	Plots	Affected Area	AHs	Plots	Affected Area	AHs	Plots	Affected Area	AHs
	No.	m ²	No.	No	m ²	No	No	m ²	No
Odzun									

⁴ This is the lightest group of disability in accordance to RA legislation. Decree on “The classificatory used at medical-social expertise and the criteria of defining the disability groups (Decree N: 780) 02 May 2003.

Type of usage	Private Land			Community Land			Total		
	Plots	Affected Area	AHs	Plots	Affected Area	AHs	Plots	Affected Area	AHs
	No.	m ²	No.	No	m ²	No	No	m ²	No
Residential	1	54.13	1	1	9.24	1	2	63.37	2
Other	-	-	-	8	947.26	6	8	947.26	6
Road	-	-	-	2	30.55	-	2	30.55	-
Subtotal	1	54.13	1	11	987.05	7	12	1,041.18	8
Alaverdi									
Residential	-	-	-	3	344.16	1	3	344.16	1
Other	-	-	-	4	863.10	1	4	863.10	1
Subtotal	-	-	-	7	1,207.26	-	7	1,207.26	2
Total	1	54.13	1	18	2,194.31	2	19	2,248.44	10

3.4 IMPACT ON STRUCTURES AND IMPROVEMENTS

24. The impact on structures involved non-residential structures such as sheds, toilets and adjacent improvements such as fences. All of the affected structures involved illegal (non-registered) structures.

Table 6: Impact on Structures

Type of land	Name	Type of structure	Material	Plots	Illegal Structures	m ²	AHs
				No.	No.		No.
Odzun							
Community	Toilet	non-residential	wood	2	2	4.00	2
Private	Shed	non-residential	metal	1	1	29.25	1
Subtotal				3	3	33.25	3
Alaverdi							
Community	Shed	non-residential	metal	1	1	3.00	1
Subtotal				1	1	3.00	1
Total				4	4	36.25	4

25. 4 structures were affected of which 3 were located in Odzun and 1 in the Alaverdi community. This specifically involved two sheds and two toilets (detached single toilets) constructed on non-residential land.

Table 7: Impact on Stone Fences (Walls)

Item: Affected Fence	Material	Plots	Area	AHs
		No.	m ²	No.
Odzun				
Community land	stone	4	430	4
Private land	stone	1	81.3	1
Subtotal		5	511.3	5
Alaverdi				
Community land	stone	2	180	1
Subtotal		2	180	1

Item: Affected Fence	Material	Plots	Area	AHs
		No.	m ²	No.
Total		7	691.3	6

26. 7 stone fences with a total span of 691.3 sqm were impacted. This belonged to 6 different AHs of which 1 AH is using 2 community land plots.

Table 8: Impact on Other Improvements

Type of land	Affected Improvements	Material	Plots	Area	Length	No.	AHs
			No.	m ²	I.m.		No.
Odzun							
Community land	Area	Asphalt	1	15	-	-	1
	Area	Concrete	1	4	-	-	1
	Metal Fence	Metal wire	3	-	40	-	3
	Fence	Metal	1	-	7	-	1
Private land	Pillar	Concrete	1	-	-	11	1
Total (without double counting)			4	19	47	11	4

27. Other improvements on the affected land plots involved areas covered with asphalt and concrete, metal fences and concrete pillars.

3.5 IMPACT ON TREES AND BUSHES

28. A total of 537 trees (236 bushes and 301 trees) were impacted. 176 and 224 bushes and trees were respectively in Odzun and the remaining impacted 60 Bushes and 77 trees were situated in the Alaverdi community. The impact on trees and bushes affected 10 AHs. The impacted households are generally the same as all households that lost trees also lost bushes. In exception to one case where 12 bushes were located on a private land plot, all of the impacted trees were located on informally used community lands.

