

ECONOMIC DEVELOPMENT AND RESEARCH CENTER



**NORTH-SOUTH ROAD CORRIDOR INVESTMENT PROGRAM
TRANCHE 4: KAJARAN-AGARAK SECTION**

**LAND ACQUISITION AND RESETTLEMENT PLAN IMPLEMENTATION OF
ABOUT 32 KM ROAD FROM AGARAK TO TUNNEL EXIT**

LOT 2

COMPLIANCE REPORT

DECEMBER 2025

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List of Acronyms

ADB	Asian Development Bank
AH	Affected Household
AMD	Armenian Dram
AP	Affected Person
DA	Difficult to Answer
DMS	Detailed Measurement Survey
EA	Executing Agency
EDB	Eurasian Development Bank
EDD	Eminent Domain Decree
EDRC	Economic Development and Research Center
EFSD	Eurasian Fund for Stabilization and Development
EMA	External Monitoring Agency
GoA	Government of Armenia
GRM	Grievance Redress Mechanism
HH	Household
IA	Implementing Agency
LAR	Land Acquisition and Resettlement
LARP	Land Acquisition and Resettlement Plan
LARF	Land Acquisition and Resettlement Framework
LLC	Limited Liability Company
MoTAI	Ministry of Territorial Administration and Infrastructures of Armenia
RD	Road Department
RoW	Right of Way
SPS	Safeguard Policy Statement
T4	Tranche 4 of the North-South Road Corridor Investment Program
USD	United States Dollar

I. Executive Summary

- The Asian Development Bank (ADB) has agreed to provide the Government of Armenia (GoA) with a USD 500 million Multi-Tranche Financing Facility to finance the North-South Road Corridor Investment Program. North-South Road Corridor crosses the territory of Armenia from the South to the North of Armenia including Agarak-Kapan-Yerevan-Gyumri-Bavra highways and road infrastructures and is linked to the road networks of the two neighbors of Armenia: Iran and Georgia.
- The North-South Road Corridor Investment Program is divided into six Tranches. Under Tranche 4 (T4), the 45 km road section between Kajaran and Agarak (Km0+000-Km45+022) will be upgraded (the project). The affected communities are located within the administrative territory of Syunik Marz. Eurasian Development Bank (EDB), through the Eurasian Fund for Stabilization and Development (EFSD)¹, has agreed to provide the GoA with USD 150 million to finance T4.
- In terms of construction works, the project is divided into two road sections – Lots, particularly Lot 1, a 32 km section from Agarak to the exit from the tunnel and Lot 2, about 7 km from the tunnel entrance to Kajaran and about 6 km of the tunnel and access roads to the intersection with Sisian-Kajaran. The project implementation in Lot 1 itself is also divided into four Subsections.
- The project has significant land acquisition and resettlement impacts. Based on the final detailed design of the project, the Land Acquisition and Resettlement Plan (LARP) was prepared by the IRD Engineering and approved by the MoTAI (Executing Agency). The Road Department Fund (Implementing Agency) is currently implementing the LARP.² The present compliance report covers the external monitoring of the LARP implementation in Lot 2.
- Based on the implementation results, in Lot 2, the project impacted 161 land plots (175,649 sq. m.) including 11 state-owned, 135 community- and 15 privately-owned land plots in Lernadzor and Kajaran communities. The project affected 98 households, including 15 landowners and 88 informal users (of which 5 AHs were affected both as landowners and informal users). 17 AHs were socially vulnerable. 95 AHs were severely impacted (due to the loss of 10% and more of their productive assets), including 3 AHs who were physically displaced (relocated). 16 vulnerable HHs were severely impacted (losing 10% or more of their productive land), including 1 vulnerable AH who was physically displaced.
- The crops, trees, buildings, structures, fences, and movable improvements were impacted. There was a case of a business loss. There was no impact on leaseholders or employment loss.
- The implementation procedures complied with the defined provisions of the LARP and policy requirements. Compensation for the loss of land, crops, trees, movable improvements, and rehabilitation assistance for business loss, as well as rehabilitation assistance to vulnerable groups and relocatee AHs, complied with the LARP provisions.
- In total, five Corrective Measures of AMD 4,780,663, were recommended by the EMA to bring compensation for the loss of buildings, structures, and stone fences, and the rehabilitation assistance for

¹ As per the Protocol dated June 26, 2024 on amendments to the "Agreement on the Establishment of the EFSD dated June 9, 2009", the Fund is the full legal successor of the rights, obligations, assets and other property assumed or acquired by the Eurasian Development Bank (hereinafter – EDB) when acting as the governor of the EFSD. The specified Protocol is temporarily applied by the Russian Federation from July 27, 2024. The funds initially provided by the Bank through EFSD are now provided and governed by the Fund.

² The final version of the [LARP](#) received the no-objection of the EDB in December 2023. The LARP implementation was started in October 2022 and is still ongoing considering an ongoing court case and pending compensation of an AH in Lot 2 ([Appendix 4](#)). The implementation will be considered completed, when the court's decision on the acquisition come into force and the relevant compensation amount is disbursed to the affected party.

the project's severe impact in Lot 2 in line with the LARP provisions. On 23 December 2025, the RD implemented the required Corrective Measures. The RD provided the EMA with the Supplemental Agreements signed with the APs and payment orders. The calculation of compensation under Corrective Measures complied with the LARP methodology and provisions and was provided in the amounts recommended by the EMA.

- Satisfaction with various processes and procedures of the LARP preparation and implementation in Lot 2 was very high.
- As of the date of this report (December 2025), the acquisition of a privately-owned land plot of one landowner (used by an informal user) is still ongoing and is regulated through the expropriation process. There is no relocation or business impact related to that land plot. The initiation of the expropriation process complies with the LARP/LARF provisions. The compensation to the landowner is deposited with the First Instance Court of Syunik Marz. Compensation to the informal user AH for the impact on crops, trees, improvements and the project's severe impact remains outstanding. The compensation process may be considered completed only upon disbursement of the relevant compensation amount (as confirmed in this report) to the affected party following the issuance of the final court decision. Action Plan is formulated ([Appendix 4](#), Case N1).

Based on external monitoring findings, considering the completion of the Corrective Measures recommended by the EMA, the LARP implementation in Lot 2 is considered as fully completed for 160 out of a total of 161 land plots (i.e., for 11 state-owned, 135 community-owned, and for 14 out of 15 privately-owned land plots). For 160 land plots of Lot 2, the LARP is implemented in compliance with the provisions of ADB SPS (2009), local legislation, and with the satisfaction of the APs.

The expropriation process is still ongoing for the remaining privately-owned land plot and compensation disbursement to one AH remains outstanding. Physical civil works on this land plot may commence only after the court's decision on acquisition enters into force and the relevant compensation amount is disbursed to the affected party.

II. Introduction

a) Project Background

1. The Asian Development Bank (ADB) has agreed to provide the Government of Armenia (GoA) with a USD 500 million Multi-Tranche Financing Facility to finance the North-South Road Corridor Investment Program (the program). The North-South Road Corridor crosses the territory of Armenia from the south to the north of Armenia, including the Agarak-Kapan-Yerevan-Gyumri-Bavra highways and road infrastructures. It is linked to the road networks of Armenia's two neighbors – Iran and Georgia.
2. The North-South Road Corridor Investment Program is implemented through six financing tranches. Tranche 4 (T4) is the southernmost part of the North-South Road Corridor. The new highway will provide significant development opportunities for all the communities from the north to the south of Armenia. The Eurasian Fund for Stabilization and Development (EFSD), has agreed to provide the GoA with USD 150 million to finance T4.
3. Under T4, the 45 km road section between Kajaran and Agarak (Km0+000-Km45+022) will be upgraded (the project). The Ministry of Territorial Administration and Infrastructures of Armenia (MoTAI) is the project's Executing Agency (EA), and the Road Department Fund (RD) is the project's Implementing Agency (IA).

Figure 1. Tranche 4 Project Location



Source: T4 LARP (Nov 2023)

4. The project has significant land acquisition and resettlement (LAR) impacts. Based on the final detailed design of the project, the Land Acquisition and Resettlement Plan (LARP) was prepared by the IRD Engineering and approved by the MoTAI.
5. The affected communities are located within the administrative territory of Syunik Marz. Based on the final detailed design, eight communities are affected: Kajaran, Lernadzor, Tashtun, Lichk, Vardanidzor, Lehvaz, Gudemnis, and Meghri (Table 1).
6. In terms of construction works, the project is divided into two road sections – Lots, particularly Lot 1, a 32 km section from Agarak to the exit from the tunnel and Lot 2, about 7 km from the tunnel entrance to Kajaran and about 6 km of the tunnel and access roads to the intersection with Sisian-Kajaran. The LARP implementation in Lot 1 itself was also divided into four subsections (for more details on the breakdown of Lot 1 by subsections, see [Appendix 3](#)). In line with the ADB SPS provisions, the commencement of the physical civil works within the project is possible only in the areas where the LARP implementation has been fully completed.

Table 1: Lots, Subsections and Road Chainage of the T4 (Kajaran-Agarak Section)

N	Community	Lot	Subsection	Road Chainage, km
1	Tashtun	1	1	10+700 – 16+300
2	Lichk	1	1	10+700 – 16+300
			3	16+600 – 22+600
3	Meghri	1	1	36+900 – 42+940
			2	29+300 – 36+900
4	Gudemnis	1	2	29+300 – 36+900
5	Lehvaz	1	2	29+300 – 36+900
			4	22+600 – 29+300
6	Vardanidzor	1	3	10+800 – 16+600
			4	22+600 – 29+300
7	Lernadzor	2	-	0+000 – 10+700
8	Kajaran	2	-	0+000 – 10+700

Source: the RDF (as of September 2024)

7. The LARP implementation was started in October 2022. Under Lot 2 of the LARP, the project impact was registered in Lernadzor and Kajaran communities (Table 1 and Table 2).

Table 2: Impact planned under Lot 2 of the T4 LARP (Kajaran-Agarak Section)

N	Community	Road Chainage, km	Length, km	Plots, N	Total size of land take, sq m	AHs, N	Vulnerable AHs, N	Severely AHs, N
1	Lernadzor	0+000 – 10+700	10.7	99	109,609	59	11	53
2	Kajaran			63	66,279	45	6	43
	Total	0+000 – 10+700	10.7	162	175,888	104	17	96

Source: the RD (as of October 2025)

b) Objectives and Scope of LARP

8. The LARP was prepared by the RD, and its final version received the no-objection of the EDB in December 2023. The MoTAI and RD are responsible for the LARP implementation.³
9. The objective of the LARP is to identify and support the affected persons to restore their livelihoods and quality of life at least to pre-project levels according to the requirements and provisions of ADB's SPS 2009 and the approved T4 LARP.
10. The LARP covers the rights of persons in the cases of temporary or permanent losses of land, living or other buildings/structures, fences, improvements, crops, trees, income, and business, as well as contains relevant provisions to vulnerable groups, provisions on project severe impact, physical relocation, rehabilitation allowances, and unforeseen impacts. The LARP also presents the scope of community rights in the case of community/public property loss.
11. The LARP assesses the project's unforeseen impact and provides details on required compensation and restoration measures based on the final detailed road design, Detailed Measurement Survey (DMS) of all affected assets, Census Survey of AHs, Inventory of Losses, and Valuation of Replacement Cost of the Affected Assets.
12. Thus, relocation, compensation and livelihood restoration shall be implemented in accordance with the approved LARP.
13. The process of agreement-signing in Lot 2 of the LARP was started in April 2024. From the perspective of external monitoring, considering one ongoing court case, LARP implementation in Lot 2 will be considered as successfully completed when the court's decisions on acquisition come into force (for

³ The [English](https://armroad.am/en/safeguard/social-impact-and-resettlement/lar-documents) version of the LARP is available on RD's website (as of November 2025), <https://armroad.am/en/safeguard/social-impact-and-resettlement/lar-documents>

details on the ongoing court case, see [Appendix 4: Action Plan on LARP Lot 2 Court Cases](#)). The compensation to the respective landowner (for land impact) was deposited with the First Instance Court of Syunik Marz in April of 2024, in line with the LARP/LARF provisions. Meanwhile, the compensation to the informal user AH (for the impact on crops, trees, improvements, and the project's severe impact) remains outstanding. LARP implementation and the compensation process may be considered completed only upon disbursement of the relevant compensation amount (as confirmed in this report) to the affected party following the issuance of the final court decision⁴. Action Plan is formulated ([Appendix 4](#), Case N1).

c) Legal Framework and Entitlements

14. The basis for resettlement planning and implementation is the RA Constitution and the respective legislation derived from it. The project is implemented under the International Loan Agreement; given the provisions of the Agreement, the LARP was also based on ADB's Safeguard Policy Statement 2009 (SPS) requirements.^{5, 6}
15. Involuntary acquisition of property (for the society and public needs) in Armenia is feasible only in the case of GoA recognizing (by a Decree) it as an exclusive prevailing public interest. The Eminent Domain Decree (EDD),⁷ recognizing the affected properties under the LARP as the exclusive prevailing public interest, was issued by the GoA on 9 June 2022 and entered into force on 19 June 2022. During the LARP formulation, resulting from the adjustments within the detailed design, the initial EDD was amended: the amendments to the EDD⁸ were adopted on 28 September 2023 (came into force on 9 October 2023) and on 15 November 2024 (came into force on 25 November 2024).
16. The acquisition grounds, compensation procedures and other relevant provisions are defined by the RA Law "On Alienation of Property for Ensuring Overriding Public Interests". The Law covers properties of both physical and legal entities and all property rights towards objects owned by the communities (local governments).
17. In all cases when the ADB SPS requirements were stricter than the RA legislation, the provisions of ADB policies were applied. To overcome the differences/gaps between the RA legislation and ADB policies, the GoA developed and adopted the Land Acquisition and Resettlement Framework (LARF).⁹
18. The LARP is based on the project LARF, respective Armenian legislation and regulations, and ADB SPS (2009). The compensation of the land plots and buildings/structures affected by the Project was based on the principle of cash compensation.
19. Thus, the following losses/impacts are eligible for compensation for project impact in compliance with the project LARF (the project's complete Entitlement Matrix is in [Appendix 1](#)):
 - 1) For the loss of **land** – the land plot owners, legalizable APs, leaseholders, other property right holders (servitude, construction permit, loan, mortgage, use rights), non-legalizable APs;¹⁰

⁴ The RD will inform the Fund of the progress and outcome of this process through its semi-annual reporting (January-June 2026), with the relevant supporting documentation attached.

