

ECONOMIC DEVELOPMENT AND RESEARCH CENTER



**NORTH-SOUTH ROAD CORRIDOR INVESTMENT PROGRAM
TRANCHE 3 (Talin-Lanjik Section)**

**IMPLEMENTATION OF CORRECTIVE ACTION PLAN TO LAND ACQUISITION AND
RESETTLEMENT PLAN FOR HIGHWAY M1 – TALIN-LANJIK ROAD**

COMPLIANCE REPORT

December 20, 2019

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List of acronyms

ADB	Asian Development Bank
AHs	Affected Households
AMD	Armenian Dram
AP	Affected Person
CAP	Corrective Action Plan
CR	Compliance Review
DMS	Detailed Measurement Survey
EDRC	Economic Development and Research Center
EMA	External Monitoring Agency
GoA	Government of Armenia
GRM	Grievance Redress Mechanism
IC	Implementing Consultant
LARF	Land Acquisition & Resettlement Framework
LARP	Land Acquisition & Resettlement Plan
MTCIT	Ministry of Transport, Communication and Information Technologies
NGO	Non-Government Organization
TPIO	Transport Project Implementation Organization
RA	Republic of Armenia
SNCO	State Non-Commercial Organization
SPS	Safeguard Policy Statement
T3	Tranche 3 North-South Road Corridor Investment Program

I. Executive Summary

- The Government of Armenia is implementing the North-South Road Corridor Investment Program (hereinafter – the Program). Reconstruction and technical supervision of the Program’s Tranch 3 Talin-Lanjik section (hereinafter – T3 Talin-Lanjik or Project), with a total length of 18.7 km (km 71+500 - km 90+200), is financed by the ADB.
- Completion results of the LARP Implementation in the 2nd Subsection (Mastara community, km 78+500 – km 86+300), revealed the need for unanticipated acquisition of a privately-owned land plot with an unfinished residential structure on it, to address certain involuntary resettlement and environment risks (access, safety, and noise issues) and ensure that the Project is in compliance with the ADB’s Safeguard Policy Statement (SPS, 2009).
- To proper organize and implement this process, Corrective Action Plan (CAP) under the T3 Talin-Lanjik LARP was prepared and implemented¹.
- This Compliance Report was developed based on the results of the external monitoring and compliance review of the CAP implementation.
- The CAP covers one privately-owned land plot in the rural community of Mastara, Aragatsotn region. One landowner household is affected. The mentioned AH was severely affected (due to loss of 10% and more of productive assets) during Project implementation; the AH is not vulnerable.
- Crops and residential structure are also affected. There was no impact on trees. There were no cases of business/employment loss, neither were relocation cases (no physical displacement). There were no cases of Expropriation.
- Compliance review covered CAP implementation processes, determination of impact scope and assessment of provided compensation.
- The CAP implementation processes comply with defined provisions and policy requirements. Compensations for the permanent loss of land, unfinished residential structure, crops, as well as for the severe project impact comply with the CAP/LARF provisions.
- Overall satisfaction from the CAP implementation processes is high.

Thus, according to the external monitoring results, the CAP implementation is effectively completed in compliance with the defined provisions and procedures with the satisfaction of the APs.