Table 9: Impact on Fruit Trees and Bushes

Item: Affected trees / bushes	Bushes				Trees				Total Plots	Total	Total AHs
	Plots	No.	Private AHs	Informal user AHs	Plots	No.	Private AHs	Informal user AHs			
	No.	No.	No.	No.	No.	No.	No.	No.			
Odzun											
Community land	4	164	-	7	7	181	-	7	7	345	7
Private land	1	12	1	-	1	43	1	-	1	55	1
Subtotal	5	176	1	7	8	224	1	7	8	400	8
Alaverdi											
Community land	2	60	-	1	3	77	-	2	3	137	2
Private land	-	-	-	-	-	-	-	-	-	-	-
Subtotal	2	60	-	1	2	77	0	1	3	137	2
Total	7	236	1	8	10	301	1	8	11	537	10

Table 10: Types and quantity for impacted trees/bushes

Type	Seedlings Trees	Not yet productive Trees	Fruit-Bearing Trees	Total
	No.	No.	No.	No.
Fruit Bushes				
Raspberry	-	-	60	60
Rose hip	-	-	27	27
Dewberry	-	-	149	149
Subtotal	-	-	236	236
Fruit Trees				
Cherry	1	-	7	8
Guilder-rose	-	2	22	24
Peach	-	-	5	5
Medlar	-	1	-	1
Walnuts	-	2	3	5
Fig	1	-	5	6
Mulberry	-	-	10	10
Grapes	-	-	14	14
Apple	-	-	5	5
Date	1	-	3	4
Apricot	2	1	33	36
Persimmon	-	-	3	3
Cornel	7	-	25	32
Buckthorn	-	-	3	3
Almond	1	-	6	7
Pomegranate	-	-	-	-
Sea buckthorn	-	-	1	1
Plum	22	4	48	74
Quince	1	-	28	29
Hawthorn	-	-	19	19
Pear	1	1	3	5
Hazelnut	2	3	5	10
Subtotal	39	14	248	301
Total	39	14	484	537

29. Next to fruit trees and bushes, 11 wood trees were impacted. All of these were planted on community owned lands which were used by 4 affected households.

Table 11: Impact on Wood trees

Type of land	Affected wood trees	Small (up to 12 cm diameter)			Medium growth (13-22cm)			Total		
		No.	Plots	AHs	No.	Plots	AHs	No.	Plots	AHs
			No.	No.		No.	No.		No.	
			No.	No.		No.	No.		No.	
Odzun										
Community	Ash tree	5	2	2	4	1	1	9	3	3

	Maple	2	1	1	-	-	-	2	1	1
Total		7	3	3	4	1	1	11	4	4

30. There were 5 decorative trees on one of the affected properties. This involved an informal land user of a community land in Odzun. There were no decorative trees on private properties.

Table 12: Impact on Decorative Trees

Type of land	Affected decorative trees	Large		
		Trees	Plots	AHs
		No.	No.	No.
Odzun				
Community	Cornus	5	1	1

3.6 IMPACT ON CROPS

31. There was relatively limited impact on crops as only two land plots with vegetables and greens were impacted. The impacted area involved 40 sq.m of which the main part (35 sq.m) was covered with greens and the remaining 5 sq. m involved cucumbers.

Table 13: Impact on Crops

Type of land	Type of Crops	Plots	m ²	Informal User AHs
		No.		No.
Odzun				
Community	Greens	1	35	1
Subtotal		1	35	1
Alaverdi				
Community	Cucumber	1	5	1
Subtotal		1	5	1
Total		2	40	2

4. RESETTLEMENT BUDGET

4.1 COMPENSATION FOR LOSSES

32. The compensation to be paid was calculated based on LARP provisions and is in harmony with the RA Law on Eminent Domain and ADB safeguard policy. The total cost for the compensations in this CAP is 45,611,315.12 AMD which will be covered by LARP contingency.

Table 14: Budget Summary

Item	Total/AMD
Compensation for private and community lands (Including 15% surcharge)	3,555,834.62
Compensation for buildings	671,517.50
Compensation for fences	8,967,196.00

Item	Total/AMD
Compensation for improvements	341,000.00
Compensation for transportation	70,500.00
Compensation for crops	127,275.00
Compensation for fruit trees and bushes	27,216,105.00
Compensation for wood trees	44,310.00
Compensation for decorative trees	7,500.00
Allowances to severely affected households	3,585,577.00
State registration and notarial services (alienation) and expense for cadastral drawing registration-registration services for all lands	1,024,500.00
Total (AMD)	45,611,315.12
Total (USD)⁵	94,680.35

33. The total compensation for land accounted for 3,555,834.62 AMD. The compensation for the legal owner (both private and community owners) was calculated as the market value plus 15% which is in accordance with the RA Law on Eminent Domain and the Project LARP. Land compensation for community lands (with Non legalizable land users) is provided to the affected communities. In accordance with the LARP Non legalizable land users are in addition to compensation for loss of any improvements made on the land entitled to compensation for structures, fences, other improvements, trees, bushes and crops. Compensation for land impact per communities is also further specified in Annex 2.