⁵ Part 1, Clause 3 of the [GoA Decree N2013-N](#), adopted on 10 December 2020, came into force on 21 December 2020.

⁶ Article 3, Part 3.2 of Appendix 3 to the [GoA Decree N1274-N](#), adopted on 16 September 2010, last amended on 10 December 2020.

⁷ The GoA Decree N851-N: https://e-gov.am/u_files/file/decree/kar/2022/851_1.pdf and <https://e-gov.am/gov-decrees/item/38420/>.

⁸ The GoA Decree N1672-N: <https://e-gov.am/gov-decrees/item/41298/> and <https://www.arlis.am/DocumentView.aspx?docid=183324>; the GoA Decree N1793-N: <https://e-gov.am/gov-decrees/item/43683/> and <https://www.arlis.am/DocumentView.aspx?DocID=199796>.

⁹ The LARF was adopted in 2010, then it was revised in 2012, 2015, 2017, and the final revised version was adopted by the Government in December, 2020, [GoA Decree N2013-N](#). The [Armenian version of the T4 LARF](#) is available as Appendix 3 to the GoA Decree N1274-N, adopted on 16 September 2010, last amended on 10 December 2020.

¹⁰ Non-legalizable APs are entitled to compensation only for the improvements made on the land.

- 2) For the loss of **residential buildings or structures** on land plots – all APs, regardless of the rights towards the building/structure, relocated leaseholders;
 - 3) For the loss of **non-residential buildings or structures** on land plots – all APs, regardless of the rights towards the building/structure, relocated leaseholders;
 - 4) For the loss of **crops, trees and expected harvest** – all APs, regardless of the rights towards the land or any other property right holder;
 - 5) For the cases of **loss of business** – all APs, regardless of the submission of a tax declaration;
 - 6) For the cases of **loss of employment** – employees working in affected businesses or hired by individual entrepreneurs based on an employment contract;
 - 7) Allowances for **severe impact** – All AHs/APs that lost 10% or more of agricultural land or were relocated, including those who do not have any residence status;
 - 8) For the loss of **public property** – the community;
 - 9) **Rehabilitation Allowances** – to all AHs below the poverty line, as well as headed by women, elderly or disabled;
 - 10) **Relocation Allowance** – all APs (transportation expenses for relocation and livelihood expenses);
 - 11) For **temporary impact** – all APs/AHs;
 - 12) For **unforeseen impacts** – all APs/AHs eligible for compensation; and
 - 13) For **improvements** (not included above, except for movable property) – all APs who made improvements.
20. Compensation rights were limited by the cut-off date – 30 August 2022 – which was defined as the first day of signing of property Description protocols on the acquired lands (signing the protocols by the APs, MoTAI and Acquirer). The Description protocols contain data on Census, DMS and Inventory of Assets.

d) Scope of Compliance Report

21. The LARP implementation is subject to both internal and external monitoring. Internal monitoring is carried out by the RD through the Resettlement Coordination Team (more details in para. 39).
22. External monitoring is carried out by the External Monitoring Agency (EMA). It implies compliance review and preparation and submission of a Compliance Report.
23. The objectives of the external monitoring are:
 - (i) to verify that the compensation program has been implemented in compliance with the T4 LARP/LARF stipulations, in adherence to local legislation and ADB's SPS, and with the satisfaction of the APs;
 - (ii) to recommend corrective measures to resolve the safeguard-related issues, if any;
 - (iii) to prepare a Compliance Report on LARP implementation in Lot 2.
24. The "Economic Development and Research Center" (EDRC), an independent research institution specializing in public policy monitoring and evaluation,¹¹ served as the External Monitoring Agency and carried out the external monitoring of the T2 and T3 LARPs' implementation.
25. This report covers the compliance review of the LARP implementation in Lot 2, i.e., compliance review of the implementation of the LAR activities related to 162 land plots of Lernadzor and Kajaran communities.

¹¹ For details on the Center please visit www.EDRC.am.

26. The methodology of external monitoring is presented in detail in Section III of this report. The findings of external monitoring and the main conclusions on the LARP implementation in Lot 2 are presented in subsequent sections of this report.

III. Methodology

27. The methodological basis for the Compliance Review was approved in the Inception Report of the EMA. EMA has performed the full range of necessary activities stipulated by the methodology. The compliance review included mixed methods of quantitative and qualitative research.
28. Three main methods of data collection were used:
- Desk review;
 - Sample household phone calls;
 - Key Informant Interviews, i.e., day-to-day communications/discussions with the Safeguard Team of the RD.
29. During the desk review, the EMA reviewed/analyzed:
- (i) Safeguards documents and resettlement plans, including T4 LARP, ADB SPS (2009), LARF;
 - (ii) Internal monitoring reports: Monthly Progress Reports, Semiannual Reports;
 - (iii) T4 LARP database by the RD;
 - (iv) Financial and non-financial documents:
 - Property Description Protocols;
 - Valuation Reports;
 - Reports on Rehabilitation Allowance Size Calculation;
 - Contracts on Acquisition of Property for Public and State Needs;
 - Agreements on Compensation/Rehabilitation of Affected Assets;
 - Payment documents for the Property Acquisition Contracts and Agreements;
 - Payment orders;
 - Other documents.
30. The EMA checked the profile completeness and availability at the RD for 100% of the APs included in Lot 2 of the LARP. The EMA reviewed 100% of APs' contracts and agreements; the data/information in the mentioned documents were checked for completeness, consistency, and compliance with the T4 LARP provisions. The existing databases were analyzed; the data in databases and description protocols/valuation reports were compared/reconciled, and necessary corrections were made. The EMA reviewed 100% of payment orders of APs and communities included in Lot 2 of the LARP.
31. A compliance review survey was conducted with 30% of AHs (29 AHs) under Lot 2 of the LARP: (i) the survey covered 100% of vulnerable households (17 AHs), (ii) the remaining 12 AHs were randomly selected. For a complete sample, see [Table 25](#). The survey was conducted using the phone calls survey method. The survey was based on the compliance review survey questionnaire provided in [Appendix 2](#). The survey responses were entered into the database and analyzed.
32. Key Informant Interviews in the form of discussions and day-to-day communications with the Safeguard Team of the RD were carried out during external monitoring.
33. The process of consultations and APs' notification, the Grievance Redress Mechanism, the initiation of the expropriation process, the institutional setup, and the process of compensation and rehabilitation provision were studied in detail both through a desk review and perceptions of APs (via compliance review survey).
34. Data and information collected from various sources were compared and analyzed. The adopted methodology allowed the EMA to formulate findings, conclusions, and recommendations on the compliance review of the LARP implementation in Lot 2.

IV. Implementation Procedures

a) Institutional Framework and Management

35. The Ministry of Territorial Administration and Infrastructure is the Executing Agency, and the Road Department Fund is the Implementing Agency for the Program.
36. The Institutional Framework also includes the RA Ministry of Finance, the RA Cadaster Committee, Local Self Government Bogies, Local Courts, Consultants, and EFSD.
37. AM Consulting LLC – the Valuation Consultant – is responsible for the implementation of measurement and assets inventory and consists of the following specialists: (i) Social Development and Resettlement Specialist/Team Leader, (ii) Measurement Specialist, (iii) Valuator, (iv) Agronomist, (v) Sociologist/Social Development Specialist – Coordinator, and (iv) Lawyer/Advocate.
38. AltaVIP LLC and Media Model LLC – the Implementation Consultants – are responsible for T4 LARP implementation, including the expropriation phase. The Consultants are recruited by the RD and consist of the following specialists: (i) Team leader, (ii) Field coordinator, and (iii) Lawyer/advocate.
39. The RD has established a Resettlement Coordination Team¹² within its structure, which is responsible for coordinating the Consultants’ activities, submission of Internal Monitoring Reports on LARP implementation, and Semi-annual Social Monitoring Reports.
40. The construction Contractor is Joint Venture Abad Rahan Pars International Group (Iran) – Tunnel Sadd Ariana (Iran). The Supervising Engineer is Institute IGH, Joint Stock Company for Research and Development in Civil Engineering (Croatia).

Key Findings

The Institutional framework and management of the LARP implementation in Lot 2 comply with the LARP provisions.

b) Consultations and APs Awareness

41. Public consultations with the affected persons and the awareness-raising process started before the LARP implementation.
42. The RD carried out several rounds of public consultations and awareness-raising events – before and during the LARP implementation – in October 2021 in all communities (one event per affected community), in October-December 2022 and January-March 2023 (series of events per affected community). During the implementation, individual (face-to-face) consultations with the APs were held on a day-to-day basis; assistance was also provided via phone calls, as needed.
43. All APs were notified about the procedures and stages of the LARP implementation. Amongst others, the following information was provided to the APs: information on compensation eligibility and entitlements, methodology of assets valuation by the types of losses, documents required for contract/agreement signing, the Grievance Redress Mechanism and procedures behind the complaint submission, etc.
44. Actions taken as a part of information disclosure included the following:

¹² Includes: (i) Head of Social Impact Management Service, (ii) Social Development and Resettlement Specialist, (iii) Senior Lawyer Claim and Dispute Management Specialist, (iv) Environmental and Social Specialist, and (v) Social Specialist.

- Acquisition contracts and the information leaflets were delivered to the APs in line with the requirements defined by the Law “On Alienation of Property for Ensuring Overriding Public Interests” and the Government Decree on Eminent Domain.¹³ Accordingly, the APs received notification on property description protocols, as well as draft acquisition contracts and agreements on affected assets;
 - Disclosure of the project information brochure on the RD’s website;¹⁴ and
 - Disclosure of the project LARF and T4 LARP on the RD website.¹⁵
45. The abovementioned information was obtained and verified through the desk review activities, Key informant interviews with the representatives of the Safeguard Team of the RD, as well as the compliance review survey findings.
46. According to the survey, all AHs (24 AHs, 100% of respondents) were aware of consultations being held in their community and participated in the events. 83% of respondents (20 of 24 AHs) considered the consultations very useful, while 17% (4 of 24 AHs) found consultations not that useful. All AHs confirmed that they were officially notified on their property/assets acquisition for public and state needs, principles, and amounts of compensation/rehabilitation. Description protocols were handed to the APs. Compliance review survey findings are presented in [Section VIII. Public Satisfaction: Lot 2](#).

Key findings

Consultations and APs’ awareness processes comply with the LARP/LARF provisions.

c) Complaints and Grievance Redress Mechanism

47. For the effective and prompt resolution of disagreements, complaints, and concerns regarding the LARP implementation, a Grievance Redress Mechanism (GRM) was developed and disclosed to APs during public consultations. The GRM was also described in the Project information brochure. The contact details of the grievance focal person were available at the administration offices of the affected communities.
48. The GRM of the LARP comprises of two levels. The first level of the GRM is the Implementing Agency level: the RD receives and resolves/replies to AP’s grievances. The second is the Executing Agency level: in case the AP is not satisfied with the RD response, the complaint can be lodged with the MoTAI. At the same time, the GRM does not affect or limit the right of the APs to defend their rights by all lawful means, including judicial procedures, and to apply to the courts and other state bodies at any time of the grievance redress process.
49. During the LARP implementation in Lot 2, no grievance/written applications were submitted.
50. Both desk review and compliance survey findings confirm that the APs under the LARP were notified of complaint resolution procedures (24 AHs or 100% of respondents confirmed the latter), and the GRM was accessible to the APs.

Key Findings: The GRM is accessible to the APs and is functioning properly. There were no complaints or grievance cases under Lot 2.

¹³ The RA Government Decree N851-N on Eminent Domain for T4 affected properties was adopted on 9 June 2022 and came into force on 19 June 2022: https://e-gov.am/u_files/file/decrees/kar/2022/851_1.pdf and <https://e-gov.am/gov-decrees/item/38420/>. The amendments to the initial EDD were adopted (i) on 28 September 2023 (came into force on 9 October 2023: <https://e-gov.am/gov-decrees/item/41298/> and <https://www.arlis.am/DocumentView.aspx?docid=183324>); and (ii) on 15 November 2024 (came into force on 25 November 2024: <https://e-gov.am/gov-decrees/item/43683/> and <https://www.arlis.am/DocumentView.aspx?DocID=199796>).