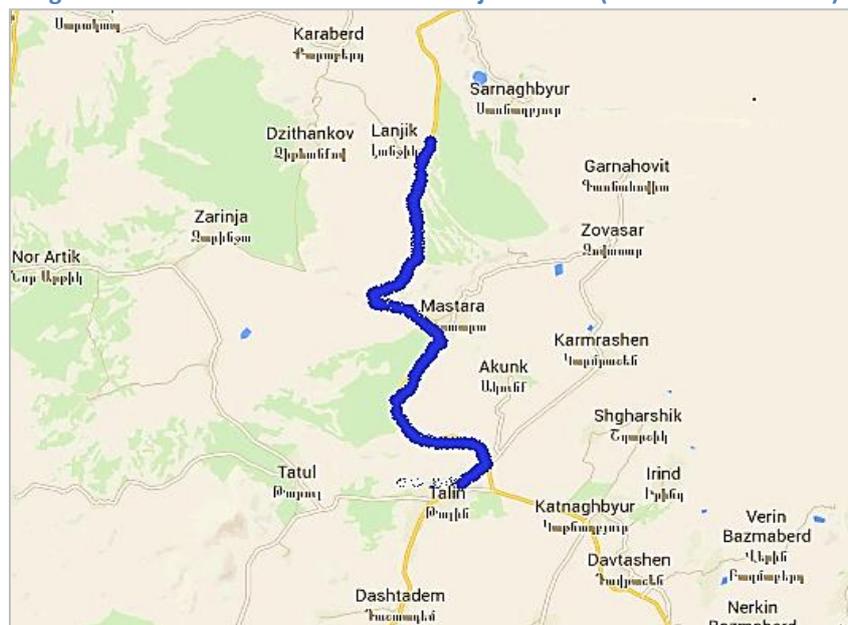
¹ The final approved version of the CAP is dated January 2019. The CAP implementation started on April 5, 2018 and completed on April 6, 2018 (the date of the last compensation payment).

II. Introduction

a) Background

1. The Government of Armenia is implementing the North-South Road Corridor Investment Program (hereinafter – the Program). The Asian Development Bank (ADB) supports the Program implementation. In particular, the ADB has agreed to provide the Government of Armenia with a US \$500 million Multi-Tranche Financing Facility to finance the Program. The Ministry of Transport, Communication and Information Technologies (hereinafter - MTCIT) of Armenia is the Program Executive Agency, while the Transport Project Implementation Organization SNCO (hereinafter - TPIO²) is the Implementing Agency of the Program.
2. The Program is implemented through several financing tranches. Reconstruction and technical supervision of Tranche 3 Talin-Lanjik section (km 71+500 - km 90+200), with a total length of 18.7 km, is financed by the ADB. The objective of Tranche 3 Talin-Lanjik section (hereinafter – T3 Talin-Lanjik or Project) is to upgrade the existing M1 from a 2-lane single carriageway to an international standard Category 1 4-lane dual carriageway.

Figure 1. Location of Tranche 3 Talin-Lanjik 18.7km (km 71+500 - 90+200)



Source: T3 Talin-Lanjik LARP (June 2015)

3. Construction works under the Project required massive land acquisition and relocation. The Government of Armenia approved the Land Acquisition and Resettlement Plan (LARP) for T3 Talin-Lanjik section (September 17, 2015, [Decree N1196-N](#)).
4. T3 construction works were planned to be implemented in 5 subsections, with the commencement to construction works possible only after full completion of LARP implementation in the respective areas. The LARP implementation started in July 2015 and completed in June 2018.

Table 1. Impact of the Tranche 3 Talin-Lanjik section in all 5 Subsections (Planned under the LARP)

Section	Communities, N	Total size of land take (sq. m.)	Plots, N	AHs, N	Severely AHs, N	APs, N
Talin-Lanjik	5	785,546.8	348	332	155	1,544

5. For all subsections, Compliance Reports were prepared by the External Monitoring Agency (EMA) and approved by the ADB. The commencement of construction works for LARP was granted on July 22, 2016.

² The TPIO is the re-organized former “North-South Road Corridor Investment Project Organization” SNCO.

Table 2. Summary of T3 Talin-Lanjik LARP implementation per subsections

LARP implementation Subsection	Communities, N	Total length of subsection, km	Road PKs	EAM Compliance Reports' approval by the ADB	Subsection handover to the Contractor
1 st subsection	Sarnaghbyur, Lanjik	3,900	km 89+000 – km 90+200 km 86+300 – km 90+200	31.05.2016	22.07.2016
2 nd subsection	Mastara	7,800	km 78+500 – km 86+300	13.03.2017	20.03.2017
3 rd subsection	Mastara	1,100	km 77+400 – km 78+500	21.06.2017	31.07.2017
4 th subsection	Talin, Akunq, Mastara	1,880	km 74+020 – km 74+900 km 74+020 – km 74+900 km 76+400 – km 77+400	13.11.2017	14.11.2017
5 th subsection	Talin, Mastara	4,020	km 71+500 – km 74+020 km 74+900 – km 76+400	13.11.2017	14.11.2017