Table 15: Compensation for Land

Type of usage	Plots	Affected Area	Average Unit Price	Total Cost	Total Compensation (including 15%)
	No.	m ²	AMD	AMD	AMD
Private Land					
Residential	1	54.13	1,410.00	76,323.30	87,771.80
Subtotal	1	54.13	-	76,323.30	87,771.80
Community Land					
Residential	4	353.4	1,435.57	643,161.30	739,635.50
Other	12	1,810.36	1,304.64	2,341,079.00	2,692,240.85
Road	2	30.55	1,030.00	31,466.50	36,186.48
Subtotal	18	2,194.31	-	3,015,706.80	3,468,062.82
Total	19	2,248.00	-	3,092,030	3,555,835

34. In terms of structures two types of impact was identified. These involved, structures on privately owned land and illegal structures on community lands.
35. There were 3 illegally constructed non-residential structures impacted. This involved 2 toilets and 1 shed. The AHs that constructed the Illegal buildings on community lands, were compensated with the amount equal to replacement cost of the illegal building minus the

⁵ Rate: 1 USD is 481.74 AMD as of 06.06.2020 per RA Central Bank

legalization costs. The total compensation for the identified illegal structures equaled to 99,680 AMD.

Table 16: Compensation for Structures on Community Lands

Type of Land	Structure	Type	Material	Plots	Structures	Illegal	Unit Price	Total Cost (Replacement)	Legalization cost	Total Compensation
				No.	No.	m ²	AMD/m ²	AMD	AMD	AMD
Odzun										
Community	Toilet	non-residential	wood	2	2	4	17,000	68,000	11,040	56,960
Subtotal				2	2	4	-	68,000	11,040	56,960
Alaverdi										
Community	Shed	non-residential	metal	1	1	3	17,000	51,000	8,280	42,720
Subtotal				1	1	3	-	51,000	8,280	42,720
Total				3	3	7	-	119,000	19,320	99,680

36. In terms of structures on private lands, in accordance with the LARP, loss of legal buildings was compensated with the amount of full replacement cost of the illegal building plus 15% extra charge. There was one impacted metal shed of which the compensation equaled to 571,837.50 AMD.

Table 17: Compensation for Structures on Private Land

Type of Land	Name	Type of structure	Material	Plots	Structures	Legal	Unit Price	Total Cost (Replacement cost incl. 15%)
				No.	No.	m ²	AMD/m ²	AMD
Odzun								
Private	Shed	non-residential	metal	1	1	29.25	17,000	571,837.50

37. Similarly, the impact on other illegal structures identified such as fences on community lands were compensated with an amount equal to replacement cost of illegal building minus the legalization costs. Fences on private lands were compensated with an amount equal to the full replacement cost free of depreciation and salvaged materials and decrement of transaction costs plus 15%. In total 7 fences with a total covered area of 691.3 meters was affected. The total compensation for affected fences involved 8,967,196 AMD.

Table 18: Compensation for Fences

Item: Affected Fence	Material	Plots	Area	Unit Price	Total Cost (Replacement cost)	Legalization cost	Compensation for Legal (Market Value + 15%)	Total Compensation
		No.	m ²	AMD/m	AMD	AMD		AMD
Odzun								
Community land	stone	4	430	10,860.47	4,670,000	296,700	-	4,373,300
Private land	stone	1	81.3	11,525.71	937,040	-	1,077,596	1,077,596
Subtotal		5	511.3	-	5,607,040	296,700	1,077,596	5,450,896
Alaverdi								
Community land	stone	2	180	20,800	3,744,000	227,700	-	3,516,300

Item: Affected Fence	Material	Plots	Area	Unit Price	Total Cost (Replacement cost)	Legalization cost	Compensation for Legal (Market Value + 15%)	Total Compensation
		No.	m ²	AMD/m	AMD	AMD		AMD
Subtotal		2	180	-	3,744,000	227,700	-	3,516,300
Total		7	691.3	-	9,351,040	524,400	1,077,596	8,967,196

38. The compensation for any other improvements on the affected properties was compensated with a compensation equal to replacement cost and added to 341,000 AMD.