¹⁴ https://armroad.am/uploads/Social/Social/Kajaran-Agarak/T4_K-A_Information%20leaflet_231010.pdf

¹⁵ <https://armroad.am/en/safeguard/social-impact-and-resettlement/lar-documents>

d) Process of Compensation Provision

51. Payment of compensation was made within the defined time frame of 30-40 workdays via direct transfer to bank accounts of APs either opened by the RD¹⁶ or to the existing personal accounts provided by the APs. The last transfer under the compensation process was made on 27 December 2024. Considering the implementation of the Corrective Measures, recommended by the EMA, the last transfer was made on 23 December 2025. For details on Corrective Measures, see paras. 88, 91, and 109.
52. Compensation to one AH for the impact on crops, trees, improvements, and the project's severe impact on a privately-owned land plot (that is subject to ongoing court proceedings) remains outstanding. The compensation process may be considered completed only upon disbursement of the relevant compensation amount (as confirmed in this report) to the affected party following the issuance of the final court decision ([Appendix 4: Action Plan on LARP Lot 2 Court Cases](#)).
53. According to the EMA Compliance Survey findings, the satisfaction of AHs with the payment process is very high. All 24 interviewed AHs found the way of compensation delivery as completely convenient for them and were completely satisfied with the compensation/rehabilitation provision. Compliance survey findings are presented in [Section VIII. Public Satisfaction: Lot 2](#).

Key findings: The compensation and rehabilitation provision process comply with the provisions of the LARP/LARF.

e) Expropriation and Measures Taken

54. For all those cases when due to some reasons (i.e., disagreement of APs, unresolved legalization issues, etc.) the acquisition contract has not been signed by APs (owners or other property rights holders) within 3 months from the date of notification of the draft acquisition contracts to APs, in accordance with the RA Law "On Alienation of Property for Ensuring Overriding Public Interests", the RD initiated the acquisition of the property through court decision (expropriation process).
55. One privately-owned land plot from Lernadzor community (a landowner and an informal user), included in Lot 2, was involved in the process of expropriation. The case is still ongoing; the reason for expropriation is a dispute between the landowner and an informal user. There was no physical relocation or business impact related to the land plot. A summary description of the expropriation case is presented in [Appendix 4](#).
56. In line with the LARP provisions, the RD initiated the expropriation process and, within a 1-month due period, transferred the amount of land compensation to the respective landowner to the deposit accounts of the First Instance Court of Syunik Marz. Calculation of compensation complied with the LARP/LARF provisions. For details on provision of compensation to the informal user, see [Appendix 4](#).
57. The AHs were properly notified on the mentioned transfers within a 3-day due period and were provided with an information leaflet describing their rights and obligations upon depositing.
58. As the acquisition contracts were not signed within a 7-day due period upon depositing, the Implementation Consultant (AltaVip LLC, para. 38) submitted the lawsuits to the First Instance Court of Syunik Marz based on the deposited amounts (within a month due period).

¹⁶ The "AraratBank" has been selected as a commercial bank providing the best conditions for proper payment of compensation to APs with the following terms: a) the availability of branches; b) lack of transaction fees and not application of the transaction fees towards the transferred compensation payments and account service of APs; c) provision of easy and flexible compensation system for APs (subaccounts opening opportunity etc.); d) APs service convenience (geographical location and low transaction fees, or lack of such fees). The "AraratBank" is the same bank that was selected for the implementation of Tranche 2 LARP.

59. As of the present report preparation (December 2025), the expropriation process is still ongoing and regulates the acquisition of one privately-owned land plot (0.6% of all land plots and 5% of privately-owned land plots under Lot 2 of the LARP). The RD provided the EMA with the Action Plan on LARP Lot 2 Court Cases ([Appendix 4](#)). Calculations of all compensation categories presented in Action Plan comply with the LARP/LARF provisions.

Key findings

In Lot 2, a privately-owned land plot is currently involved in the process of expropriation. The initiation of the expropriation process complies with the LARP/LARF provisions.

f) Legalization and Special Cases

60. In accordance with the Conditions for Legalization of the LARF, all those persons who are eligible for state registration of their ownership rights towards the affected property, shall register their ownership and other property rights related to the acquisition of the property in compliance with the procedure established by the RA legislation. The EA have to assist APs in legalization and facilitate their cases.

61. The main types of legalization cases or specific procedures for dealing with such cases are absent APs, heritage recognition, expired passport reissue, (state) registration of ownership titles, property under arrest, verification of translation of the power of attorney, as well as a visit of notary outside the office when AP is physically unable to visit the notary's office.

62. There were no legalization actions under the LARP in Lot 2.

Key findings:

There were no legalization actions under the LARP in Lot 2.

V. Determining the Actual Scope of Impact: Lot 2¹⁷

a) Permanent Loss of Land and Impact on Land Users

63. According to the LARP, the scope of the project's impact in Lot 2 entailed 162 land plots (including 9 state-owned, 133 community-owned, and 20 privately-owned plots) in two communities, with the total size of land-take for the project needs of 175,888 sq. m. The project impacted 104 AHs, including 20 landowners and 89 informal users (of which 5 AHs were affected both as landowners and informal users).

Table 3. Affected land plots and land users under Lot 2

Item: Permanent loss of land	Plots, N	Area, sq. m.	AHs, N	Landowner AHs, N	Leaseholder AHs, N	Informal User AHs, N
1	2	3	4	4.1	4.2	4.3
a. Planned under LARP	162	175,888	104^a	20^a	-	89^a
State land	9	30,540	-	-	-	-
Community land	133	137,738	86 ^a	-	-	86 ^a
Private land	20	7,609	23 ^a	20 ^a	-	3
b. Implementation tallies	161	175,649	98^a	15^a	-	88^a
State land	11	36,611	1	-	-	1
Community land	135	132,060	84 ^a	-	-	84 ^a
Private land	15	6,978	18 ^a	15 ^a	-	3
Difference (b-a)	-1	-239	-6	-5	-	-1
State land	2	6,071	1	-	-	1
Community land	2	-5,679	-2	-	-	-2
Private land	-5	-631	-5	-5	-	-
a. Planned under LARP	162	175,888	104^a	20^a	-	89^a
Lernadzor	99	109,609	59 ^b	17 ^b	-	46 ^b
Kajaran	63	66,279	45 ^c	3 ^c	-	43 ^c
b. Implementation tallies	161	175,649	98^a	15^a	-	88^a
Lernadzor	98	109,370	56 ^b	14 ^b	-	46 ^b
Kajaran	63	66,279	42 ^c	1 ^c	-	42 ^c
Difference (b-a)	-1	-239	-6	-5	-	-1
Lernadzor	-1	-239	-3	-3	-	-
Kajaran	-	-	-3	-2	-	-1

Note: ^a including 5 AHs who were impacted both as landowners and informal users;

^b including 4 AHs who were impacted both as landowners and informal users;

^c including an AH who was impacted both as a landowner and an informal user.

Source: EDRC, External Monitoring Results

64. During the implementation, the following changes in the LARP indicators took place due to the correction of the cadastral maps:

(i) Changes within the state-owned land impacts

The total number of affected state-owned land plots increased by 2, the acquisition area – by 6,071 sq. m., and the number of informal users increased by 1, resulting from the following:

- a. One state-owned land plot was accounted for as a community-owned land plot in the LARP (in Lernadzor). This change led to the following:
 - An increase in the acquisition area of state-owned land plots by 5,888 sq. m;
 - An increase in the number of informal users by 1.

¹⁷ This section is dedicated to the determination of the actual scope of impacts and cases subject for compensation. The fact of actual payment of compensation and its compliance to the entitlement matrix is discussed in the next section.

- b. One state-owned land plot was accounted for as a privately-owned land plot in the LARP (in Lernadzor). This change led to an increase in the acquisition area of state-owned land plots by 183 sq. m.

(ii) Changes within the community-owned land impacts

The total number of affected community-owned land plots increased by 2, while the acquisition area decreased by 5,679 sq. m. and the number of informal users decreased by 2, resulting from the following changes:

- a. Based on para. 64 (i) point (a), the land-ownership title of one community-owned land plot with an informal user was changed into state-owned (in Lernadzor). This change led to the following:
 - A decrease in the acquisition area of community-owned land plots by 5,888 sq. m.;
 - A decrease in the number of informal users by 1.
- b. Three community-owned land plots were accounted for as privately-owned land plots in the LARP (1 in Lernadzor, 2 in Kajaran), resulting in an increase in the acquisition area of community-owned land plots by 209 sq. m.
- c. The number of informal users of a community-owned land plot decreased by 1, since no land user was identified on one of two informally used parts of the mentioned land plot during implementation (in Kajaran).

(iii) Changes within the privately-owned land impacts

The total number of affected privately-owned land plots decreased by 5, the acquisition area – by 631 sq. m., and the number of landowners – by 5 AHs, resulting from the following changes:

- a. Based on para. 64 (i) point (b), the land-ownership title of one privately-owned land plot was changed into state-owned (in Lernadzor). This change led to the following:
 - A decrease in the acquisition area of privately-owned land plots by 183 sq. m.;
 - A decrease in the number of landowners by 1. During the LARP preparation, in all those cases when the land plot's owner was unknown, one landowner AH was planned for each privately-owned land plot. Meanwhile, no land users/owners were identified during implementation on the mentioned land plot.
- b. Based on para. 64 (ii) point (b), the land-ownership title of three privately-owned land plots was changed into community-owned (1 in Lernadzor, 2 in Kajaran). This change led to the following:
 - A decrease in the acquisition area of privately-owned land plots by 209 sq. m.;
 - A decrease in the number of landowners by 3. During the LARP preparation, in all those cases when the land plot's owner was unknown, one landowner AH was planned for each privately-owned land plot. Meanwhile, no land users/owners were identified during implementation on these land plots.
- c. One privately-owned land plot of 239 sq. m. with one landowner AH was excluded from the acquisition area and was not acquired (in Lernadzor).

65. Considering all the changes in the impacts of the state-, community-, and privately-owned land plots, based on the LARP implementation results in Lot 2, the project impacted 161 land plots (including 11 state-, 135 community- and 15 privately-owned land plots) in two communities with the total size of land-take for the project needs of 175,649 sq. m. (Table 3). The project affected 98 AHs, including 15 landowners and 88 informal users (of which 5 AHs were affected both as landowners and informal users).

b) Impact on Buildings/Structures and Improvements

(i) Impact on Buildings/Structures

66. As per the LARP, in Lot 2, the project affected 61 residential buildings/structures and 23 non-residential structures (all illegal), constructed on 37 land plots by 38 AHs. Implementation results corresponded to the planned ones.

Table 4. Impact on buildings/structures under Lot 2

Item: Buildings/Structures	Plots, N	Buildings / Structures, N	AHs, N	Landowner AHs, N	Leaseholder AHs, N	Informal User AHs, N
1	2	3	4	4.1	4.2	4.3
a. Planned under LARP	37	84	38^a	7^a	-	33^a
Lernadzor	21	53	20 ^a	6 ^a	-	16 ^a
Kajaran	16	31	18	1	-	17
b. Implementation tallies	37	84	38^a	7^a	-	33^a
Lernadzor	21	53	20 ^a	6 ^a	-	16 ^a
Kajaran	16	31	18	1	-	17
Difference (b-a)	-	-	-	-	-	-
Lernadzor	-	-	-	-	-	-
Kajaran	-	-	-	-	-	-

Note: ^a including 2 AHs who were impacted both as landowners and informal users.

Source: EDRC, External Monitoring Results

(ii) Impact on Stone Fences

67. According to the LARP, the project affected 14 fences with a total span of 409 sq. m. that were part of residential complexes and 2 illegal fences (non-residential) with a total span of 41 sq. m. constructed on 16 land plots by 11 AHs. Implementation results corresponded to the planned ones.

Table 5. Impact on stone fences under Lot 2

Item: Stone Fences	Plots, N	Fences, N	AHs, N	Landowner AHs, N	Informal User AHs, N
1	2	3	4	4.1	4.2
a. Planned under LARP	16	16	11^a	4^a	8^a
Lernadzor	15	15	10 ^a	4 ^a	7 ^a
Kajaran	1	1	1	-	1
b. Implementation tallies	16	16	11^a	4^a	8^a
Lernadzor	15	15	10 ^a	4 ^a	7 ^a
Kajaran	1	1	1	-	1
Difference (b-a)	-	-	-	-	-
Lernadzor	-	-	-	-	-
Kajaran	-	-	-	-	-

Note: ^a including an AH who was impacted both as a landowner and an informal user.

Source: EDRC, External Monitoring Results

(iii) Impact on Improvements

68. According to the LARP, in Lot 2, the project affected 201 improvements made by 78 AHs on 68 land plots. Implementation results corresponded to the planned ones (Table 6).