Source: TPIO

- After completion of the LARP implementation in the 2nd Subsection (Mastara community, km 78+500 – km 86+300), when the respective section of the road has been handed over to the Contractor and construction works began, a written complaint (dated June 6, 2017) was submitted by an owner of a residential land plot to the TPIO mentioning that the construction of the road at km 78+540 was implemented too close to a residential structure he owned.
- In fact, the residential privately-owned land plot located in Mastara community (cadastral code 02-069-0052-0002), Aragatsotn region, was out of the Right of Way and was not directly affected by the Project; therefore, it was not included in the LARP. The unfinished residential structure (1,990 sq. m.) was constructed before the cut-off date of the Talin-Lanjik section (April 27, 2015). As the closest distance between the slope and structure was only 1.17m and the farthest - 2.6m (Figure2), the main request of the applicant was to acquire the unfinished structure due to safety reasons.

Figure 2. Location of the residential structure in regards to the Project



Source: CAP (January 2019), TPIO

- In the matter of the complaint, the joint site visit has been held on July 18, 2017, with the participation of the applicant, the representatives of the TPIO (two engineers and a specialist of LARP implementation team) and the Supervision Engineer. The recommendation of the Supervision Engineer, provided in his report (dated November 20, 2017), was to acquire the property. Therefore, the TPIO initiated consultations with the ADB on possible involuntary resettlement and environment risks under the case and asked for the ADB's recommendations thereof.

9. Meanwhile, the mentioned applicant has submitted another complaint with the same request to the MTCIT (dated February 8, 2018). The complaint was transferred to the ADB.
10. Based on the field visits conducted by the ADB, clarifications provided by the TPIO, and report of the Supervision Engineer, ADB found that there are certain involuntary resettlement and environment risks (access, safety, and noise issues) based on ADB’s Safeguard Policy Statement (SPS, 2009) which must be addressed to ensure that the project is in compliance with the SPS. The ADB thus suggested to prepare a corrective action plan to the LARP for Tranche 3 and acquire the affected assets.
11. Corrective Action Plan (CAP) under the T3 Talin-Lanjik LARP was prepared by the TPIO. The compensation budget for the implementation of the CAP, including the registration costs, was covered by the State Budget of the RA.

Table 3. Impact planned under the CAP

Community	Total size of land take, sq. m.	Plots, N	Structure, N	AHs, N	Severely AHs, N	APs, N
Mastara	1,990	1	1	1	1	6

Source: CAP (January 2019), TPIO

b) CAP Objectives and Scope

12. Corrective Action Plan (CAP) is prepared by the TPIO and approved by the ADB. MTCIT and TPIO are responsible for CAP implementation. The CAP is prepared under Tranche 3 LARP, therefore it follows the same objective and methodology as was approved for the T3 LARP³.
13. The objective of the CAP is to identify and support the affected persons in order to restore their life quality and lifestyles and to bring them at least to respective pre-project levels.
14. The approved CAP covers the rights of persons who were affected through temporary or permanent losses of land, living or other building/structure, crops and trees, income, business and employment, as well as contains relevant provisions on Project severe impact, physical relocation, rehabilitation allowances, temporary and unforeseen impacts and compensations for improvements. The CAP also presents the scope of community rights in the case of community/public property loss.
15. The CAP assesses the Project impact and provides details on required compensation and restoration measures based on the following surveys: Detailed Measurement Survey (DMS) and Inventory of Losses for the affected land plot, Census Survey of AH⁴ as well as Valuation of Replacement Cost of the Affected Assets.
16. Thus, compensation and livelihood restoration shall be implemented in accordance with the CAP.
17. The CAP implementation started on April 5, 2018. From the perspective of external monitoring, the CAP implementation completion date is the date of the last compensation payment – April 6, 2018.

c) Legal Framework and Regulations of Relocation Policy

18. The basis for resettlement planning and implementation is the RA Constitution and respective legislation derived from the Constitution. Since the Project is implemented in the frame of an international agreement (loan agreement) with the ADB financing, the legal basis for the Project implementation contains the clauses of the ADB on involuntary resettlement policy.