Table 19: Compensation for Improvements

Type of land	Affected Improvements	Material	Plots	Area	Length	No.	Unit Price	Compensation
			No.	m ²	m		AMD	AMD
Odzun								
Community land	Area	Asphalt	1	15	-	-	9,000	135,000
	Area	Concrete	1	4	-	-	6,500	26,000
	Fence	Metal wire	3	-	40	-	3,300	132,000
	Fence	Metal	1	-	7	-	4,500	31,500
Private land	Pillar	Concrete	1	-	-	11	1,500	16,500
Total (without double counting)			4	19	47	11	-	341,000

39. Compensation for fruit trees and lost harvest is at market value based on type, age and productive value of the trees. The total compensation for the impacted productive bushes and trees amounted to 27,216,105 AMD (Bushes 328,465) + (Fruit trees 26,887).

Table 20: Compensation for Fruit Bushes

Type	Fruit Bushes				
	Trees	Annual yield	Unit cost	Unit Cost	Total Cost
	No	kg	AMD/ kg	AMD/ tree	AMD
Raspberry	60	0.2	630	788	47,280
Rose hip	27	5	320	6761	182,547
Dewberry	149	0.2	630	662	98,638
Subtotal	236	-	-	-	328,465

Table 21: Compensation for Fruit Trees

Type	Seedling			Not yet productive			Fruit-Bearing						Total	
	Trees	Unit Cost	Total Cost	Trees	Unit Cost	Total Cost	Trees	Annual yield	Unit cost	Years to re-grow to productive level	Unit Cost	Total Cost	Trees	Cost
	No.	AMD/ tree	AMD	No.	AMD /tree	AMD	No	kg	AMD/ kg	No	AMD/ tree	AMD	No.	AMD
Cherry	1	16,960	16,960	-	-	-	7	20	320	4	32,660	228,620	8	245,580
Guelder-rose	-	-	-	2	41,535	83,070	22	30	250	6	51,977	1,191,220	24	1,274,290
Peach	-	-	-	-	-	-	5	40	330	3	42,811	214,055	5	214,055
Medlar	-	-	-	1	33,270	33,270	-	-	-	-	-	-	1	33,270
Walnuts	-	-	-	2	200,896	401,792	3	30	1240	6	240,596	721,788	5	1,123,580
Fig	1	103,770	103,770	-	-	-	5	40	800	4	137,440	687,200	6	790,970
Mulberry	-	-	-	-	-	-	10	90	420	4	160,140	1,601,400	10	1,601,400
Grapes	-	-	-	-	-	-	14	25	330	4	30,357	98,660	14	98,660
Apple	-	-	-	-	-	-	5	50	350	6	114,960	574,800	5	574,800
Date	1	38,100	38,100	-	-	-	3	20	800	7	126,450	379,350	4	417,450
Apricot	2	122,470	244,940	1	162,540	162,540	33	80	480	6	242,680	8,008,440	36	8,415,920
Persimmon	-	-	-	-	-	-	3	50	840	5	221,610	664,830	3	664,830
Cornel	7	24,360	170,520	-	-	-	25	20	480	4	46,460	1,161,500	32	1,332,020
Buckthorn	-	-	-	-	-	-	3	10	370	4	22,360	67,080	3	67,080
Almond	1	39,196	39,196	-	-	-	-	-	-	-	-	-	1	39,196
Pomegranate	-	-	-	-	-	-	6	10	1030	5	62,010	372,060	6	372,060
Sea buckthorn	-	-	-	-	-	-	1	30	700	6	135,960	135,960	1	135,960
Plum	22	34,010	748,220	4	34,010	136,040	48	30	310	4	44,760	2,148,480	74	3,032,740
Quince	1	70,520	70,520	-	-	-	28	25	850	6	139,280	3,899,840	29	3,970,360
Hawthorn	-	-	-	-	-	-	19	4	5	3	6,761	128,459	19	128,459
Pear	1	135,710	135,710	1	225,010	225,010	3	60	720	6	269,660	808,980	5	1,169,700
Hazelnut	2	49,796	99,592	3	120,896	362,688	5	20	1060	6	144,596	722,980	10	1,185,260
Subtotal	39	-	1,667,528	14	-	1,404,410	248	-	-	-	-	23,815,702	301	26,887,640

40. The total compensation for the 11 affected wood trees equaled to 44,310 AMD. In accordance to the LARP, wood and decorative trees are categorized and valued according to the following groups (a. small trees; b. medium trees and c. big trees) based on the type of tree and indicators such as: timber volume, height of the tree etc.