Table 6. Impact on movable improvements under Lot 2

Item: Movable Improvements	Plots, N	Improvements, N	AHs, N	Landowner AHs, N	Informal User AHs, N
1	2	3	4	4.1	4.2
a. Planned under LARP	68	201	78^a	10^a	71^a
Lernadzor	46	128	50 ^b	9 ^b	43 ^b
Kajaran	22	73	28 ^c	1 ^c	28 ^c
b. Implementation tallies	68	201	78^a	10^a	71^a
Lernadzor	46	128	50 ^b	9 ^b	43 ^b
Kajaran	22	73	28 ^c	1 ^c	28 ^c

Item: Movable Improvements	Plots, N	Improvements, N	AHs, N	Landowner AHs, N	Informal User AHs, N
1	2	3	4	4.1	4.2
Difference (b-a)	-	-	-	-	-
Lernadzor	-	-	-	-	-
Kajaran	-	-	-	-	-

Note: ^a including 3 AHs who were impacted both as landowners and informal users; ^b including 2 AHs who were impacted both as landowners and informal users; ^c including an AH who was impacted both as a landowner and an informal user.

Source: EDRC, External Monitoring Results

(iv) Transportation of Movable Structures/Assets

69. As per LARP, Lot 2, 14 trips were required to relocate 20 movable structures identified on 11 land plots. Implementation results corresponded to the planned tallies: 3 landowners and 9 informal users were entitled to allowances to cover the expenses related to the transportation of movable structures.
70. Regarding the transportation of small, medium, and large-size movable assets, according to the LARP, in Lot 2, 82 trips were required to move the assets identified on 33 land plots. Implementation results corresponded to the planned tallies: 7 landowners and 27 informal users (2 landowners were also impacted as informal users) were entitled to allowances to cover the expenses related to the transportation of movable assets.

c) Impact on Crops and Trees

71. As per the LARP, in Lot 2, 51 AHs were entitled to compensation for the loss of crops (59,577 sq. m.) from 7 privately-owned, 38 community-owned and 1 state-owned land plots. Implementation results corresponded to the planned tallies: Six landowners and 45 informal users were entitled to compensation for the loss of crops.

Table 7. Affected crops under Lot 2

Item: Affected crops	Plots, N	Area, sq. m.	AHs, N	Landowner AHs, N	Informal User AHs, N
1	2	3	4	4.1	4.2
a. Planned under LARP	46	59,577	51	6	45
Lernadzor	26	34,729	28	6	22
Kajaran	20	24,848	23	-	23
b. Implementation tallies	46	59,577	51	6	45
Lernadzor	26	34,729	28	6	22
Kajaran	20	24,848	23	-	23
Difference (b-a)	-	-	-	-	-
Lernadzor	-	-	-	-	-
Kajaran	-	-	-	-	-

Source: EDRC, External Monitoring Results

72. According to the LARP, in Lot 2, 95 AHs were listed as entitled to compensation for the loss of 22,055 trees from 14 privately-owned (1,446 trees o/w 1,296 fruit, 40 wood, and 110 decorative trees) and 71 community-owned plots (20,609 trees o/w 20,173 fruit, 95 wood, and 341 decorative trees).

Table 8. Affected trees under Lot 2

Item: Affected trees	Plots, N	Trees, N	Fruit trees, N	Wood trees, N	Decorative trees, N	AHs, N	Landowner AHs, N	Informal User AHs, N
1	2	3	3.1	3.2	3.3	4	4.1	4.2
a. Planned under LARP	85	22,055	21,469	135	451	95^a	11^a	87^a
Lernadzor	51	10,584	10,115	135	334	53 ^a	11 ^a	45 ^a
Kajaran	34	11,471	11,354	-	117	42	-	42
b. Implementation tallies	85	21,838	21,252	135	451	94^a	11^a	86^a
Lernadzor	51	10,584	10,115	135	334	53 ^a	11 ^a	45 ^a
Kajaran	34	11,254	11,137	-	117	41	-	41

Item: Affected trees	Plots, N	Trees, N	Fruit trees, N	Wood trees, N	Decorative trees, N	AHs, N	Landowner AHs, N	Informal User AHs, N
1	2	3	3.1	3.2	3.3	4	4.1	4.2
Difference (b-a)	-	-217	-217	-	-	-1	-	-1
Lernadzor	-	-	-	-	-	-	-	-
Kajaran	-	-217	-217	-	-	-1	-	-1

Note: ^a including 3 AHs who were impacted both as landowners and informal users.

Source: EDRC, External Monitoring Results

73. During the Implementation, the following changes took place:

- (i) The ownership title of one community-owned land plot (1 informal user) was changed to state ownership (para. 64 (i) point (a)).
- (ii) The number of informal users of one community-owned land plot in Kajaran decreased by one (para. 64 (ii) point (c)). Accordingly, the total number of AHs subject to tree compensation decreased by 1, and the number of trees by 217.

74. Considering all the changes, based on the implementation results, 94 AHs, including 11 landowners and 86 informal users (3 landowners were also affected as informal users), were entitled to compensation for the loss of 21,252 trees from 14 private, 1 state- and 70 community-owned land plots (Table 8).

d) Impact on Business and Employment

75. As per the LARP, in Lot 2, the project permanently impacted one business of a landowner of a privately-owned land plot. The business was operating with a tax declaration. There was no employment loss, resulting from the permanent stoppage of the business.
76. The implementation results corresponded to the planned tallies: one owner was entitled to rehabilitation assistance for the permanent loss of a business (operating with a tax declaration).

e) Impact on Socially Vulnerable and Severely Impacted HHs

77. As per the LARP, in Lot 2, 17 AHs were given the status of being socially vulnerable (3 landowners and 14 informal users). One AH was poor, 12 AHs were women-headed, and seven – were elderly-headed (one AH fell under three categories of social vulnerability: AH was poor and headed by an elderly woman, another AH was headed by an elderly woman). As per the Implementation results, the number of vulnerable AHs entitled to Rehabilitation Allowance remained unchanged.

Table 9. Impact on Vulnerable AHs under Lot 2

Item: Vulnerability	Poor AHs, N	Women- headed AHs, N	Elderly- headed AHs, N	Disabled- headed AHs, N	Total Vulnerable AHs, N
1	2.1	2.2	2.3	2.4	2
a. Planned under LARP	1	12	7	-	17^{ab}
Lernadzor	1	8	4	-	11 ^a
Kajaran	-	4	3	-	6 ^b
b. Implementation tallies	1	12	7	-	17^{ab}
Lernadzor	1	8	4	-	11 ^a
Kajaran	-	4	3	-	6 ^b
Difference (b-a)	-	-	-	-	-
Lernadzor	-	-	-	-	-
Kajaran	-	-	-	-	-

Note: ^a 1 AH fell under three categories of social vulnerability – poor, women-headed, and elderly-headed; ^b 1 AH was both women-headed and elderly-headed.

Source: EDRC, External Monitoring Results

78. According to the LARP, in Lot 2, 96 AHs were eligible for rehabilitation assistance for the project's severe impact – 10 landowners and 88 informal users (2 landowners were also affected as informal users).

Table 10. Severe impact under Lot 2

Item: Severe impact	Plots, N	Area, sq. m.	AHs, N	Landowner AHs, N	Informal User AHs, N
1	2	3	4	4.1	4.2
a. Planned under LARP	84	100,427	96^a	10^a	88^a
Relocation	3	2,150	3	1	2
Loss of 10% or more of productive land	84	100,427	96 ^a	10 ^a	88 ^a
Lernadzor	50	59,185	53 ^a	10 ^a	45 ^a
Kajaran	34	41,242	43	-	43
b. Implementation tallies	84	100,427	95^a	10^a	87^a
Relocation	3	2,150	3	1	2
Loss of 10% or more of productive land	84	100,427	95 ^a	10 ^a	87 ^a
Lernadzor	50	59,185	53 ^a	10 ^a	45 ^a
Kajaran	34	41,242	42	-	42
Difference (b-a)	-	-	-1	-	-1
Relocation	-	-	-	-	-
Loss of 10% or more of productive land	-	-	-1	-	-1
Lernadzor	-	-	-	-	-
Kajaran	-	-	-1	-	-1

Note: ^a including 2 AH who were impacted both as landowners and informal users.

Source: EDRC, External Monitoring Results

79. During the Implementation, the number of informal users of one community-owned land plot in Kajaran decreased by one (para. 64 (ii) point (c)). Accordingly, the total number of AHs subject to rehabilitation assistance for the project's severe impact decreased by 1. Consequently, based on the implementation results, 10 landowners and 87 informal users, who were losing 10% or more of their productive land, including 3 relocating landowners AHs, were entitled to rehabilitation assistance for the project's severe impact.

(i) Physically Displaced Households

80. As per the LARP, under Lot 2, a landowner AH and two informal users from Lernadzor were subject to physical displacement (relocation). The implementation results corresponded to the planned tallies.

81. Thus, according to the external monitoring, the total number of AHs under Lot 2 of the LARP was 98, including 15 landowners and 88 informal users of state, community-, and privately-owned land plots (of which 5 AHs were affected both as landowners and informal users). 95 AHs were severely affected (losing 10% or more of their productive land, including 3 AHs who were physically displaced (relocated)). 17 AHs were vulnerable. 16 vulnerable HHs were severely impacted.

Table 11. LARP implementation by types of AHs under Lot 2 (N)

Community	Total AHs	Land- owners	Informal Users	Lease- holders	Business AHs	Employment loss AHs	Severely affected [*]	Physically displaced	Vulnerable
1	2	2.1	2.2	2.3	3	4	5	6	7
Lernadzor	56 ^b	14 ^b	46 ^b	-	1	-	53	3	11
Kajaran	42 ^c	1 ^c	42 ^c	-	-	-	42	-	6
Total	98^a	15^a	88^a	-	1	-	95	3	17

Note: ^{*} Loss of 10% or more of productive land.

^a including 5 AHs who were impacted both as landowners and informal users;

^b including 4 AHs who were impacted both as landowners and informal users;

^c including an AH who was impacted both as a landowner and an informal user.

Source: EDRC, External Monitoring Results

Key findings

In Lot 2 of the LARP, the project impacted 11 state-owned, 135 community-owned, and 15 privately-owned land plots in two communities. 98 HHs were affected, of which 15 were landowners and 88 were informal

users of state-, community-, and privately-owned land plots. 5 landowners were also affected as informal users. 95 households were severely impacted by the project, of which 3 were physically displaced (relocated). 17 AHs were vulnerable; 16 of them were also severely affected (losing 10% or more of their productive land), including 1 vulnerable AH who was physically displaced.

There were cases of impact on buildings/structures, stone fences, improvements, crops, trees, and business. There was no impact on leaseholders or employment loss.

The project's actual impact deviates from the LARP planned indicators due to verification of cadastral data. The compensation program shall correspond to the actual impact identified by the EMA (mentioned above).

VI. Assessment of Provided Compensation: Lot 2

a) Compensation for the Loss of Land

82. Compensation for permanent loss of land is based on the replacement cost which is calculated based on the market or cadastral value (whichever is the highest) of the affected land plot plus its 15%.¹⁸ The unit rates of compensation were defined by a qualified independent valuator.

(i) Compensation of Landowners (land)

83. 15 AHs were eligible to compensation for the loss of 15 private land plots under Lot 2. Based on the implementation results, the acquisition of 14 out of 15 land plots is completed. 14 landowners were compensated. In total, AMD 7,825,084 was transferred to the respective AHs. Calculation of compensation complied with the LARP/LARF provisions.¹⁹ All AHs were compensated through a direct contract signing process.

Table 12. Compensation for permanent loss of private land under Lot 2

Item: Permanent loss of private land	Private land plots, N	Area sq. m.	Landowner AHs, N	Compensation, AMD
Total	15	6,978	15	8,590,176
Lernadzor	14	6,278	14	7,607,131
Kajaran	1	700	1	983,045
Actually compensated	14	6,335	14	7,825,084
Compensated via Contract	14	6,335	14	7,825,084
Compensated via Expropriation Process	-	-	-	-
Ongoing acquisition	1	643	1	765,093

Source: EDRC, External Monitoring Results

84. Compensation of a remaining landowner for the loss of one privately-owned land plot is regulated through the expropriation process via court proceedings ([Appendix 4](#): Action Plan on LARP Lot 2 Court Cases, Case N1). In line with the LARP/LARF provisions, the amount of compensation to the mentioned landowners – AMD 765,093, was transferred to the deposit accounts of the First Instance Court of Syunik Marz. Calculation of compensation complied with the LARP/LARF provisions.

(ii) Compensation of Communities (land)

85. As per the LARP implementation in Lot 2, two communities, entitled to compensation for the permanent loss of 135 community-owned land plots, were compensated. Compensation provision is fully completed. Accordingly, AMD 62,498,868 was transferred to Lernadzor community for the loss of 76 land plots and AMD 44,447,478 to Kajaran community for 59 land plots. Calculation of compensation complied with the LARP/LARF provisions. In all 135 cases, communities were compensated through a direct contract signing process.

Table 13. Compensation for permanent loss of community land under Lot 2

Item: Permanent loss of community land	Community land plots, N	Area sq. m.	Compensation, AMD
Total	135	132,060	106,946,347
Lernadzor	76	72,877	62,498,868
Kajaran	59	59,183	44,447,478
Actually compensated	135	132,060	106,946,347

¹⁸ The 15% addition to the market price is defined by the RA Law “On Alienation of Property for Ensuring Overriding Public Interests” and was included in the project LARF.

