

Land Acquisition and Resettlement Framework
(LARF)

**SUSTAINABLE URBAN DEVELOPMENT
INVESTMENT PROGRAM**

Yerevan - 2012

Government of Armenia

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ABBREVIATIONS

ADB	Asian Development Bank
AP	Affected Person
AH	Affected Household
IMA	Independent Monitoring Agency
IPSA	Initial Poverty and Social Assessment
PSA	Poverty and Social Assessment
MFF	Multi Tranche Financial Facility
EA	Executing Agency
MOY	Municipality of Yerevan
PIU	Project Implementation Unit
IA	Implementing Agency
PGC	Program Governing Council
PMIC	Project Management and Institutional Strengthening Consultant
PPTA	Project Preparatory Technical Assistance
PPTAC	Project Preparatory Technical Assistance Consultant
NGO	Non-Governmental Organization

LAR	Land Acquisition and Resettlement
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
LARU	Land Acquisition and Resettlement Unit
DESC	Detailed Engineering Design and Supervision Consultant
PFR	Periodical Financial Request
SRS	Social and Resettlement Specialists
SES	Socioeconomic Survey
RP	Resettlement Plan
DMS	Detailed Measurement Survey

DEFINITIONS OF LAR TERMS

Compensation - Payment in cash or in kind of the replacement cost of the acquired assets.

Entitlement - Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation which are due to affected people, depending on the nature of their losses, to restore their economic and social base.

Indigenous Peoples (IP) - "Indigenous Peoples" as used in the ADB's *Policy on Indigenous Peoples* encompasses a generic concept not easily reflected in a single term. Ethnic Minority is one of the other terms relating to the concept of indigenous peoples as addressed in the ADB policy. Others are "cultural minorities," "indigenous cultural communities," "tribals," "scheduled tribes," "natives," and "aboriginals." Accepted or preferred terms and definitions vary country by country. "Indigenous Peoples" is the term used in the United Nations documents, and is used by ADB solely for convenience. In Armenia, the term Ethnic Minority is considered more applicable. In this respect, to qualify for consideration as being covered under the ADB's IP Policy, an ethnic minority *'should be regarded as those with a social or cultural identity distinct from the dominant or mainstream society, which makes them vulnerable to being disadvantaged in the processes of development.'*

Host population - Community residing near the area where the Project beneficiaries propose to voluntarily resettle as part of the Project.

Improvements - Structures constructed (dwelling unit, fence, waiting sheds, animal pens, utilities, community facilities, stores, warehouses, etc.) and crops/plants planted by the person, household, institution, or organization.

Land Acquisition - The process whereby a person is compelled by a government agency to alienate all or part of the land a person owns or possesses to the ownership and possession of the government agency for public purpose in return for a consideration.

Affected Person/People (AP)- Any person (individual) affected by Project-related changes in use of land, water, natural resources, or income losses.

Affected Household (AH) – The affected household as a whole. This unit operates as a single economic and domestic unit and may consist of an individual, a single nuclear family or an extended family. This is the significant unit receiving compensation/rehabilitation.

Rehabilitation - Compensatory measures provided under the Policy Framework on involuntary resettlement (including relocation allowance) other than payment of the replacement cost of acquired assets.

Relocation - the physical relocation of a AP/AH from her/his pre-Project place of residence.

Replacement Cost - The value determined to be fair compensation for land based on its productive potential, the replacement cost of houses and structures (current market price of building materials and labor without depreciation or deductions for salvaged building material), and the market value of residential land, crops, trees, and other commodities.

Resettlement - All measures taken to mitigate any and all adverse impacts of the Project on AP's property and/or livelihood, including compensation, relocation (where relevant), and rehabilitation of the damaged/removed infrastructure and installations.

Marz-Community - Armenia is divided into 10 provinces (marz). Yerevan, as the capital of the country, has a special administrative status. The province chief executive is the governor (marz)

appointed by the Government. Each province is divided in communities (*hamaynk*) which are self-governing units and consists of one or more settlements (*bnakavayr*). Settlements are classified as towns (*kaghak*) or villages (*gyugh*). As of 2007, Armenia includes 915 communities (49 urban and 866 rural). Previously having Marz status, Yerevan, now has the status of a community and it has an elected mayor.