Table 22: Compensation for Wood Trees

Type of land	Affected wood trees	Small (up to 12 cm diameter)			Medium growth (13-22cm)			Total	
		No.	Unit cost	Subtotal	No.	Unit cost	Subtotal	No.	AMD
			AMD	AMD		AMD	AMD		
Odzun									
Community	Ash tree	5	1,890	9,450.00	4	7,560	30,240.00	9	39,690.00
	Maple	2	2,310	4,620.00	-	-	-	2	4,620.00
Total		7	-	14,070.00	4	-	30,240.00	11	44,310.00

41. The total compensation for the affected decorative trees equaled to 7,500 AMD.

Table 23: Compensation for Decorative Trees

Type of land	Affected decorative trees	Large		
		Trees	Unit price	Compensation
		No.	AMD/ tree	AMD
Odzun				
Community	Cornus	5	1,500	7,500.00

42. Two land plots with cucumbers and greens were impacted. The total compensation for crops equaled to 127,275 AMD.

Table 24: Compensation for Crops

Type of land	Type of Crops	Plots	Annual Productivity	Price	Affected Area	Total Loss	Unit price per m ²	Total Compensation
		No.	kg/ m ²	AMD/m ²	m ²	Kg	AMD	AMD
Odzun								
Community	Greens	1	3	1,180	35	105	3,540	123,900.00
Subtotal		1	-	-	35	105	-	123,900.00
Alaverdi								
Community	Cucumber	1	2.7	250	5	14	675	3,375.00
Subtotal		1	-	-	5	14	-	3,375.00
Total		2	-	-	40	119	-	127,275.00

4.2 ALLOWANCES

43. 9 AHs of 10 have lost more than 10% of their agricultural income due to the impact of the project as a results all 10 received severe impact allowance as envisaged in the project LARP. The costs for the severe impact allowance accounted for 3,585,577 AMD.

Table 25: Compensation for Severe impact

Severe Impact allowance	Plots	AHs	Average Unit cost	Compensation
	No.	No.	AMD	AMD
Odzun				
Severely AHs losing more than 10% of agricultural income	7	7	400,038.86	2,800,272.00
Alaverdi				
Severely AHs losing more than 10% of agricultural income	3	2	261,768.33	785,305.00
Total	10	9	-	3,585,577.00
* The allowance was calculated individually for each AH. The unit costs in this table represent the average amounts.				

44. The APs in accordance with the LARP were compensated for transportation costs of any assets as required. Two pieces of movable assets were identified for which a transportation cost of 70,500 AMD was envisaged.

Table 26: Allowance for Transportation Costs

Allowance for transportation assets	Trips required	Unit rate	Total Compensation
	No.	AMD	AMD
Odzun			
Small Transportation	2	35,250	70,500

4.3 REGISTRATION COSTS

45. All registration costs have been covered by the RD. Registration costs were calculated for each property separately. This included expenses related to a) notary services and any payments of state taxes, b) state taxes to the state cadastral registration body, and c) taxes related to the registration of ownership rights and compensation.

Table 27: Compensation for Registration Costs

Community	Cadastral expenses (AMD)	Notary expenses (AMD)	Total (AMD)
Odzun	478,000.00	186,000.00	664,000.00
Alaverdi	252,000.00	108,500.00	360,500.00
Total	730,000.00	294,500.00	1,024,500.00

5. CONSULTATION AND INFORMATION DISCLOSURE

46. The prompt response and corrective actions taken to address the unforeseen impact and compensations were to the satisfaction of the APs and no grievances exist in this regard. All consultation and information disclosure elements envisaged in the LARP and RA legislation were implemented during CAP implementation.
47. In terms of notification and consultation of APs, during the individual meetings and consultations, the LARP information brochure was provided to all APs and the specifics of the CAP implementation was presented and discussed. This included information on the entitlements of the APs, the schedules and procedures for the implementation of the CAP, the already established and functioning Grievance Readdress Mechanism (GRM) system, compensation entitlements,

obligations and documents required for the signing of acquisition contract etc.