¹⁹ The EMA checked the correctness of the calculation and not a valuation of the compensation, which is a licensed activity.

Item:	Community land plots, N	Area sq. m.	Compensation, AMD
Permanent loss of community land			
Compensated via Contract	135	132,060	106,946,347
Compensated via Expropriation Process	-	-	-
Ongoing acquisition	-	-	-

Source: EDRC, External Monitoring Results

Key finding

The compensation program for permanent loss of land in Lot 2 of the LARP is fully completed for 14 out of 15 privately-owned land plots. Accordingly, 14 landowner AHs were compensated in accordance with the LARP/LARF provisions.

Compensation of the remaining landowner AH for the loss of a privately-owned land plot (involved in lawsuit) can be considered as completed, as the relevant amount of land compensation was deposited in line with the LARP/LARF provisions.

The compensation program for permanent loss of community-owned land in Lot 2 of the LARP is fully completed: two communities were compensated for 135 affected land plots in accordance with the LARP/LARF provisions.

b) Compensation for Buildings/Structures and Improvements

(i) Compensation for Buildings/Structures

86. According to the project's Entitlement Matrix ([Appendix 1](#)):

- (i) Compensation in case of the loss of a residential building/structure constructed on a privately-owned land plot by the landowner should be equal to the full replacement cost of the respective building/structure plus its 15% regardless of the legal status of the building/structure.
- (ii) Compensation in case of the loss of an illegal residential building/structure constructed by an informal user should be equal to the full replacement cost of the respective building/structure plus its 15%.
- (iii) Compensation in case of the loss of an illegal non-residential building/structure constructed on a privately-owned land plot by the landowner should be equal to full replacement cost (without 15%).
- (iv) Compensation in case of the loss of an illegal non-residential building/structure constructed on a state/community-owned land plot by an informal user should be equal to full replacement cost minus legalization cost of the respective building/structure.

87. Based on the LARP implementation results in Lot 2, 38 AHs were entitled to compensation for the loss of 61 residential and 23 non-residential buildings/structures.

Table 14. Compensation for buildings/structures under Lot 2

Item:	Plots, N	Buildings / Structures, N	AHs, N	Landowner AHs, N	Leaseholder AHs, N	Informal User AHs, N	Compensation, AMD
1	2	3	4	4.1	4.2	4.3	5
Total	37	84	38^a	7^a	-	33^a	475,204,606
Lernadzor	21	53	20 ^a	6 ^a	-	16 ^a	379,362,181
Kajaran	16	31	18	1	-	17	95,842,426
Actually compensated	37	84	38^a	7^a	-	33^a	471,387,952
Compensated via Contract	37	84	38 ^a	7 ^a	-	33 ^a	471,387,952
Compensated via Expropriation Process	-	-	-	-	-	-	-
Ongoing acquisition	-	-	-	-	-	-	-
Recommended Corrective Measures	1	4	2	-	-	2	3,816,654

Item: Buildings/Structures	Plots, N	Buildings / Structures, N	AHs, N	Landowner AHs, N	Leaseholder AHs, N	Informal User AHs, N	Compensation, AMD
1	2	3	4	4.1	4.2	4.3	5
Lernadzor, Land ID 9072	1	3	1	-	-	1	3,365,983
Lernadzor, Land ID 9072-2	1	1	1	-	-	1	450,671

Note: ^a including 2 AHs who were impacted both as landowners and informal users.

Source: EDRC, External Monitoring Results

88. However, external monitoring revealed that, due to technical omissions, two informal user AHs were partially compensated. Corrective Measures of AMD 3,816,654 were recommended by the EMA and implemented by the RD on 23 December 2025. The RD provided the EMA with the Supplemental Agreements and the payment orders.

89. Upon implementation of Corrective Measures, the compensation process was successfully completed for all 38 AHs. In total, AMD 475,204,606 was transferred to the respective AHs, out of which AMD 152,548,054 was transferred to 7 landowners and AMD 322,656,552 – to 33 informal users (2 landowners were also impacted as informal users). Calculation of compensation complied with LARP/LARF provisions. All AHs were compensated through a direct contract signing process.

(ii) Compensation for Stone Fences

90. Based on the LARP implementation results in Lot 2, 11 AHs were entitled to compensation for the loss of 16 stone fences.

91. However, external monitoring revealed that, due to technical omission, an informal user AH was partially compensated. Corrective Measure of AMD 71,803 was recommended by the EMA and implemented by the RD on 23 December 2025. The RD provided the EMA with the Supplemental Agreement and the payment order (Table 15).

92. Upon implementation of Corrective Measure, the compensation process was successfully completed for all 11 AHs. In total, AMD 12,428,323 was transferred to the respective AHs, out of which AMD 2,023,080 was transferred to 4 landowners and AMD 10,405,243 – to 8 informal users (one of landowners was also impacted as an informal user). All 11 AHs were compensated through a direct contract signing process.

Table 15. Compensation for stone fences under Lot 2

Item: Stone Fences	Plots, N	Stone Fences, N	AHs, N	Landowner AHs, N	Informal User AHs, N	Compensation, AMD
1	2	3	4	4.1	4.2	5
Total	16	16	11^a	4^a	8^a	12,428,323
Lernadzor	15	15	10 ^a	4 ^a	7 ^a	12,080,775
Kajaran	1	1	1	-	1	347,548
Actually compensated	16	16	11^a	4^a	8^a	12,356,519
Compensated via Contract	16	16	11 ^a	4 ^a	8 ^a	12,356,519
Compensated via Expropriation Process	-	-	-	-	-	-
Ongoing acquisition	-	-	-	-	-	-
Recommended Corrective Measure	1	1	1	-	1	71,803
Lernadzor, Land ID 9072	1	1	1	-	1	71,803

Note: ^a Including an AH who was impacted both as a landowner and an informal user.

Source: EDRC, External Monitoring Results

(ii) Compensation for Improvements

93. According to the LARP implementation results, 78 AHs were entitled to compensation for the loss of 201 improvements made on 68 land plots in Lot 2. 77 of 78 AHs were compensated. In total, AMD

29,589,800 was transferred to the respective AHs, out of which AMD 2,510,000 was transferred to 10 landowners and AMD 27,079,800 – to 70 informal users (3 landowners were also impacted as informal users). Calculation of compensation complied with the LARP/LARF provisions. All AHs were compensated through the direct contract signing process.

Table 16. Compensation for improvements under Lot 2

Item: Improvements	Plots, N	Improvements, N	AHs, N	Landowner AHs, N	Informal User AHs, N	Compensation, AMD
1	2	3	4	4.1	4.2	5
Total	68	201	78^a	10^a	71^a	30,194,800
Lernadzor	46	128	50 ^b	9 ^b	43 ^b	20,358,800
Kajaran	22	73	28 ^c	1 ^c	28 ^c	9,836,000
Actually compensated	67	199	77^a	10^a	70^a	29,589,800
Compensated via Contract	67	199	77 ^a	10 ^a	70 ^a	29,589,800
Compensated via Expropriation Process	-	-	-	-	-	-
Ongoing acquisition	1	2	1	-	1	605,000

Note: ^a including 3 AHs who were impacted both as landowners and informal users; ^b including 2 AHs who were impacted both as landowners and informal users; ^c including an AH who was impacted both as a landowner and an informal user.

Source: EDRC, External Monitoring Results

94. Compensation of the remaining informal user AH for the loss of 2 improvements is regulated through the expropriation process via court proceedings ([Appendix 4](#): Action Plan on LARP Lot 2 Court Cases, Case N1). Upon completion of the court case, compensation for the loss of improvements, totalling AMD 605,000, will be provided to the affected party ([Appendix 4](#)). Calculation of compensation complies with the LARP/LARF provisions. The RD has committed to inform the Bank of the progress and outcome of this process through its semi-annual reporting (July-December 2025 and January-June 2026), with the relevant supporting documentation attached.

(iii) Rehabilitation Assistance for Transportation of Movable Structures/Assets

95. As per the LARP implementation results in Lot 2, 3 landowners and 9 informal user AHs, entitled to rehabilitation assistance for transportation of movable structures, were compensated. The amount of rehabilitation assistance equaled AMD 1,110,500. The calculation of compensation complied with the LARP/LARF provisions. All AHs were compensated through a direct contract signing process.

Table 17. Allowances for transportation of movable structures under Lot 2

Item: Transportation of movable structures	Plots, N	Trips required N	AHs, N	Landowner AHs, N	Informal User AHs, N	Rehabilitation assistance AMD
1	2	3	4	4.1	4.2	5
Total	11	14	12	3	9	1,110,500
Lernadzor	8	9	8	3	5	700,500
Kajaran	3	5	4	-	4	410,000
Actually compensated	11	14	12	3	9	1,110,500
Compensated via Contract	11	14	12	3	9	1,110,500
Compensated via Expropriation Process	-	-	-	-	-	-
Ongoing acquisition	-	-	-	-	-	-

Source: EDRC, External Monitoring Results

96. Based on the LARP implementation results, 7 landowners and 27 informal users (2 landowners were also impacted as informal users), entitled to rehabilitation assistance for transporting small, medium, and large-size movable assets, were compensated. AMD 2,890,500 was transferred to the respective AHs. Calculation of rehabilitation assistance complied with the LARP/LARF provisions. All AHs were compensated through a direct contract signing process.

Table 18. Allowances for transportation of movable assets under Lot 2
(Small, medium, and large-size movable assets)

Item: Transportation of movable assets	Plots, N	Trips required N	AHs, N	Landowner AHs, N	Informal User AHs, N	Rehabilitation assistance AMD
1	2	3	4	4.1	4.2	5
Total	33	82	32^a	7^a	27^a	2,890,500
Lernadzor	18	53	17 ^a	6 ^a	13 ^a	1,868,250
Kajaran	15	29	15	1	14	1,022,250
Actually compensated	33	82	32^a	7^a	27^a	2,890,500
Compensated via Contract	33	82	32 ^a	7 ^a	27 ^a	2,890,500
Compensated via Expropriation Process	-	-	-	-	-	-
Ongoing acquisition	-	-	-	-	-	-

Note: ^a including 2 AHs who were impacted both as landowners and informal users.

Source: EDRC, External Monitoring Results

Key findings

Compensation for the loss of buildings/structures is fully completed: 38 AHs were compensated in accordance with the LARP/LARF provisions.

Compensation for the loss of stone fences is fully completed: 11 AHs were compensated in accordance with the LARP/LARF provisions.

Compensation for the loss of improvements is fully completed for 77 AHs, who were compensated in accordance with the LARP/LARF provisions. Compensation for the remaining AH for the loss of improvements on a privately-owned land plot (that is subject to ongoing court proceedings) remains outstanding. The compensation process may be considered completed only upon disbursement of the relevant compensation amount (as confirmed in this report) to the affected party following the issuance of the final court decision.

Provision of rehabilitation assistance for the transportation of movable structures is fully completed: 12 AHs were compensated in compliance with the LARP/LARF provisions.

Provision of rehabilitation assistance for the transportation of small, medium, and large-size movable assets is fully completed: 32 AHs were compensated in compliance with the LARP/LARF provisions.

c) Compensation for Crops

97. Compensation for the loss of crops was envisaged as cash compensation at market rates, i.e., gross crop value, of the expected harvest. Compensation has been determined based on average yields of the relevant crops for a previous consecutive 3-year period and current market rates.

98. As per the LARP implementation results, 6 landowners and 45 informal user AHs were entitled to compensation for the loss of crops from 46 land plots in Lot 2. 50 out of 51 were compensated. In total, AMD 9,130,086 was transferred to the respective AHs. Calculation of compensation complied with the LARP/LARF provisions. 50 AHs were compensated through a direct contract signing process.

Table 19. Compensation for affected crops under Lot 2

Item: Affected crops	Plots, N	Area, sq. m.	AHs, N	Landowner AHs, N	Informal User AHs, N	Compensation, AMD
1	2	3	4	4.1	4.2	5
Total	46	59,577	51	6	45	9,481,326
Lernadzor	26	34,729	28	6	22	6,242,264
Kajaran	20	24,848	23	-	23	3,239,062

Item: Affected crops	Plots, N	Area, sq. m.	AHs, N	Landowner AHs, N	Informal User AHs, N	Compensation, AMD
Actually compensated	45	58,934	50	6	44	9,130,086
Compensated via Contract	45	58,934	50	6	44	9,130,086
Compensated via Expropriation Process	-	-	-	-	-	-
Ongoing acquisition	1	643	1	-	1	351,240

Source: EDRC, External Monitoring Results

99. Compensation of the remaining informal user AH for the loss of crops (643 sq. m.) is regulated through the expropriation process via court proceedings ([Appendix 4](#): Action Plan on LARP Lot 2 Court Cases, Case N1). Upon completion of the court case, compensation for the loss of crops, totalling AMD 351,240, will be provided to the affected party ([Appendix 4](#)). Calculation of compensation complies with the LARP/LARF provisions. The RD has committed to inform the Fund of the progress and outcome of this process through its semi-annual reporting (July-December 2025 and January-June 2026), with the relevant supporting documentation attached.