³ Land Acquisition and Resettlement Plan for the T3 was approved by the GoA in September 2015 (Decree N1196-N). Both Armenian and English versions are available at the TPIO web-site, <https://tpio.am/uploads/Social/LARP%20T3%20ADB%20section%20ENG.pdf>

⁴ The questionnaires developed for T3 LARP has been used for census.

19. According to the ADB Operational Manual (Operation Manual F1/OP (2013)), T3 is classified as a Category A project for involuntary resettlement safeguards: a project is considered significant if 200 or more persons will be physically relocated or lose 10% or more of their productive or income-generating assets.
20. In preparing the T3 LARP MTCIT used as a model the Resettlement Safeguards under the ADB Safeguards Policy Statement (SPS 2009).
21. Consequently, the CAP is based on the LARF developed for the Project, respective Armenian legislation and regulations, as well as ADB SPS (2009).
22. The valuation of land plots and structures affected by the Project is based on the principle of the replacement cost.
23. Thus, under this CAP the following are eligible for compensation for project impact in compliance with Project LARF (2017 version⁵):
 - 1) For the loss of **land** – the land plot owners, legalizable persons, leaseholders or other property right holders (servitude, construction permit, loan, mortgage, use rights),⁶
 - 2) For the loss of **residential/non-residential buildings or structures** on land plots – all AHs regardless of the rights towards the building/structure; relocated tenants,
 - 3) For the loss of **crops, trees and expected harvest** - all AHs regardless of the rights towards the land or any other property right holder,
 - 4) For the cases of **loss of business** – all APs regardless of the submission of a tax declaration,
 - 5) For the loss of **employment** – persons working in affected businesses or hired by individual entrepreneurs (IE) based on an employment contract,
 - 6) For the **severe Project impact** – All AHs/APs that lost 10% or more of agricultural land or were relocated, including those who do not have any residence status,
 - 7) For the loss of **public property** – the community,
 - 8) **Rehabilitation Allowances** – to all AHs below the poverty line, as well as headed by women, elderly or disabled,
 - 9) **Relocation Allowance** – all APs (transportation expenses for relocation and living expenses),
 - 10) For **temporary impact** – all APs,
 - 11) For **unforeseen impacts** – all APs/AHs eligible for compensation,
 - 12) For **improvements** – (not included in points above, but existing on the affected land plot (except for movable property) – all APs who made improvements.
24. Compensation rights are limited by the cut-off date, which is the date when the Description protocol on the acquired land is prepared (signing the Protocols by the APs, MTCIT and Acquirer)⁷. The Description protocol contains the data on Census, DMS and Inventory of Assets. The cut-off date is March 20, 2018.

⁵ LARF was adopted in 2010, then it was revised in 2012 and 2015, and the final revised version was adopted by the Government in June, 2017, [Government decree N 752-N](#).

⁶ Informal tenants are entitled to compensation only for existing improvements on land.

⁷ According to the LARF, “No compensation is given for additional improvements made after the date of drawing up of the acquisition property description protocols, except in the cases provided by the Law and LARF.” However, for the following cases specified in the LARF, the cut-off date is different, particularly: (i) Cash compensation based on extent of the average month salary for 6 months will be provided to the workers permanently losing their job and working at least for 2 months before the Cut-off date, (ii) the AHs which will present relevant documents on their vulnerability before the date of land acquisition, they will be eligible to get Rehabilitation Allowance, (iii) The AHs which have been legalized and become owners/property right holders during the LARP implementation, are also eligible to get Rehabilitation Allowance as vulnerable AHs in case of providing the relevant documents.