LAND ACQUISITION AND RESETTLEMENT FRAMEWORK

A. INTRODUCTION

1. This Land Acquisition and Resettlement Framework (LARF) for the Sustainable Urban Development Investment Program (the Program) has been prepared by joint efforts of the Municipality of Yerevan (MOY) and Consultants of Asian Development Bank (ADB). The LARF is fully endorsed by MOY and is presented for approval of Government of Armenia (GoA). This document details mechanisms, procedures and compensation entitlements to be applied in the planning and implementation of Land Acquisition and Resettlement (LAR) tasks. The Program, to be financed by ADB under a Multi Tranche Financial Facility (MFF), will be implemented together with the Ministry of Economy of RA over a period of 10 years. During the whole MFF MOE will act as the executing agency (EA) and Municipality of Yerevan (MOY) on behalf of "Investing Projects Implementation Unit Building Up of Yerevan" (PIU) as the Implementing Agency (IA) for the first tranche. The program consists of several stages/financial tranches, each of them will include different sub-projects. These are roads, transportation means, rehabilitation or construction of urban infrastructures, as well as institutional reforms of Yerevan and secondary cities of Republic of Armenia.

2. Before Program appraisal this LARF will be translated into Armenian and disclosed on the MOY website. The LARF in English will be posted on the ADB website.

B. LAR-RELATED PROGRAM PROCESSING REQUIREMENTS

3. Based on MFF procedures Program appraisal is carried out together with the appraisal of the first tranche. The following tranches will be appraised once the EA sends to ADB a Periodical Financial Request (PFR) accompanied by the final documents and technical studies for each subproject under the tranche.

4. For what specifically concerns Land Acquisition and Resettlement (LAR) tasks the approval of the MFF/tranche 1, of the PFRs for the following tranches and of the implementation of each tranche subproject involving LAR will require the preparation of the following documents:

- (i) A LARF for the whole financial facility and applicable to all subprojects. The LARF will be reviewed, if necessary updated, and submitted for ADB approval at least annually and always at the start of the preparation of each tranche.
- (ii) An Initial Poverty and Social Assessment (IPSA) indicating, for each tranche, whether LAR impacts are likely to occur -- if yes, then the type of impacts and their likely magnitude -- whether there may be Indigenous Peoples (IP) affected, and;
- (iii) If LAR occurs, a LAR Plan (LARP) for each project under a tranche based on detailed design and commensurate to the severity of impacts.¹ The LARP will include detailed compensation and administration budgets and implementation schedules linking LAR tasks to the initiation of civil works.

5. Based on the ADB Safeguards Policy Statement (SPS)² and established practice, the appraisal of the MFF and each tranche and approval of project implementation will be

¹ As per the ADB Operation Manual (OM) F1/OP (2009) a project is classified as Category "A" if > 200 people suffer significant impacts (relocation or loss of >10% of productive assets). A project will instead be classified as Category "B" when less than 200 people suffer significant impacts. Category "C" projects have no LAR impacts.

² Please refer to the ADB Social Safeguards Policy Statement (2009)

based on the following LAR-related conditions:

- (i) **MFF/first tranche appraisal:** Conditional to: a.) preparation and disclosure of a LARF for the whole MFF acceptable to ADB and Government; b.) preparation of an IPSA and c.) preparation and disclosure of LARPs acceptable to ADB and Government for each tranche subproject requiring LAR.
- (ii) **Approval of PFR for following tranches:** Conditional to: a.) review/update/disclosure of the LARF, and b.) preparation/disclosure of LARPs consistent with the revised LARF and acceptable to ADB and GoA for each tranche subproject with LAR.
- (iii) **Contract awards signing (for subprojects involving LAR):** Conditional to: a) the finalization of the LARP as an implementation-ready document and its disclosure, and b) the hiring of an Independent Monitoring Agency (IMA) ready to mobilization.
- (iv) **Provision of notice to proceed to contractors:** Conditional to the full implementation of the relevant LARP (full delivery of compensation and rehabilitation) to be documented by a compliance report from the IMA. Such a condition will be clearly spelled out in the text of the civil works contract.