Key findings

Compensation for the loss of crops is fully completed for 50 AHs, who were compensated in accordance with the LARP/LARF provisions. Compensation for the remaining AH for the loss of crops on a privately-owned land plot (that is subject to ongoing court proceedings) remains outstanding. The compensation process may be considered completed only upon disbursement of the relevant compensation amount (as confirmed in this report) to the affected party following the issuance of the final court decision.

d) Compensation for Trees

100. Compensation for the loss of trees was envisaged as cash compensation at market value based on the type, age, and yield of the trees.

Table 20. Compensation for affected trees under Lot 2

Item: Affected trees	Plots, N	Trees, N	AHs, N	Landowner AHs, N	Informal User AHs, N	Compensation, AMD
1	2	3	4	4.1	4.2	5
Total	85	21,838	94^a	11^a	86^a	428,071,181
Lernadzor	51	10,584	53 ^a	11 ^a	45 ^a	233,032,104
Kajaran	34	11,254	41	-	41	195,039,076
Actually compensated	84	21,650	93^a	11^a	85^a	422,371,214
Compensated via Contract	84	21,650	93 ^a	11 ^a	85 ^a	422,371,214
Compensated via Expropriation Process	-	-	-	-	-	-
Ongoing acquisition	1	188	1	-	1	5,699,967

Note: ^a including 3 AHs who were impacted both as landowners and informal users.

Source: EDRC, External Monitoring Results

101. Based on the LARP implementation results, in Lot 2, 94 AHs were entitled to compensation for the loss of 21,838 trees from 85 land plots. 93 out of 94 AHs were compensated. In total, AMD 422,371,214 was transferred to the respective AHs. Calculation of compensation complied with the LARP/LARF provisions. 93 AHs were compensated through a direct contract signing process.

102. Compensation of the remaining informal user AH for the loss of 188 trees is regulated through the expropriation process via court proceedings ([Appendix 4](#): Action Plan on LARP Lot 2 Court Cases, Case N1). Upon completion of the court case, compensation for the loss of trees, totalling AMD 5,699,967, will be provided to the affected party ([Appendix 4](#)). Calculation of compensation complies with the LARP/LARF provisions. The RD has committed to inform the Fund of the progress and outcome of this process through its semi-annual reporting (July-December 2025 and January-June 2026), with the relevant supporting documentation attached.

Key findings

Compensation for the loss of trees is fully completed for 93 AHs, who were compensated in accordance with the LARP/LARF provisions. Compensation for the remaining AH for the loss of trees on a privately-owned land plot (that is subject to ongoing court proceedings) remains outstanding. The compensation process may be considered completed only upon disbursement of the relevant compensation amount (as confirmed in this report) to the affected party following the issuance of the final court decision.

e) Rehabilitation Assistance for Business/Employment Loss

103. Rehabilitation assistance for permanent loss of business without tax declaration was envisaged as a cash allowance equivalent to 12 months of minimum salary.²⁰ The rehabilitation assistance for employment loss is the equivalent to 6 months of the average salary of the employee.

104. As per the LARP implementation results, in Lot 2, one AH, entitled to rehabilitation assistance for the permanent loss of the business, was compensated. In total, AMD 14,893,306 was transferred to the respective AH. Calculation of rehabilitation assistance complied with the LARP/LARF provisions. AH was compensated through a direct contract signing process.

Key findings:

The provision of rehabilitation assistance for the permanent loss of business is fully completed: 1 AH was compensated in accordance with the LARP/LARF provisions.

f) Rehabilitation Assistance to Vulnerable Groups

105. As per the approved the LARP, additional allowances were envisaged for vulnerable groups, such as women-headed AHs, elderly-headed AHs, and disabled-headed AHs, as well as for AHs who were registered in the Family Vulnerability Assessment System (FVAS) and were eligible for family benefit allowance under the FVAS. The Rehabilitation Allowance for vulnerable groups was equivalent to 6 months of minimum salary.²¹

106. As per the implementation results, 17 vulnerable AHs (3 landowners and 14 informal users), entitled to rehabilitation assistance for being socially vulnerable, were compensated. In total, AMD 7,650,000 was transferred to the respective AHs. Calculation of compensation complied with the LARP/LARF provisions. All AHs were compensated through a direct contract signing process.

Table 21. Allowances for socially vulnerable AHs under Lot 2

Item: Vulnerability	Poor AHs, N	Women- headed AHs, N	Elderly- headed AHs, N	Disabled- headed AHs, N	Total Vulnerable AHs, N	Compensation, AMD
1	2.1	2.2	2.3	2.4	2	3
Total	1	12	7	-	17^{ab}	7,650,000
Lernadzor	1	8	4	-	11 ^a	4,950,000
Kajaran	-	4	3	-	6 ^b	2,700,000
Actually compensated	1	12	7	-	17^{ab}	7,650,000
Compensated via Contract	1	12	7	-	17 ^{ab}	7,650,000
Compensated via Expropriation Process	-	-	-	-	-	-
Ongoing acquisition	-	-	-	-	-	-

Note: ^a 1 AH fell under three categories of social vulnerability – poor, women-headed, and elderly-headed; ^b 1 AH was both women-headed and elderly-headed.

²⁰ During July-December 2022, the [minimum salary](#) was AMD 68 thousand per month. Since January 2023, the [minimum salary](#) is AMD 75 thousand per month.

²¹ See footnote [20](#).

Source: EDRC, External Monitoring Results

Key findings

Provision of rehabilitation assistance to vulnerable groups is fully completed: 3 landowners and 14 14 informal users were compensated in accordance with the LARP/LARF provisions.

g) Rehabilitation Assistance for Severe Impact

107. According to the LARP/LARF provisions, cash assistance was envisaged for severely AHs:

- (i) AHs losing 10% and more of their agricultural productive lands are entitled to an additional crop compensation (or harvest compensation in case of fruit-bearing trees) covering 1-year's yield.
- (ii) Relocating AHs are entitled to a rehabilitation allowance equivalent to 6 months of minimum salary.²²

Table 22. Allowances for severe impact under Lot 2

Item: Severe impact	Plots, N	AHs, N	Rehabilitation assistance for severe impact, AMD	Assistance for the impact on trees and crops, AMD	Assistance to relocated AH, AMD
1	2	3	4	4.1	4.2
Total	84	95	80,908,173	79,558,173	1,350,000
Lernadzor	50	53	45,628,811	44,278,811	1,350,000
Kajaran	34	42	35,279,362	35,279,362	-
Actually compensated	83	94	78,914,327	77,564,327	1,350,000
Compensated via Contract	83	94	78,914,327	77,564,327	1,350,000
Compensated via Expropriation Process	-	-	-	-	-
Ongoing acquisition	1	1	1,101,640	1,101,640	-
Recommended Corrective Measures	2	2	892,206	892,206	-
Kajaran, Land ID 9111	1	1	777,186	777,186	-
Kajaran, Land ID 9114-1	1	1	115,020	115,020	-

Source: EDRC, External Monitoring Results

108. Based on the LARP implementation results, in Lot 2, 95 AHs were entitled to rehabilitation assistance for the project's severe impact. 94 out of 95 AHs were compensated for the project's severe impact on 83 land plots.

109. However, external monitoring revealed that, due to technical omissions, two informal user AHs were partially compensated. Corrective Measures of AMD 892,206 were recommended by the EMA and implemented by the RD on 23 December 2025. The RD provided the EMA with the Supplemental Agreements and the payment orders.

110. Upon implementation of Corrective Measures, the rehabilitation assistance for the project's severe impact to 94 AHs complied with the LARP provisions. In total, AMD 79,806,533 was transferred to the respective AHs. All AHs were compensated through a direct contract signing process.

111. Compensation of the remaining informal user for the project's severe impact on one land plot is regulated through the expropriation process via court proceedings ([Appendix 4: Action Plan on LARP Lot 2 Court Cases, Case N1](#)). Upon completion of the court case, rehabilitation assistance for project's severe impact, totalling AMD 1,101,640, will be provided to the affected party ([Appendix 4](#)). Calculation of compensation complies with the LARP/LARF provisions. The RD has committed to inform the Fund of the progress and outcome of this process through its semi-annual reporting (July-December 2025 and January-June 2026), with the relevant supporting documentation attached.

²² See footnote [20](#).

Key findings

Provision of rehabilitation assistance for the project's severe impact is fully completed for 94 AHs, who were compensated in accordance with the LARP/LARF provisions. Compensation for the remaining AH for the project's severe impact on a privately-owned land plot (that is subject to ongoing court proceedings) remains outstanding. The compensation process may be considered completed only upon disbursement of the relevant compensation amount (as confirmed in this report) to the affected party following the issuance of the final court decision.

(i) Rehabilitation Assistance to Physically Displaced Households

112. Rehabilitation assistance to physically displaced (relocating APs) was envisaged as:

- (i) cash allowance to cover livelihood expenses for 1 month (equivalent to 1 month of minimum salary);²³
- (ii) cash allowance to cover transportation of movable assets; and
- (iii) cash allowance as severely AH to be relocated (equivalent to 6 months of minimum salary).

113. As per the LARP implementation results, in Lot 2, three AHs, entitled to rehabilitation assistance for being physically displaced (relocated), were compensated. The total amount of rehabilitation assistance to the respective AHs equaled AMD 2,229,000 and complied with the LARP/LARF provisions. The AHs were compensated through a direct contract signing process.

Table 23: Rehabilitation assistance to physically displaced (relocated) AHs under Lot 2

Item: Relocation	Plots, N	AHs, N	Compensation, AMD	Livelihood restoration, AMD	Transportation of movable assets, AMD ^a	Severely AH to be relocated, AMD ^b
1	2	3	4	4.1	4.2	4.3
Total	3	3	2,229,000	225,000	654,000	1,350,000
Lernadzor	3	3	2,229,000	225,000	654,000	1,350,000
Kajaran	-	-	-	-	-	-
Actually compensated	3	3	2,229,000	225,000	654,000	1,350,000
Compensated via Contract	3	3	2,229,000	225,000	654,000	1,350,000
Compensated via Expropriation Process	-	-	-	-	-	-
Ongoing acquisition	-	-	-	-	-	-

Note: ^a reported under Section VI [Subsection \(b\)](#) (Table 18); ^b reported under Section VI [Subsection \(f\)](#) (Table 22).

Source: EDRC, External Monitoring Results

Key findings

Provision of the rehabilitation assistance to physically displaced (relocated) AHs is fully completed: 3 AHs were compensated in accordance with the LARP/LARF provisions.

²³ Since January 2023, the [minimum salary](#) is AMD 75 thousand per month.

VII. Implementation Budget: Lot 2

114. The table below summarizes the LARP implementation indicators for Lot 2 and presents a comparison between the planned and implementation budgets.

115. According to External Monitoring results, the total amount of the compensation program for Lot 2 equalled **AMD 1,166,055,727**. Upon completion of Corrective Measures (**AMD 4,780,663**) and following the entry into force of the court decision on the acquisition of a private land plot (Land ID 9008), with the corresponding compensation of **AMD 7,757,847** to be provided to the affected party ([Appendix 4](#)), the total implementation budget will amount to **AMD 1,178,594,238**.

Table 24. LARP planned and implementation budgets under Lot 2

Item	Planned under LARP	Actual delivery	To be paid on completion of a court case ²⁴	Corrective measures	Implementation tallies	Difference	Note
	a	b	c	d	e = b + c + d	e - a	
Total land plots, No	162	161	-	-	161	-1	1-3
State-owned	9	11	-	-	11	2	1
Community-owned	133	135	-	-	135	2	2
Privately-owned	20	15	-	-	15	-5	3
Unidentified land	-	-	-	-	-	-	
Total affected area, sq. m.	175,888	175,649	-	-	175,649	-239	1-3
State-owned	30,540	36,611	-	-	36,611	6,071	1
Community-owned	137,738	132,060	-	-	132,060	-5,679	2
Privately-owned	7,609	6,978	-	-	6,978	-631	3
Unidentified land	-	-	-	-	-	-	
Compensation, AMD							
Land compensation	121,951,287	115,536,523	-	-	115,536,523	-6,414,764	2-5
Community-owned	112,897,144	106,946,347	-	-	106,946,347	-5,950,797	2, 4
Privately-owned	9,054,144	8,590,176	-	-	8,590,176	-463,967	3, 5
Unidentified land	-	-	-	-	-	-	
Leaseholders (for land)	-	-	-	-	-	-	
Buildings and structures	475,204,606	471,387,952	-	3,816,654	475,204,606	-	6
Fences (stone)	12,428,323	12,356,519	-	71,803	12,428,323	-	7
Improvements	30,194,800	29,589,800	605,000	-	30,194,800	-	8
Crops	9,481,326	9,130,086	351,240	-	9,481,326	-	8
Trees	430,473,686	422,371,214	5,699,967	-	428,071,181	-2,402,505	8, 9
Business	14,893,306	14,893,306	-	-	14,893,306	-	
Employment	-	-	-	-	-	-	
Vulnerability	7,650,000	7,650,000	-	-	7,650,000	-	
Severe impact (loss of 10% or more of productive land)	79,935,773	77,564,327	1,101,640	892,206	79,558,173	-377,600	8, 9 10
Physical displacement	1,575,000	1,575,000	-	-	1,575,000	-	
Livelihood restoration	225,000	225,000	-	-	225,000	-	
Severe impact (relocation)	1,350,000	1,350,000	-	-	1,350,000	-	
Transportation of movable assets/structures	4,001,000	4,001,000	-	-	4,001,000	-	
Total, AMD	1,187,789,107	1,166,055,727	7,757,847	4,780,663	1,178,594,238	-9,194,868	

Source: EDRC, External Monitoring Results

Note 1: During the implementation, the total number of state-owned land plots increased by 2, resulting in an increase in the acquisition area by 6,071 sq. m. For more details, see para. [64](#) (i).