Table 4. Calculation of Monetary Compensation for Land

Compensation Entity/Person	Calculation
Private or Community Land plots	Replacement cost +15%
Legalizable land user	Replacement cost +15% (after legalization)
Leaseholders (on community or state land plots) for the remaining years of lease	Up to 1 year - (replacement cost +15%) * 0.05
	Up to 15 years - (replacement cost +15%) * 0.14
	Up to 25 years - (replacement cost +15%) * 0.20
	25 years - (replacement cost +15%) * 0.25

Source: T3 LARP

d) Monitoring and Evaluation

25. CAP implementation is subject to external monitoring which is carried out by an External Monitoring Agency. It implies compliance review and preparation and submission of Compliance Report.
26. The objective of the external monitoring is to verify that the compensation program was implemented in compliance with the T3 LARF/CAP stipulations, in adherence of the SPS and ADB guidelines, and with the satisfaction of the APs, as well as to propose corrective measures and recommendations if and when necessary.
27. The “Economic Development and Research Center” (EDRC), which is an independent research institution specializing on public policy monitoring and evaluation⁸, served as an “External Monitoring Agency” (EMA) and carried out the External monitoring of the T3 LARP.
28. External monitoring review included various methods of quantitative and qualitative research. Field and desk reviews were carried out. The next section of the present Report covers the external monitoring methodology, while the subsequent sections present the findings of external monitoring and main conclusions for the CAP.

⁸ For details on the Center please visit www.EDRC.am.

III. EMA Methodology

29. The methodological basis for the Compliance Review was the approved EMA Inception Report. EMA has performed the full range of necessary activities stipulated by the methodology. Compliance review included mixed methods of quantitative and qualitative research. Desk reviews and field studies were carried out.
30. 3 main methods were used for data collection:
- Review of documents,
 - Key Informant Interviews with TPIO staff,
 - CR survey with the only AH included in the CAP by using the CR Survey Questionnaire⁹.
31. During the desk reviews, the EMA collected and collated necessary data, studied and reviewed the Project-related financial and non-financial documentation (including ADB SPS-2009 Manual, LARF, T3 LARP and CAP).
32. During the performed desk reviews the following program documents were studied:
- Description Protocol;
 - Valuation Reports;
 - Report on Rehabilitation Allowance Size Determination;
 - Contract on Acquisition of Property for Public and State Purposes;
 - Payment documents for the Property Acquisition Contract;
 - Other documents.
33. The EMA studied 100% of documents and profiles of APs (who are all the members of the same AH), as well as 100% of payment orders of APs included in the CAP. Existence of the contracts and payments order was checked, while data contained in them were checked for adequacy and compliance.
34. The process of consultations and APs' notification, as well as Grievance redress mechanism, institutional organization, compensation calculation and payment processes, were studied in detail through desk review and subjective perceptions of APs.
35. Data and information collected from various sources were analysed and collated; these allowed to evaluate the process, verify and cross-check the fact of compensation receipt.
36. The applied methodology and the findings of external monitoring allowed concluding upon the accuracy, completeness and validity of data on APs and their assets, as well as compliance of the amounts of compensation and efficiency of compensation delivery process.
37. The findings of external monitoring are reflected in the present Compliance Report.

⁹ The questionnaire developed for T3 LARP Compliance Review Survey has been used. Minor changes were made to reflect the specifics of the CAP.

IV. Implementation Procedures

a) Institutional Framework and Management

38. The institutional framework for the CAP is the same as that of the T3 LARP. It includes a number of organizations and institutions, whose role and scope of responsibilities is provided in the T3 LARP and relevant Compliance reports.
39. CAP Implementing Consultant (Millennium Development Ltd and Uptime Ltd Joint Venture) is responsible for the full implementation of the CAP.
40. The TPIO has established a Resettlement Coordination Team¹⁰ within its structure which is responsible for the coordination of Implementing Consultant's activities and submission of Internal Monitoring Reports on LARP/CAP implementation.