48. The heads of affected communities were informed on the stages and schedule of CAP implementation process. The approved final CAP will also be disclosed to the APs and/or community members.
49. The details on GRM with contact details was already posted in all community administration offices upon start of LARP implementation. The well-functioning GRM system and close communication line with the APs allowed detection of the unforeseen impact and prevention of uncompensated impact.
50. The notification procedure defined by the “RA Law on alienation of the property for public and state purposes” was implemented. Acquisition contracts together with cover letters were prepared and delivered to the APs before the deadline defined by the Law and Eminent Domain Decree. Particularly the APs received the following notifications as defined by the Law:
 - Notification of signed/not signed protocols (according to the Article 7 of the Law),
 - Notification of draft acquisition contracts and agreements on affected assets,
 - Notification on depositing the compensation amount to court deposit, where applicable,
 - Notification of the start of expropriation (court) proceeding, where applicable.

6. CAP IMPLEMENTATION

51. The RD conducted the DMS in the affected locations to clarify the impact and started the legal expropriation steps as foreseen in the Armenian legislation and LARP. The asset description protocols were signed with land owners, illegal users and their authorized person in September 2019.
52. An Eminent Domain decree was adopted by the RA Government regarding the affected properties described in this CAP (1711 -N) and was entered into force on 21 December 2019. Subsequently contracts and agreements with exact compensation amount were signed on 26th of December 2019.
53. The APs were then compensated in accordance with the LARP provisions. All necessary expropriations were carried out in accordance with the LARP provisions and APs received full compensations accordingly. In total 45,616,315 AMD was payed to 10 AHs (30 APs). Of the total amount 3,585,577 involved severe impact allowances. These will be fully confirmed by External Monitors as per LARP and CAP implementation and monitoring chapter below
54. The compensation amount was transferred to the bank accounts specified by the APs. Opening of new bank accounts was only necessary for 1 of the 2 new APs, as for the remaining APs they have been already opened during LARP implementation. The compensation amounts were in accordance with the signed contracts and agreements transferred to the APs bank account within 25 days after signing of the contracts. Subsequently access was provided to the contractors.

7. CAP IMPLEMENTATION AND MONITORING

55. The CAP implementation is monitored both internally and externally. The RD and Supervision Consultant/Engineer are responsible for the internal monitoring. The project is categorized as category B in terms of IR for which external monitoring is not required, however, it has been defined by the LARP that an External Monitoring Individual Consultant (EMIC) will be engaged for LARP implementation monitoring purpose.
56. The EMIC will be hired by the RD who will be responsible for preparation of compliance report confirming implementation of this CAP in full. Also, this EMIC will conduct external monitoring of 8 completion report (CR) for each LARP implementation phase.

57. Besides, the results of internal monitoring carried out in parallel with the implementation of LARP/CAP are reflected in Social Semi-annual Monitoring Reports of the respective reporting period. The final verification of LARP implementation will be carried out by EMIC, the hiring process of which has been already initiated by RD.

ANNEX 1. IMPACT/BUDGET SUMMARY

Item	Odzun						Alaverdi						Total						
	Plot s	m ²	l.m	No	Compensati on amount	AH s	Plot s	m ²	l.m	No	Compensati on amount	AH s	Plot s	m ²	l.m	No	Compensati on amount	AH s	
	No.				AMD	N	No.				AMD	N	No.				AMD	N	
1. Land																			
Community land	11	987.05	-	-	1,199,242.43	7	7	1,207.26	-	-	2,268,820.40	2	18	2,194.31	-	-	3,468,062.82	9	
Private land	1	54.13	-	-	87,771.80	1	-	-	-	-	-	-	1	54.13	-	-	87,771.80	1	
1. Subtotal	12	1,041.18	-	-	1,287,014.22	8	7	1,207.26	-	-	2,268,820.40	2	19	2,248.44	-	-	3,555,834.62	10	
2. Structures and buildings																			
non residential	3	33.25	-	-	628,797.50	3	1	3.00	-	-	42,720.00	1	4	36.25	-	-	671,517.50	4	
2. Subtotal	3	33.25	-	-	628,797.50	3	1	3.00	-	-	42,720.00	1	4	36.25	-	-	671,517.50	4	
3. Fence																			
Fences	5	511.30	-	-	5,450,896.00	5	2	180.00	-	-	3,516,300.00	1	7	691.30	-	-	8,967,196.00	6	
3. Subtotal	5	511.30	-	-	5,450,896.00	5	2	180.00	-	-	3,516,300.00	1	7	691.30	-	-	8,967,196.00	6	
4. Improvements																			
Improvements	3	19	47	11	341,000.00	4	-	-	-	-	-	-	3	19	47	11	341,000.00	4	
4. Subtotal	3	19	47	11	341,000.00	4	-	-	-	-	-	-	3	19	47	11	341,000.00	4	
5. Transportation																			
Transportation	1	-	-	2	75,500.00	1	-	-	-	-	-	-	1	-	-	2	75,500.00	1	
5. Subtotal	1	-	-	2	75,500.00	1	-	-	-	-	-	-	1	-	-	2	75,500.00	1	
6. Trees, crops																			
Fruit trees/bushes	8	-	-	400	21,766,241.00	8	3	-	-	137	5,449,864.00	2	11	-	-	537	27,216,105.00	10	
Wood trees	4	-	-	11	44,310.00	1	-	-	-	-	-	-	4	-	-	11	44,310.00	1	
Decorative trees	1	-	-	5	7,500.00	1	-	-	-	-	-	-	1	-	-	5	7,500.00	1	
Crops	1	35	-	-	123,900.00	1	1	5	-	-	3,375.00	1	2	40	-	-	127,275.00	2	
6. Subtotal	8	35	-	416	21,941,951.00	8	2	5	-	137	5,453,239.00	2	10	40	-	553	27,395,190.00	9	
7. Severe Impact allowance																			