Note 2: During the implementation, the total number of community-owned land plots increased by 2, while the acquisition area decreased by 5,679 sq. m. For more details, see para. [64](#) (ii).

²⁴ For details on ongoing court case and provision of compensation, see [Appendix 4](#) : Action Plan on LARP Lot 2 Court Cases, Case N1.

Note 3: During the implementation, the total number of privately-owned land plots decreased by 5, resulting in a decrease in the acquisition area by 631 sq. m. For more details, [64](#) (iii).

Note 4: The compensation amount decreased by AMD 5,950,797, resulting from the decrease in the acquisition area. In particular, the following changes were recorded:

- (i) During the implementation, the land-ownership title of a community-owned land plot was changed into state-owned (para. [64](#) ii, a), resulting in a decrease of land compensation by AMD 6,060,327.
- (ii) During the implementation, the ownership title of 3 private land plots was changed into community-owned (para. [64](#) ii, b), resulting in an increase of land compensation by AMD 109,530.

Note 5: The compensation amount decreased by AMD 463,967, resulting from the decrease in the acquisition area. In particular, the following changes were recorded:

- (i) During the implementation, the ownership title of a private land plot was changed into state-owned (para. [64](#) iii, a), resulting in a decrease of land compensation by AMD 57,149.
- (ii) During the implementation, the ownership title of 3 private land plots was changed into community-owned (para. [64](#) iii, b), resulting in a decrease of land compensation by AMD 109,530.
- (iii) During the implementation, one privately-owned land plot was excluded from the acquisition area and was not acquired (para. [64](#) iii, c), resulting in a decrease of land compensation by AMD 297,288.

Note 6: Corrective Measures of AMD 3,816,654 were recommended by the EMA and implemented by the RD (in December 2025) to bring compensation for the loss of buildings/structures to two AHs (land IDs 9072 and 9072-2) in line with the LARP/LARF provisions. For more details, see paras. 88, 89, as well as Table 14.

Note 7: Corrective Measure of AMD 71,803 was recommended by the EMA and implemented by the RD (in December 2025) to bring compensation for the loss of stone fences to an AH (land ID 9072) in line with the LARP/LARF provisions. For more details, see paras. 91, 92, as well as Table 15.

Note 8: On completion of the court case (land ID 9008), the following compensation (AMD 7,757,847 in total) will be provided to the affected party ([Appendix 4](#)), including AMD 605,000 for impact on movable improvements, AMD 351,240 for impact on crops, AMD 5,699,967 for impact on trees, and AMD 1,101,640 for project's severe impact). The RD has committed to inform the Bank of the progress and outcome of this process through its semi-annual reporting (July-December 2025 and January-June 2026), with the relevant supporting documentation attached.

Note 9: During the implementation, the number of affected trees decreased by 217. Accordingly, the amount of tree compensation decreased by AMD 2,402,505 (para. 73 (ii) and Table 8), and the amount of rehabilitation assistance for the project's severe impact decreased by AMD 377,600 (para. 79 and Table 10).

Note 10: Corrective Measures of AMD 892,206 were recommended by the EMA and implemented by the RD (in December 2025) to bring rehabilitation assistance for the project's severe impact (loss of 10% or more of productive land) to four AHs (land IDs 9111 and 9114-1) in line with the LARP/LARF provisions. For more details, see paras. 109, 110, as well as Table 22.

VIII. Public Satisfaction: Lot 2

116. During the external monitoring, based on a [questionnaire](#) prepared in advance, a compliance review survey was conducted (in October 2025) using the phone call survey method with 29 AHs, representing 30% of AHs included in Lot 2 of the LARP: (i) the survey covered 100% of vulnerable households (17 AHs), (ii) the remaining 12 AHs were randomly selected. The distribution of respondent AHs by communities is presented in Table 25 below.

Table 25. AHs participated in the Compliance Review Survey in Lot 2

Communities	All AHs, N	Planned Sample AHs, N	Survey coverage	Vulnerable AHs, N	Planned Sample Vulnerable AHs, N	Survey coverage of Vulnerable AHs
Lernadzor	56	17	30%	11	11	100%
Kajaran	42	12	29%	6	6	100%
Total	98	29	30%	17	17	100%

Source: EDRC, External Monitoring Results

117. The survey was successfully completed with 24 AHs out of 29 (25% of all AHs under Lot 2 of the LARP). The phone numbers of the remaining 5 AHs (5% of all AHs) were inactive for all the period of the external monitoring. Data received were compared with the results of desk reviews; in some cases, representatives of the RD were contacted to verify and cross-check the data and information. The interviews also provided general insight into AHs' satisfaction with the LAR process.

118. All AHs mentioned that they had been officially notified on their property/assets acquisition for public and state needs, principles and amounts of compensation/rehabilitation.

119. All AHs reported that the RD provided them with the description protocols and that they had the opportunity to review the contents thereof. All 24 AHs (100%) agreed with the information presented in the protocols and signed the description protocols and acquisition contracts. All AHs (100%) were compensated through a direct contract signing process.

120. All respondents confirmed the receipt of compensation/rehabilitation in full and found the way of compensation delivery completely convenient. They were completely satisfied with the payment method, the whole process of compensation/rehabilitation provision, and the program management/organization level (Table 26).

Table 26. Satisfaction of AHs from LARP preparation and implementation processes in Lot 2 (% , N=24 AHs)

	Completely satisfied	Partially satisfied	Not quite satisfied	Dissatisfied	Very dissatisfied	DA	Not applicable
1. The Processes of Measurement and Description Protocol formulation	20 (83%)	4 (17%)	-	-	-	-	-
2. Valuation of assets and property	19 (79%)	5 (21%)	-	-	-	-	-
3. Additional compensation amount (crop, trees, allowances)	20 (83% of 24) (95% of 21)	1 (4% of 24) (5% of 21)	-	-	-	-	3 (13%)
4. Total amount of compensation	19 (79%)	5 (21%)	-	-	-	-	-
5. Compensation provision process	24 (100%)	-	-	-	-	-	-
6. Project management and organization	24 (100%)	-	-	-	-	-	-

Source: EDRC, External Monitoring Results

121. 19 out of 24 respondent AHs (79% of respondents) were completely satisfied with the valuation of assets/property and the total amount of compensation, while 5 AHs (21%) were not quite satisfied.

122. Out of 21 AHs (87% of respondents) entitled to additional compensation, 95% (20 of 21 AHs) were completely satisfied and 5% (1 of 24 AHs) were partially satisfied with the additional compensation amount.

123. While the majority of respondents – 20 AHs (83% of respondents) were completely satisfied with the measurement and description protocol formulation processes, 4 AH (17%) was not quite satisfied.
124. According to the survey, all AHs (24 AHs, 100% of respondents) were aware of consultations being held in their community and participated in the events.
125. 83% of respondents (20 of 24 AHs) considered the consultations very useful, while 17% (4 of 24 AHs) found consultations not that useful. All respondents (24 AHs) confirmed that the Grievance Redress Mechanism (grievance/written complaint submission procedure) was introduced to them during the consultations.

Figure 2. Evaluation of Consultations among AHs who participated in the events (N=24 AHs)

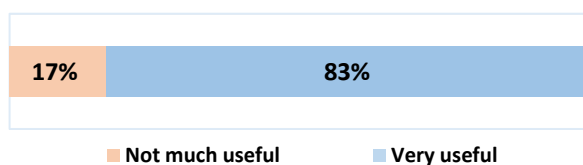
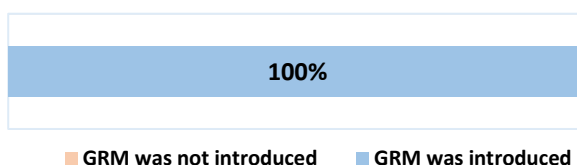


Figure 3. Presentation of the GRM during the consultations (N=24 AHs)



Source: EDRC, External Monitoring Results

Key findings

In Lot 2, the APs' satisfaction with various processes and procedures of the LARP preparation and implementation was very high.

IX. EMA Conclusions: Lot 2

During the external monitoring of the LARP implementation, the EMA carried out all activities envisaged by the methodology. Below are the findings of the compliance review of the LARP implementation in Lot 2:

- (i) In Lot 2 of the LARP, the project impacted 161 land plots (175,649 sq. m.) including 11 state-owned, 135 community- and 15 privately-owned land plots in two communities. The project affected 98 AHs, including 15 landowners and 88 informal users of state, community-, and privately-owned land plots (5 landowners were also affected as informal users).
- (ii) 95 AHs were severely impacted by the project, due to the loss of 10% or more of their agricultural productive lands. 3 AHs were physically displaced (relocated).
- (iii) 17 AHs were socially vulnerable. 16 vulnerable AHs also lost 10% or more of their productive land, including 1 vulnerable AH who was physically displaced.
- (iv) The crops, trees, buildings, structures, fences, and movable improvements were impacted. There was a case of a business loss.
- (v) The project's actual impact mostly corresponded to the LARP provisions. However, 4 informal user AHs were partially compensated. Respective Corrective Measures were recommended by the EMA and implemented by the RD in December 2025.
- (vi) Compensation to one AH for the impact on crops, trees, improvements and the project's severe impact on a privately-owned land plot (that is subject to ongoing court proceedings) remains outstanding. The compensation process may be considered completed only upon disbursement of the relevant compensation amount (as confirmed in this report) to the affected party following the issuance of the final court decision ([Appendix 4](#)).
- (vii) The total implementation budget equals AMD 1,178,594,238, of which AMD 4,780,663 is the total amount of the Corrective Measures, and AMD 7,757,847 is the amount due to be paid upon completion of the ongoing court case ([Appendix 4](#)).
- (viii) The institutional framework and management of the LARP implementation in Lot 2 complied with defined provisions. Satisfaction from the project management and organization level among AHs was high.
- (ix) Public and individual consultations, and awareness-raising events were organized in line with the LARP/LARF provisions – before the start and during the LARP implementation in Lot 2 and in all affected communities. 24 AHs participated in the compliance review survey; all respondents (100%) mentioned their awareness of consultations and participation thereof, and 20 AHs (83%) considered consultations very useful.
- (x) The Grievance Redress Mechanism was established and remains operational. There were no complaints or grievance cases under Lot 2.
- (xi) The APs' satisfaction with various processes and procedures of the LARP preparation and implementation was very high.
- (xii) The acquisition of one privately-owned land plot is still ongoing and is regulated through the expropriation process via court proceedings.

Based on external monitoring findings, considering the completion of the Corrective Measures recommended by the EMA, the LARP implementation in Lot 2 is considered as fully completed for 160 out of a total of 161 land plots (i.e., for 11 state-owned, 135 community-owned, and for 14 out of 15 privately-owned land plots). For 160 land plots of Lot 2, the LARP is implemented in compliance with the provisions of ADB SPS (2009), local legislation, and with the satisfaction of the APs.

The expropriation process is still ongoing for the remaining privately-owned land plot and compensation disbursement to one AH remains outstanding. Physical civil works on this land plot may commence only after the court's decision on acquisition enters into force and the relevant compensation amount is disbursed to the affected party.

X. Appendixes

Appendix 1: Project Entitlement Matrix

Table E3: Entitlement Matrix (as of T4 LARP)

Type of Loss	Application	Eligibility	Compensation Entitlements
1. Land Loss	APs losing their owned property or a part of it regardless the impact amount	Owner	Cash compensation at replacement cost, which is equivalent the assessed price of market value and cadastral rates (whichever is the highest) plus 15% or through an equivalent replacement land acceptable to the AP.
		Legalizable AP's	In cases defined by legislation, the AP's may acquire ownership rights or apply the state registration of the present rights and to be compensated as owners.
		Leaseholders (lease of community or state property)	In cases defined by legislation the leaseholders may acquire ownership right and to be compensated as the owner or he/she may be given an opportunity to hold a new lease in accordance with the agreement of the land owner (lessor). In case it isn't possible, AP will receive compensation equal to the market or cadastral cost 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%.
		The leaseholder (leasing of natural persons and legal entities' property)	Cash compensation for already paid but unused lease.
		Persons possessing other property rights (servitude, construction, loan, mortgage, use)	Compensation is provided to persons possessing property rights from the affected property compensation amount in accordance to the RA legislation.
		Non legalizable APs	These APs will receive compensations only for the improvements made on the land according to this LARP.
2. Loss of residential buildings, structures		All the APs regardless the rights possessing for the structure (including legalizable and non-legalizable APs)	Cash compensation cost + 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, in case if the further usage and maintenance of the non-affected portion of the building is technically possible.
		Relocated Leaseholders	Cash refund of the unused rent already paid.
3. Loss of non-residential buildings structures	Buildings, structures with state registration owned by APs	Owners	Cash compensation + 15% for loss of building at full replacement cost free of depreciation and salvaged materials and decrement of transaction costs. Partial impacts will entail the compensation of the affected portion of the building plus repairs in case of the maintenance, if the use and the alienation of the non-affected portion of the buildings are legally possible.
	Illegal building on the land belonging to citizens or legal entities with ownership rights of the property.	APs constructed the illegal building, are the owners of the land.	In case of the loss of the illegal building - cash compensation, with the amount of full replacement cost of the illegal building without 15% extra charge.
	Illegal building on the land of the community or state ownership.	AP constructed the illegal building	Rehabilitation allowance will be provided to AP constructed the illegal building on the land of the community or state ownership, with the amount equal to replacement cost of illegal building minus the legalization costs.
		Relocated Leaseholders	Cash compensation for the unused lease already paid.
4. Public Property Loss	Community or State property	Community/State	Compensation of the community owned land, property or reconstruction of affected community and state-owned structures or other property and restoration of their functions in agreement with community, state authority.
5. Crop Loss	Standing crops affected	All AHs who made improvements regardless their ownership and other property rights	Crop compensation in cash at market value by default at gross crop value of expected harvest.
6. Tree and Harvest Loss	Trees affected and expected harvest	All AHs who made improvements regardless of their land ownership and property rights	Cash compensation at market value based on type, age and productive value of the trees.