C. INDIGENOUS PEOPLES AND VULNERABLE GROUPS

6. No impact on Indigenous Peoples is expected for the Program. Special attention will be given to identifying and addressing the needs of disadvantaged groups such as the landless, the poor and female-headed households, through measures included in the LARP to try and improve (over and above cash compensations and restoration of) their livelihoods.

D. LARP PREPARATION AND IMPLEMENTATION

7. LARP preparation activities for subprojects with LAR will be an integral part of the preparation of tranche subprojects starting with LAR screening tasks and ending with a readily implementable LARP based on detailed design. The sequence of activities for LARP preparation is the following:

- (i) Once an initial road alignment and cross-sections design is available the MOY/PIU will carry out a preliminary cadastral survey identifying the affected properties and their owners/users. Following this survey the Governments enacts a decree recognizing the project as a public interest project.
- (ii) Upon enactment of the Government decree the MOY/PIU and the project preparation consultants will conduct detailed surveys in the field. These include a Detailed Measurement Survey (DMS) of all land/non-land impacts, a census of all Affected Households (AH) and Affected People (AP) and, through the services of an independent assessor, a valuation survey of all affected assets.
- (iii) To fit ADB requirements the project preparation consultants will carry out a socio-economic survey (SES) based on a 25% statistical sample of the AHs³.
- (iv) Based on these surveys a LARP will be compiled. In the course of the surveys all AHs will be thoroughly informed of the stipulations of this LARF and of the provisions

³ The SES will provide a description of the major socio-economic features of the affected population (ethnicity, education level, modes of livelihood, and sources of income, poverty/income levels, and house type/value and land tenure types). A second purpose of the SES will be to identify any vulnerable and risk groups that need additional support, as a basis for preparing the LARP budget

of the LARF including impacts, compensation rates and schedules. DMS, AP census and compensation costs will be reviewed and if necessary updated after the finalization of detailed design.

8. **LARP preparation/implementation Process.** LARP preparation for the first tranche of the Program will be carried out by the Project Preparatory Technical Assistance (PPTA) consultants. The same tasks for the following tranches will be carried out by MOY/PIU, the Detailed Engineering Design and Supervision, as well as Project Management and Institutional Straightening Consultants. LARP implementation will be overseen by the above mentioned two consultants. LARP preparation/implementation will be carried out according to the following process:

- a. **LARP preparation.** This phase will be carried out in parallel with the preparation of the projects feasibility study (See Annex A for a standard outline of a LARP).
- b. **LARP review/finalization.** This phase will be carried out during the preparation of detailed design and will include eventual updates of impacts/AP data, possible compensation rates revisions and administrative work to legalize legalizable APs. After the final LARP is approved by ADB, civil works contracts will be signed.
- c. **LARP implementation.** This phase will start after the final LARP is approved and will be concluded with the provision of due compensation to all AHs.
- d. **Civil works Implementation.** In general civil works will start only after all AHs are compensated and a compliance report is prepared by the IMA. However, if a road has sections without impacts and sufficiently long to economically justify construction, civil works for these sections may start immediately after contracts signing. In these cases absence of impacts will have to be demonstrated by an ad hoc due-diligence report.

E. LEGAL AND POLICY BACKGROUND

E.1 Armenia's Laws and Regulations on Land Acquisition and Resettlement

9. The Armenia's *Constitution* (1995) recognizes and protects the private ownership rights. It also provides that private ownership may be terminated "in exclusive cases of prevailing public interests" based on established procedure and with prior adequate compensation. Land acquisition and compensation issues are discussed in the *Land Code* Article 102, 104, the *Civil Code* (1998), Articles 218 to 221 and in the *Law of RA On the Alienation of the Private Property for Public and State Needs* adopted on 27 November 2006.