Key Findings

The Institutional framework and management of the CAP implementation are the same as that of the T3 LARP and comply with the CAP/LARF provisions.

b) Consultations and APs Awareness

41. Individual (face-to-face) consultations with the affected persons, who are the members of the same AH, and awareness-raising process started before the CAP implementation.
42. The information disclosure to APs about the LAR procedures has been implemented through written communication, working meetings and site visits.
43. All APs have been notified about procedures and conditions of the acquisition process, LAR implementation course, stages, rights and responsibilities of APs, principles of compensation calculation. Grievance redress mechanism has also been disclosed to APs; monitoring process was presented.
44. The above-mentioned information was obtained and verified through (i) desk review activities; (ii) Key informant interviews with the TPIO representatives; (iii) Compliance review survey findings.
45. According to the survey, the AH confirmed the implementation of individual consultations, considering the latter very useful. The AH has been officially notified on compensation amount and principles; Detailed Measurement Survey and impact assessments documents were handed to the APs (Description Protocols, maps etc.). Compliance Survey findings are presented in Section VIII "Public Satisfaction".

Key findings

Consultations and APs' awareness processes comply with the CAP/LARF provisions.

c) Complaints & Grievance Redress Mechanism

46. For the effective and prompt resolution of disagreements and grievances regarding the CAP implementation, a Grievance redress mechanism (GRM) has been developed and presented to APs during individual consultations.
47. The GRM under this CAP was the same as that of the T3 LARP and comprised the same three stages. During the CAP implementation, no grievances/written applications were submitted.

Key Findings

¹⁰ Includes the following specialists and consultants 1) Legal and External Impact Officer, 2) External Impact and Resettlement Coordinator, 3) Social Development and Resettlement Specialist, 4) Environmental and Archaeological Specialist, 5) Senior Lawyer Claim and Dispute Management Specialist, 6) National Field Works Coordinator (Consultant) and 7) LAR Legal Specialist (Consultant).

Grievance Redress Mechanism has been put in place. The APs were informed about grievance mechanisms during individual consultations.

No grievances/written applications were submitted during the CAP Implementation.

Based on the results of the EMA's desk reviews and interviews, the procedures under the GRM are adequate.

d) Process of Compensation Provision

48. According to the T3 LARP/LARF provisions, the payment of compensation is due to be made within 14 days of signing of acquisition contracts. The amounts have to be transferred to the bank accounts of APs. In case an AP does not have a bank account, it should be opened for him/her under the Project.

49. Actual compensation was provided within the defined time frame via direct transfer to the APs' own bank account¹¹. The transfer was made on April 6, 2018, the next day after the signing of the acquisition contract.

50. According to the EMA Compliance Survey findings, the only AH under the CAP was completely satisfied with the payment process. Compliance Survey findings are presented in Section VIII "Public Satisfaction".

Key findings

The compensation process to APs complies with the provisions of the CAP/LARF.

e) Expropriation and Measures Taken

51. The land plot included in the CAP was not involved in the process of expropriation. All APs (1 AH) were compensated through a direct contract signing process.

Key findings

There were no cases of Expropriation under the CAP.

f) Legalization and Special Cases

52. There were no legalisation cases under the CAP.

¹¹ ACBA-Credit Agricole bank CJSC was selected for the CAP compensation payment, as the APs have already had an account in the mentioned bank.

V. Determining the Actual Scope of the Impact¹²

53. According to the CAP, the scope of Project impact entailed one private land plot in Mastara community with the acquisition area of 1,990 sq. m. There was a residential structure (161 sq. m., unfinished) built on the land plot. Both the land plot and the structure were owned by the same AH.
54. There was a crop (alfalfa, 1,250 sq. m.) on the land plot which was also affected by the land acquisition. The latter resulted in the loss of more than 10% of the productive assets of the mentioned AH, thereby causing severe impact by the Project.
55. The affected household is not socially vulnerable.
56. The Implementation tallies remained unchanged. Therefore, in accordance with the CAP/LARF provisions, the landowner AH was entitled to compensation for the losses of land, crop, and residential structure, as well as the Rehabilitation Allowance for the Project's severe impact.