Type of Loss	Application	Eligibility	Compensation Entitlements
7. Business interruption (entrepreneurship)	Businesses (entrepreneurship) in the affected land	All APs regardless the tax declaration	<p>1) Businesses with a tax declaration</p> <p>a) In case of permanent impact: cash compensation of 1-year net income.</p> <p>b) In case of temporary impact: cash indemnity of net income for months of business suspension up to 1 year. State registration and license fees will also be compensated, if any.</p> <p>2) Businesses without a tax declaration</p> <p>a) In case of permanent impact: rehabilitation allowance based on the minimum monthly salary for 1 year;</p> <p>b) In case of temporary impact: rehabilitation allowance based on the minimum monthly salary for the number of months of business stoppage up to a maximum of 1 year.</p>
8. Job Loss	Permanent job loss or forced downtime not by the employee's fault	Employees who worked for affected business (company or Individual Entrepreneurship) by employment contract	<p>Cash compensation:</p> <p>a) Permanent job loss: the employee will receive cash indemnity for 6 months' average salary;</p> <p>b) Temporary loss: the employee will receive cash indemnity for all months of business stoppage based on the average salary up to 6 months.</p>
9. Allowances for Severe Impacts	AH to be relocated or losing 10% and more of agricultural land	All severely affected APs/AHs including informal settlers	<p>a) Additional crop compensation covering 1-year yield (from affected land part) for APs affected by loss of 10% and more of agricultural land.</p> <p>b) A rehabilitation allowance of 6 months at minimum salary to relocated AHs.</p>
10. Relocation allowance	Allowance for the transportation and livelihood expenses	All relocated AHs including leaseholders	Cash allowance to cover transportation and livelihood expenses for 1 month.
		All APs having movables on the affected land and building to be relocated regardless of existing formal rights to property	Cash allowance to cover transportation expenses.
11. Vulnerable People / AHs Allowances		AHs headed by women, or elderly, or disabled persons, AHs living below the poverty line and residential relocate AHs	<p>a) Cash allowance equivalent to 6 months of minimum salary and priority in project-related employment.</p> <p>b) Cash allowance equal to the difference of compensation cost calculated for their affected residential apartment between the market value of the minimum similar residential apartment based on the market conditions of the given region.</p>
12. Temporary impacts		All APs/AHs who are temporarily affected	Damages will be compensated in the case of temporary impact with replacement cost in accordance with the relevant entitlements defined by this LARP.
13. Unforeseen LAR impacts, if any		Eligible APs/ AHs	MoTAI will consider the unforeseen resettlement impacts during project and will compensate and will provide rehabilitation allowance based on the provisions of this LARP, Armenian law and ADB's Safeguards Policy Statement.
14. Compensations for improvements	Other improvements, which are not included in this Entitlement Matrix but exist on the affected land (except of the moveable property)	APs who made Improvements	Cash compensation by replacement cost.

Source: T4 LARP, the RD.

Appendix 2: Compliance Review Survey Questionnaire

“EXTERNAL MONITORING AGENCY”, NORTH-SOUTH ROAD CORRIDOR INVESTMENT PROGRAM, T4 (Kajaran-Agarak Section)

ECONOMIC DEVELOPMENT AND RESEARCH CENTER



Questionnaire number: _____

Community (name): _____

Interviewer code: _____

Interview date (day/month/year): _____

HH phone number: _____

HH head last name: _____

Lot-code: _____

SECTION A. General Information on Household

Q1. Number of household members _____

Q2. Please specify who is in charge of taking the main financial and property decisions in your HH.

- a. Date of birth _____ (year)
- b. Gender 1. male 2. female
- c. Has disability status
 1. Yes, please specify the disability group _____
 2. No
- d. Pensioner 1. Yes 2. No

Q3. Does your family receive Poverty Family Benefit?

1. Yes 2. No

Q4. Could you please inform us of the legal status of your property or land (or part of it) that was acquired by the state to construct a road?

1. we owned it
2. we leased it
3. we used it with no permission
4. no land/property was acquired by the state

SECTION B. Valuation and Compensation Process

Q5. Did your family/you receive letter or a formal note detailing the compensation amount and principles?

1. Yes 2. No

Q6. Were you provided with documents related to description / measurement - Description Protocol, cadastral map and other?

1. Yes 2. No

Q7. Please indicate the type of losses for which you/your family are eligible to be compensated for.

1. Land
2. Building/Structure
3. Business
4. Crop
5. Trees
6. Vulnerability, severe impact allowances, relocation allowances
7. Other (please indicate) _____

Q8. Do you agree with the data of inventory/measurement of your losses described in Description Protocol?

1. Land plot		1. Yes 2. No 98. Not applicable
2. Potato		
3. Wheat		
4. Barley		
5. Millet		
6. Alfalfa		
7. Green		
8. Fruit trees		
9. Non-fruit trees		
10. Building/structure		
11. Other losses (please, specify)		

Q9. Did you or any member of your HH sign the Contract?

1. Yes
2. No (please, specify the reason) _____

Q10. Have you already received the compensation?

1. Yes, we have received
2. No, have not received (please, specify the reason) _____

Q11. Please evaluate your overall satisfaction from:

	Satisfaction evaluation	
1. The Processes of Measurement and Description Protocol formulation		1. Completely satisfied 2. Partially satisfied 3. Not quite satisfied 4. Dissatisfied 5. Very dissatisfied 6. DA 98. Not applicable
2. Assets and property valuation		
3. Additional compensation amount (crop, trees and allowances)		
4. Total amount of compensation		
5. Payment procedure		
6. From project management and organization		

SECTION C. PUBLIC HEARINGS AND CONSULTATIONS

Q12. Were public hearings/consultations, related to land acquisition/resettlement, compensation procedures, organized in your community?

1. Yes
2. No (Go to Q16)
3. DA

Q13. Did any member of your HH participate to organized public hearings or consultations?

1. Yes
2. No
3. DA

Q14. Do you consider the process of public hearings/consultations useful?

1. Yes, very useful
2. Yes, but not much useful
3. No
4. DA

Q15. Have you been explained the procedures of complaint/grievance redress?

1. Yes
2. No

SECTION D. Grievance Redress Process

Q16. Did you or any member of your HH have any disagreements or grievance from the processes of measurement, valuation, contract preparation and compensation payment?

1. Yes
2. No (End of the interview)

Q17. Have you submitted your grievance/complaint in writing?

1. Yes (Go to Q19)
2. No

Q18. What were the reasons of not complaining in written form in case of disagreements?

1. Do not trust grievance redress system
2. Redress system is inaccessible /discouraged from applying
3. Didn't know how and where to apply/ had not enough information about grievance mechanism
4. Alleged corruption
5. Intimidation
6. Other, <i>please specify</i>

Q19. What was the subject of your grievance?

1. Measurement data of land and/or structure
2. Compensation amount on land and/or structure and/or business
3. Assessment of crop and/or tree losses
4. Inadequate information or poor consultation about the entitlements
5. Miscalculation of total compensation
6. Other, <i>please specify</i>

Q20. Please specify who/where you submitted the complaint/grievance.

1. Local government
2. Grievance focal person
3. Project implementing agency (RDF)
4. Ministry of Territorial Administration and Infrastructures of Armenia (MoTAI)
5. Court
6. Other, <i>please specify</i>

Q21. Have you received a written response?

1. Yes 2. No

Q22. How satisfied you were with the response and actions taken? Please assess:

Lowest (did not satisfy at all) **1.....2.....3.....4.....5 Highest** (satisfied fully)

Appendix 3: Project Description and Scope of Impact (provided by the RD)

The affected communities are located within the administrative territory of Syunik Marz. Based on the final detailed design, 8 communities are affected by the identified alignment within the Kajaran-Agarak 45km road design which are as follows: Kajaran, Lernadzor, Tashtun, Lichk, Vardanidzor, Lehvaz, Gudemnis, and Meghri. In terms of construction works, the project is divided into 2 road sections (Lot 1 and Lot 2).

The breakdown of the Tranche 4 Kajaran-Agarak project road per Lots, Subsections and affected communities is shown in Table A3.1 below. According to the LARP, 868 (84%) of the total affected 1029 land plots are concentrated in Lot 1 and 161 (16%) land plots are in Lot 2 respectively.

Table A3.1: Breakdown of the Project per Lots and Communities (as of initial LARP)

Lot, Subsection	KM	Community	Ownership	Grand Total	
Lot 1, Subsection 1	(km10+700-km16+300) main road - 5.6km	Tashtun	Community	9	
			RA	7	
			Private	5	
		Lichk	Community	23	
			RA	7	
			Private	12	
	(km36+900-km42+940) - 6.04km	Meghri	Community	21	
			RA	4	
			Private	28	
	Subtotal of Subsection 1				116
Lot 1, Subsection 2	(km29+300-km36+900) - 7.6km	Lehvaz	Community	56	
			RA	2	
			Private	19	
		Gudemnis	Community	7	
			RA	1	
			Private	3	
		Meghri	Community	92	
			RA	2	
			Private	108	
		Subtotal of Subsection 2			
Lot 1, Subsection 3		(km16+600-km22+600) - 6km (km10+800-km16+600) - utilities 5.8km	Lichk	Community	30
				RA	29
	Private			12	
	Vardanidzor		Community	8	
			RA	2	
			Private	7	
	Subtotal of Subsection 3				88
	Lot 1, Subsection 4	(km22+600-km29+300) - 6.7km	Vardanidzor	Community	125
RA				27	
Private				105	
Lehvaz			Community	66	
			RA	5	
			Private	52	
Subtotal of Subsection 4				380	

Lot, Subsection	KM	Community	Ownership	Grand Total
Lot 2	(km0+000-km10+700) 10.7km Tunnel	Lernadzor	Community	76
			RA	6
			Private	17
		Kajaran	Community	57
			RA	3
			Private	3
		Subtotal of Tunnel		
Grand Total (No of land plots)				1,036

Source: the RD (as of January 2025).

Appendix 4: Action Plan on LARP Lot 2 Court Cases (provided by the RD)

Table A4-1: Action plan on LARP Lot 2 court cases

N	Community land ID	Ownership status	Description of the court case	No of		No of Vulner/ Sev AHs	No of the court case	Progress
				lands	AHs			
1	Lernadzor Land ID 9008	private, landowner, informal user	<p>Issue: Inheritance issue; dispute between the heir and the informal user.</p> <p>The legal owner of the land passed away in 2010. Following the owner's death, the land plot was used by an informal user, as confirmed during the DMS. During project implementation, an heir of the deceased owner subsequently came forward and claimed entitlement to compensation for all improvements made on the land</p>	1	2	- / -	<p>U7/0137 /02/24 U7/0098 /02/24</p> <p>Active case: Following the first trial of the court case, the informal user filed a counterclaim with the court, asserting ownership of the disputed land plot and the improvements made thereon. In order to verify these claims, the court appointed an expert examination to establish the relevant facts.</p> <p>As a dispute exists between the heir of the legal owner and the informal user, compensation related to the improvements has not been deposited. Given that the court proceedings initiated through the counterclaim are still ongoing and it is not yet known to whom compensation for the improvements will be awarded by the court, the RDF is currently unable to deposit the said compensation amount (AMD 7,757,847 in total, including AMD 605,000 for impact on movable improvements, AMD 351,240 for impact on crops, AMD 5,699,967 for impact on trees, and AMD 1,101,640 for project's severe impact). In accordance with applicable legal provisions, one of the key prerequisites for depositing compensation is the identification of the beneficiary; however, in this case, the beneficiary cannot yet be determined.</p> <p>Accordingly, the RDF commits to disburse the compensation for the improvements to the person designated by the court upon issuance of the final court decision. The RDF will inform the Fund of the progress and outcome of this process through its semi-annual reportings – (July-December 2025, and January-June 2026), attaching the relevant supporting documentation.</p>	

Source: the RD (as of December 2025).