10. Under the existing law of RA *On the Alienation of the Private Property for Public and State Needs* the RA Government will issue a Decree determining the case of exclusive public and state priority needs based on the request from relevant state agencies. The government decree on recognition of the item as prevailing and exclusive public interest shall set out:

- a. The exclusive and prevailing public interest, for which alienation of property shall be executed;
- b. The party acquiring the alienated property;
- c. The units constituting the alienated property (addresses, location and/or other information, which makes the property different from other assets);
- d. Final deadline to launch the alienation process.

11. Law of RA *On the Alienation of the Private Property for Public and State Needs* discusses procedural aspects of land acquisition and compensation rights of titled landowners and owners of immovable property in cases of alienation of their property for public purposes. Upon enactment of the government decree on recognition of property as prevailing exclusive public interest, the authorized body shall compile minutes describing the alienated property according to the procedure and deadlines defined by the government; acquiring party, owners and those holding property rights towards the alienated property may participate in compilation of such minutes if the latter had not been compiled during the preliminary survey of the property. One copy of the minutes describing the alienated property shall be, within no later than three days after its compilation, duly communicated to the owner and persons holding property rights towards such property, who are entitled to protest it with the authorized body and/or court within ten days after the due receipt thereof.

12. The consideration for the land/property being acquired is established by agreement between MOY and APs taking into account the market value of and damages, including consequential damages, and may include exchange of land/property. Adequate compensation shall be paid to the owner against alienation of his/her property. Adequate shall be the amount 15 percent over and above the market price for the alienated property. Assessment of the real estate or the real estate rights shall be made in accordance with the procedure defined in the Law of the Republic of Armenia on Assessment of Real Estate in Armenia adopted in October 4, 2005.

E.2. ADB’s Provisions on Involuntary Resettlement under the SPS

13. The ADB Policy on Involuntary Resettlement is based on the following principles:

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

E.3 Comparison of Armenia’s Law/Regulation on LAR and ADB SPS

14. Differences between Armenian laws/regulations and ADB policy are outlined in Table 1 below.

Table 1: Comparison of Resettlement Laws and Regulations

Armenian Laws and Regulations	ADB SPS
Land compensation only for titled landowners	Lack of title is not a bar to compensation and/or rehabilitation. Non-titled landowners receive rehabilitation
All affected houses/buildings are compensated for buildings damages/demolition caused by a project, with the	ADB Policy includes compensation for unregistered commercial structures as well

Armenian Laws and Regulations

ADB SPS

exception of unregistered commercial structures	
Crop losses compensation provided only to registered landowners	Crop losses compensation provided to all Aps
Land valuation based on current market value plus 15% of the assessed value.	Land valuation based on current market rate/replacement value
Information on impacts quantification/costing, entitlements, and amounts of compensation and financial assistance are to be disclosed to the AH/Aps prior to appraisal	The Same
No provision for income/livelihood rehabilitation measure, allowances for severely affected APs and vulnerable groups, or resettlement expenses	The ADB policy requires rehabilitation for income/livelihood, for severe losses, and for expenses incurred by the APs during the relocation process

15. In general, there are no basic differences between the Armenian legislation and ADB policies regarding the land acquisition and resettlement. However, the Armenian laws and regulations are not very clear on how the rehabilitation of APs is to be achieved. Another issue is that ADB recognizes as eligible to compensation or at least rehabilitation titled and non-titled owners or registered and unregistered tenants, To reconcile these gaps between the Armenian legislation and ADB's Policy, MOY has drafted this LARF for the Program, ensuring compensation at full replacement cost of all items and at least rehabilitation of informal/non-titled settlers, unregistered businesses. The LARF also provides for rehabilitation packages for APs that will be relocated are vulnerable or severely affected.