Table 5. Summary of the impact under the CAP
(Private land plot, lot-code 02-069-0052-0002, Mastara)

Item: Permanent loss of assets	Plot, N	Area, sq. m.	Structure, sq. m.	Crop, sq. m.	Landowner AHs, N
a. Planned under CAP	1	1,990	161	1,250	1
b. Implementation tallies	1	1,990	161	1,250	1
Difference (b-a)	0	0	0	0	0

Source: EDRC, External Monitoring Results

57. There were no affected leaseholders/informal tenants under the CAP.
58. There was no impact on trees under the CAP.
59. There were no cases of business/employment loss under the CAP.
60. There were no relocation cases (no physical displacement) under the CAP.
61. There were no cases of Expropriation under the CAP.

Key findings

Under the CAP, the Project affected one private land plot in Mastara community with crops and residential structure on it. The landowner AH was also severely affected.

The CAP planned and implementation tallies have coincided.

¹² This section is devoted 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.

VI. Assessment of Provided Compensation

62. Compensation program under the CAP for permanent loss of land, residential structure, crops and severe impact is fully completed and compliant with the CAP/LARF provisions. In total, **AMD 14,287,762** has been transferred to the respective AH. The AH was compensated through a direct contract signing process. The breakdown of compensation provision by type of loss is provided below.

Table 6. Compensation for losses under the CAP
(Private land plot, lot-code 02-069-0052-0002, Mastara)

Item: Compensation category	Land, residential, AMD	Structure, residential, AMD	Crop, AMD	Allowance for Severe impact, AMD	Total Compensation, AMD	Landowner AHs, N
a. Planned under CAP	1,478,044	12,754,968	27,375	27,375	14,287,762	1
b. Implementation tallies	1,478,044	12,754,968	27,375	27,375	14,287,762	1
Difference (b-a)	0	0	0	0		0

Source: EDRC, External Monitoring Results

63. The compensation for permanent loss of land was based on replacement cost and was calculated as the market value plus its 15 percent (see Table 4)¹³. The category of the land plot under consideration was non-agricultural (residential). The unit rate of compensation was estimated by a qualified independent valuator. The amount of land compensation equals **AMD 1,478,044** and complies with the CAP/LARF provisions¹⁴.
64. Compensation for the residential structure (legal, 161 sq. m., unfinished) was based on replacement cost plus its 15 percent. The unit rate of compensation was estimated by a qualified independent valuator. The compensation for the loss of residential structure equals **AMD 12,754,968** and complies with the CAP/LARF provisions.
65. Compensation for the loss of crop (namely, alfalfa) was envisaged as cash compensation at current gross market rate value (inclusive of inputs) of 1 year’s harvest by default. The unit rate was estimated based on the yield and price of the crop for a 5-year period. The amount of crop compensation equals **AMD 27,375**. Compensation unit rate and amount comply with the CAP/LARF provisions.
66. According to the CAP/LARF provisions, AH, who experienced severe impact by the Project, was entitled to one additional crop compensation covering 1-year’s yield. The respective Rehabilitation Allowance totalled **AMD 23,375**.

Key findings

The compensation program for permanent loss of land, residential structure, crops and severe impact under the CAP is fully completed: the only affected household was compensated in accordance with the CAP/LARF provisions.

¹³ The 15 % of addition to the market price is defined by the “RA Law on alienation of property for public and state purposes” and was accordingly included in the Project LARF.

¹⁴ The EMA checked correctness of calculation and not valuation of the compensation, which is licensed activity.

VII. CAP Implementation Budget

67. The table below summarizes the CAP implementation indicators, as well as presents a comparison of the CAP's planned and actual implementation budgets.
68. According to External Monitoring results, the total amount of compensation program equalled AMD **14,291,762**. The compensation budget, including the registration costs, was covered by the State Budget of the RA.