Item	Odzun						Alaverdi						Total						
	Plots	m ²	l.m	No	Compensation amount	AHs	Plots	m ²	l.m	No	Compensation amount	AHs	Plots	m ²	l.m	No	Compensation amount	AHs	
	No.				AMD	N	No.				AMD	N	No.				AMD	N	
Severe impact	7	-	-	-	2,800,272.00	7	3	-	-	-	785,305.00	2	10	-	-	-	3,585,577.00	9	
7. Subtotal	7	-	-	-	2,800,272.00	7	3	-	-	-	785,305.00	2	10	-	-	-	3,585,577.00	9	
8. Registration costs																			
Cadastral	-	-	-	-	478,000.00	-	-	-	-	-	252,000.00	-	-	-	-	-	730,000.00	-	
Notarial	-	-	-	-	186,000.00	-	-	-	-	-	108,500.00	-	-	-	-	-	294,500.00	-	
8. Subtotal	-	-	-	-	664,000.00	-	-	-	-	-	252,000.00	-	-	-	-	-	1,024,500.00	-	
GRAND TOTAL	12	-	-	-	33,189,430.72	8	7	-	-	-	12,318,384.40	2	19	-	-	-	45,616,315.12	10	

ANNEX 2. LAND COMPENSATION PER COMMUNITIES

Type of usage	Private Land					Community Land					Total				
	Plots	Affected Area	Average Unit Price	Total Cost	Total Compensation (incl. 15%)	Plots	Affected Area	Average Unit Price	Total Cost	Total Compensation (incl. 15%)	Plots	Affected Area	Average Unit Price	Total Cost	Total Compensation (incl. 15%)
	No.	m ²	AMD	AMD	AMD	No	m ²	AMD	AMD	AMD	No	m ²	AMD	AMD	AMD
Odzun															
Residential	1	54.13	1,410.00	76,323.30	87,771.80	1	9.24	1,030.00	9,517.20	10,944.78	2	63.37	1,354.59	85,840.50	98,716.58
Other	-	-	-	-	-	8	947.26	1,057.61	1,001,835.80	1,152,111.17	8	947.26	1,057.61	1,001,835.80	1,152,111.17
Road	-	-	-	-	-	2	30.55	1,030.00	31,466.50	36,186.48	2	30.55	1,030.00	31,466.50	36,186.48
Subtotal	1	54.13	-	76,323.30	87,771.80	11	987.05	-	1,042,819.50	1,199,242.43	12	1,041.18	-	1,119,142.80	1,287,014.22
Alaverdi															
Residential	-	-	-	-	-	3	344.16	1,841.13	633,644.10	728,690.72	3	344.16	1,841.13	633,644.10	728,690.72
Other	-	-	-	-	-	4	863.10	1,551.67	1,339,243.20	1,540,129.68	4	863.10	1,551.67	1,339,243.20	1,540,129.68
Subtotal	-	-	-	-	-	7	1,207.26	-	1,972,887.30	2,268,820.40	7	1,207.26	-	1,972,887.30	2,268,820.40
Tota	1	54.13	-	76,323.30	87,771.80	18	2,194.31	-	3,015,706.80	3,468,062.82	19	2,248.44	-	3,092,030.10	3,555,834.62