16. Attempts should first be made to acquire private land on the basis of negotiation with individual affected entities. Should the negotiation fail, the power of eminent domain will be sought and the expropriation process will start. In case of negotiated sale ADB requires that appropriate due-diligence will be put in place to ensure that the AP are offered fair price, are informed, are allowed sufficient bargaining space and their case is monitored by and independent external party. These conditions are fully guaranteed by the use of an independent Monitoring agency (see chapter K below) and by the Armenian Government practice of engaging independent land assessors to determine asset compensation rates,

E.4 LARF Principles and Entitlements adopted for this MFF

17. Based on Armenian laws and ADB's SPS, 2009, core involuntary resettlement principles are developed for this MFF which are as follows:

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

- Payment of compensation, resettlement assistance and rehabilitation measures will be fully provided prior to the contractor taking physical possession of the land and to the commencement of any construction activities on a particular package and .
- Appropriate redresses mechanisms to solve APs grievances are established.

F. COMPENSATION ELIGIBILITY AND ENTITLEMENTS FOR THE PROJECT

18. LAR tasks under the Project will be implemented according to a compensation eligibility and entitlements framework in line with both Armenian laws and regulations and ADB Policy. The basis to determine the amount of compensation is the market value of the property, and in case the cadastral value exceeds the market value of the property then the basis is considered to be the cadastral value. A summary entitlements matrix is included in Table 2 below.

Table 2: Entitlement Matrix

Type of Loss	Application	Definition of APs	Compensation Entitlements
1. Agricultural land Loss	AH losing agricultural land regardless of impact severity	Owners	Compensation at replacement value +15% either in cash at market rates or cadastral values (whichever the highest). When there are no active land markets cash compensation will be based on the value of the yearly product of the land for a sufficient number of years to ensure the affected parties rehabilitation for the loss of their land.
		Legalizable Owner	Legalizable APs will be legalized and paid the same compensation as above.
		Leaseholder (community/state)	Leaseholder will be legalized and compensated as full owners at market rates or cadastral values (whichever the highest) or will be given a new lease. If this is not possible they will receive compensation equal to "the market or cadastral value of affected land (whichever the highest) + 15%" in the following proportions according to the length of the lease: 1) < 1 year 5%; 2) < 15 years 14% ; 3) < 25 years 20%; 4) > 25 years -25%.
		Non-legalizable AHs	These APs will receive a rehabilitation allowance equal to 25% of the affected land market or cadastral value (whichever the highest)
2. Non-Agricultural Land loss	AH losing their commercial/residential land	Owner	Compensation at replacement value +15% either in cash at market rates or cadastral value (whichever the highest)
		Legalizable Owner	Same compensation as above.
		Leaseholder (community/state)	These AH will be legalized and compensated as full owners at market rates or cadastral values (whichever the highest) or will be given a new lease. If this is not possible they will receive compensation equal to "the market or cadastral value of affected land (whichever the highest) + 15%" in the following proportions according to the length of the lease: 1) < 1 year 5%; 2) < 15 years 14% ; 3) < 25 years 20%; 4) > 25 years -25%.
		Non-legalizable AHs	These APs will receive a rehabilitation allowance equal to 25% of affected land market or cadastral value whichever the highest.
3. Residential buildings		All AH regardless of legal status	Cash compensation + 15% for loss of building at full replacement cost (to be not less than the market value) free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs (with agreement of APs).
		Relocated Renters	Relocation and severe impact allowance as entitlement 9 and 10 below
4. Non-residential buildings/assets		AHs with valid registration	Cash compensation + 15% for loss of building at full replacement cost (to be not less than the market value) free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs (with agreement of APs).