Table 7. Comparison of CAP planned and implementation budgets

Item	Planned under CAP	Implementation tallies	Difference
	a.	b.	b. – a.
No			
Total land plots	1	1	0
State land plots	0	0	0
Community land plots	0	0	0
Private land plots	1	1	0
Total affected area, sq.m	1,989.6	1,989.6	0
Compensation, AMD			
Land compensation	1,478,044	1,478,044	0
Community land plots	0	0	0
Private land plots	1,478,044	1,478,044	0
Leaseholders (for land)	0	0	0
Crops	27,375	27,375	0
Trees	0	0	0
Structures and buildings	12,754,968	12,754,968	0
Transportation	0	0	0
Business	0	0	0
Employment	0	0	0
Relocation	0	0	0
Vulnerability	0	0	0
Severe impact	27,375	27,375	0
Registration services	4,000	4,000	0
Court services	0	0	0
Total (AMD)	14,291,762	14,291,762	0

Source: EDRC, External Monitoring Results

VIII. Public Satisfaction

During the external monitoring, based on a questionnaire prepared in advance, a phone interview was held with the head of the only AH under this CAP.

According to the AP, the AH was aware of the size and principles of compensation; the respective documents were handed to the APs and during individual consultations the APs were consulted on LAR processes and their entitlements. The AH agreed with the description/measurement data on land and other losses provided in the Description Protocols.

The AP noted that the AH has signed the acquisition contract and confirmed the receipt of compensation amount.

The overall satisfaction from the CAP implementation processes is very high. According to subjective evaluation results, the AH is completely satisfied with all processes of CAP preparation and implementation (Table 8) and has no complaints whatsoever.

Table 8. The satisfaction of AH from the CAP preparation and implementation processes (% , N=1 AH)

	Completely satisfied	Partially satisfied	Not quite satisfied	Dissatisfied	Very dissatisfied	DA	Not applicable
General processes of the measurement and Description Protocol formulation	100	-	-	-	-	-	-
Valuation of assets and property	100	-	-	-	-	-	-
Additional compensation amount (crop, trees and allowances)	100	-	-	-	-	-	-
Total amount of compensation	100	-	-	-	-	-	-
Payment (transaction) procedure (process)	100	-	-	-	-	-	-
Program management and organization level (TPIO, Implementing Consultant, etc.)	100	-	-	-	-	-	-

Source: EDRC, External Monitoring Results

Key findings

The overall satisfaction from the CAP implementation processes is very high.

X. EMA Conclusion

During the external monitoring of North-South Road Corridor Investment Program Tranche 3 CAP implementation, all activities envisaged by the methodology were carried out, including a number of quantitative and qualitative research techniques. The level of confidence of collected data and the accuracy of results is quite high and allows drawing conclusions. In particular, the followings are identified:

- 1) Impact area covered one private land plot in the rural community of Mastara with a total area of 1,990 sq. m. One landowner household was affected.
- 2) The AH was also severely affected.
- 3) Crops, trees as well as structures were affected. There were no cases of business or employment loss, neither were relocation cases.
- 4) Crops and unfinished residential structure were affected. There was no impact on trees. There were no cases of business/employment loss, neither were relocation cases (no physical displacement). There were no cases of Expropriation.
- 5) Planned and implementation indicators of CAP coincided.
- 6) Institutional structure and management of CAP implementation comply with defined provisions. AH was completely satisfied with the Project management and organization level.
- 7) Individual consultations and APs awareness-raising processes were organized in line with the T3 LARP/LARF provisions – prior to the start date of CAP Implementation. The AH has confirmed the implementation of individual consultations and has found them very useful.
- 8) Grievance Redress Mechanism and Grievance Review Group were established. No complaints were submitted. CAP was implemented under a high level of satisfaction of the AH.

Based on the abovementioned findings, we believe that the CAP implementation is effectively completed in compliance with the defined operational procedures and provisions, and with the satisfaction of the APs.