Type of Loss	Application	Definition of APs	Compensation Entitlements
		AHs with non legal buildings/structures built on the legal land	Cash compensation for loss of building at full replacement cost (to be not less than the market value) free of depreciation/transaction costs and salvaged materials.
		AHs with non-legal buildings/structures built on the non- legal land	Rehabilitation allowance equal to replacement cost (free of depreciation/transaction costs and salvaged materials) minus the legalization cost, which is maximum up to 20% of market value.
		Relocated Renters	Relocation and severe impact allowance as entitlement 9 and 10 below
5. Common property Loss	Community/Public Assets	Community/State	Reconstruction of lost structure in consultation with community/state authorized agency and restoration of their functions
6. Crop Losses	Standing crops affected	All AH regardless of legal status (including owners subject to obtaining legal status and residents having no residency status)	One year crop compensation in cash at market rate by default at gross crop value of expected harvest.
7. Tree Losses	Trees affected	All AH regardless of legal status. (including owners subject to obtaining legal status and residents having no residency status)	Cash compensation at market rate based on type, age and productive value of the trees.
8. Business or Employment Losses	Business employment loss	All AH regardless of legal status (including owners subject to obtaining legal status and residents having no residency status).	Owner: (i). (permanent impact) cash indemnity of 1 year net income; (ii) (temporary impact) cash indemnity of net income for months of business stoppage up to 1 year. Assessment to based on tax declaration. In absence of tax declaration the AH will receive a rehabilitation allowance based on the maximum non-taxable salary for the number of months of business stoppage up to 1 year. The maximum non taxable salary is equal to minimum salary. Permanent Worker/Employees: Indemnity equal to: (i) Permanent job loss 6 months of average monthly salary; (ii) Temporary loss average monthly salary for the number of months of job loss up to 6 months.
9. Allowances for Severe Impacts	AH with >10% agricultural income loss or to be relocated	All severely affected AHs including informal settlers and relocated renters	i) 1 additional crop compensation covering 1 year yield for APs affected by severe agricultural income losses ii) a rehabilitation allowance of 6 months at minimum salary for relocated AHs.
10. Relocation allowances	Transport/transit on costs	All relocated AH including relocated renters	Provision of funds to cover transport costs and livelihood expenses for 1 month.
11 Vulnerable People Allowances		AHs below poverty line or headed by Women or elderly people	Allowance equivalent to 6 months of minimum salary and employment priority in project-related jobs
12. Temporary impacts		All AHs	Due rent and rehabilitation for temporarily affected assets will be provided.
13. Unforeseen LAR impacts, if any			MOY will consider the unforeseen resettlement impacts during project implementation and will compensate/rehabilitate based on the above provisions.

F.1 Eligibility

19. APs entitled for compensation or at least rehabilitation provisions under the Project are:

- All APs losing land either covered by legal title/land rights or without legal status;
- Tenants and sharecroppers whether registered or not;
- Owners of buildings, crops, plants, or other objects attached to the land; and
- APs losing business, income, and salaries.

20. Compensation eligibility will be limited by a cut-off date to be set for each subproject on the day of the beginning of the AP Census and DMS

eligible for compensation. They, however will be given sufficient advance notice, requested to vacate premises and dismantle affected structures prior to project implementation. Their dismantled structures materials will not be confiscated and they will not pay any fine or suffer any sanction.

F.2 Compensation Entitlements

21. Entitlement provisions for APs losing land, houses, and income and rehabilitation subsidies will include provisions for permanent or temporary land losses, buildings losses, crops and trees losses, a relocation subsidy, and a business losses allowance based on tax declarations and/or lump sums. These entitlements are detailed below:

- **Agricultural land impacts** will be compensated in cash at current market rates or cadastral value (whichever the highest) plus a 15% allowance. When there are no active land markets cash compensation will be based on the value of the yearly product of the land for a sufficient number of years to ensure the affected parties rehabilitation for the land loss of their land. Non-directly affected sections of a plot which become inaccessible or unviable for cultivation or any use after the impact will be included in the affected land. When >10% of an AP agricultural land is affected, AP (owners, leaseholders and sharecroppers) will get an additional allowance for *severe impacts equal to* the market value of a year's gross yield of the land lost. Transaction taxes and fees will be paid by the MOY or waived.

Legalizable APs will be legalized and paid as titled owners. **Non-legalizable APs** will be compensated with one time self-relocation allowances in cash equal to 25% of the market or cadastral value of the affected land (whichever the highest).

Leaseholders will be legalized and compensated as full owners or will be given a new lease. If this is not possible they will receive compensation based on the market or cadastral value (whichever the higher) of the affected land + a 15% allowance in proportion to the remaining years of lease as follows: i.) <up to 1 year - 5% of land value; 2) < up to 15 years - 14% of land value; 3) < up to 25 years - 20% of land value; 4) 25 years and more- 25% of land value.

- **Non agricultural land (Residential/commercial land).** Legal owners will be compensated in cash at market value plus a 15% allowance. If there is no market rate, compensation will be based on the annual productivity of land calculated for the number of years which will provide the AH's recovery for land loss. Non-directly affected sections of a plot which become inaccessible or unviable for cultivation or any use after the impact will be included in the affected land.

Legalizable APs will be legalized and paid as titled owners. **Non-legalizable APs** will be compensated with one time self-relocation allowances in cash equal to 25% of the market or cadastral value (whichever the highest).

Leaseholders will be legalized and compensated as full owners or will be given a new lease. If this is not possible they will receive compensation in cash at market or cadastral value (whichever the higher) of the affected land + a 15% allowance in proportion to the remaining years of lease as follows: 1) <up to 1 year - 5% of land value; 2) < up to 15 years - 14% of land value; 3) < up to 25 years - 20% of land value; 4) 25 years and more - 25% of land value.

- **Residential Buildings/structures** will be compensated to all APs irrespective of the house registration status in cash at replacement cost (to be not less than the market value) plus a 15% allowance. Compensation will be free of deductions for depreciation, transaction costs and salvageable materials. In case of partial impacts and unwillingness of the owner to relocate, building impacts will cover only the affected portion of a building and its full rehabilitation to

previous use. Relocated renters will be given all relocation and severe impacts allowances (see below).

- **Non-Residential Buildings/structures** will be compensated in the following ways: a) **AHs with valid registration** - Cash compensation + 15% for loss of building at full replacement cost (to be not less than the market value) free of depreciation/transaction costs and salvaged materials, b) **AHs with non legal buildings/structures built on the legal land** – As above, but without 15%, and c) **AHs with non-legal buildings/structures built on the non- legal land** – Rehabilitation allowance equal to replacement cost (free of depreciation/transaction costs and salvaged materials) minus the legalization cost, which is maximum up to 20% of market value. No need to legalize these buildings/structures. Relocated renters will be given all relocation and severe impacts allowances (see below).

- **Crops:** Cash compensation at current market rates for the gross value of 1 year's harvest by default. Crop compensation will be paid both to landowners and tenants based on their specific sharecropping agreements.

- **Trees:** Cash compensation at market rate based on type, age and productivity of trees.

- **Businesses:** Permanent losses (1 year or more) will be compensated in cash equal to a 1-year net income based on tax declaration; temporary losses will be compensated in cash equal to the monthly income based on tax declaration with the number of months of business stoppage. In absence of tax declaration these AP will be compensated as above but based on the maximum non-taxable salary (minimum salary).

- **Permanent business workers and employees:** Indemnity for lost wages for the period of business interruption up to a maximum of 6 months.

- **Relocation subsidy:** APs forced to relocate (including renters) will receive a relocation subsidy sufficient to cover transport costs and living expenses for 1 month.

- **Community Structures and Public Utilities:** Will be fully replaced or rehabilitated so as to satisfy their pre-project functions.

- **Severe impacts allowances.** These will be given to AH losing >10% of agricultural income (see above) or to relocated AH (including renters).

- **Vulnerable people Livelihood:** Vulnerable people (APs below poverty line and women or elder headed households) will be given a rehabilitation allowance equal to 6 months at minimum salary and priority in employment in project-related jobs.

F.3 Assessment of Compensation Unit Values

22. Assessment of the real estate or the real estate rights shall be made in accordance with the procedure defined in the *Law of the Republic of Armenia on Assessment of Real Estate in Armenia*. ADB methodology for assessing unit compensation values of different items is as follows:

- (i) **Agricultural Land** will be valued at market rates based on a survey of land sales in the year before the impact survey.
- (ii) **Houses/Buildings** will be valued at replacement rate based on construction type, materials cost, labor, transport/other construction costs. No deduction for depreciation/transaction costs. If an AP does not wish to relocate, partial impacts may be paid only for the affected portion of the building or repairs.

- (iii) **Annual Crops** will be valued at net market rates at the farm gate for the first year crop. In the eventuality that more than one-year compensation is due to the APs the crops after the first will be compensated at gross market value.
- (iv) **Trees** will be valued according to different methodologies depending whether the tree lost is a wood tree or a productive tree.
 - a. Wood trees will be valued based on age category (a. seedling; b. medium growth and c. full growth) and wood value and volume.
 - b. Fruit/productive trees will be valued based on age (a. seedling; b. adult-not fruit bearing; and c. fruit bearing). Stage (a) and (b) trees will be compensated based on the value of the investment made; stage (c) trees will be compensated at net market value of 1 year income x number of years needed to grow a new fully productive tree.

23. The unit compensation rates will be assessed by a certified independent evaluator based on clear and transparent methodologies acceptable to ADB. The assessed compensation rates will then be verified and certified by the PIU.

F.4 Conditions for Expropriation

24. Acquisition of land through expropriation proceedings entails lengthy procedures often may be resisted. Such an approach will thus be pursued under the Program only in extreme cases when negotiations between APs and MOY fail and no alternative land is available to implement a subproject. In these cases, however, MOY will not occupy the needed plots until: (i) the proper judicial process as defined by the law is initiated; (ii) a court injunction has been obtained and properly communicated to the APs; and (iii) the compensation/rehabilitation amounts are deposited in an escrow account.

F.5 Conditions for Legalization

25. In principle all occupants of untitled-plots can be legalized as long as they do not occupy areas classified as "Red Zones" (areas that are officially reserved for specific public use such military areas, hospital areas, school areas or areas that are not fit for settlement (river beds, radioactive terrains or other dangerous or ecological unfit lands)⁴. and corresponds to Armenian legislation other conditions. The private residential houses and the auxiliary buildings of residential significance adjacent to them constructed before May 15, 2001, in the administrative area of Yerevan, as well as the factually separated land plots allotted for their construction and maintenance, for which the documents for urban construction activity and/or land allocation given in the manner prescribed by the law have not been preserved, if they are not constructed or are not in the lands provided for in Article 60 of the Land Code of the Republic of Armenia, including alienation zones of transport engineering facilities, do not conflict with urban development norms, and do not create servitude, are considered the property of the natural person(s) in possession of those assets as their own⁵. The same principle is applied for the additionally used up to 300 square meters separated state property land plots adjacent to the legal land plots, and/or the residential houses and/or auxiliary buildings of residential significance constructed on the former, which are used for the construction and maintenance of a residential house, which belonged to citizens before May 15, 2001. In case of a land plot

⁴ See Land Code of the Republic of Armenia (2nd of May,2001) article 60

⁵ See Law of the Republic of Armenia "On the status of private residential houses in Yerevan which have not preserved their proof of title" (June 10, 2008) article 1, 2,3.

more than 300 square meters, the additionally used land plot is alienated in the manner prescribed by the law, by its cadastral value. To be Legalized the APs will have to initiate a legalization process in accordance to pertinent administrative regulations. The IA will assist APs seeking legalization and will facilitate their cases. The legalization expenses can be paid from the compensation amount allocated by the RA/MOY, if it is acceptable for AP.

G. GENDER IMPACT AND MITIGATION MEASURES

26. Women have important economic roles in project areas and engage in a very wide range of income making activities in the agricultural and marketing sector. The Project will pay particular attention to ensure that women are the recipients of the compensation pertaining to their activities and to ensure that women who are de-facto household heads are clearly listed as beneficiaries of compensation and rehabilitation proceedings under the loan. In order to ensure the above the following actions will be considered:

- Include women in the impact enumerators.
- Impact assessment of AHs/APs indicating the total number of families and people must be gender-disaggregated to pinpoint how many women are likely to be affected by the Project and establish their pre-Project conditions.
- Women will be major participants in the consultation processes to determine and negotiate for compensation entitlements and implement the LARP.
- Special attention will be given to the impact of resettlement on women and other vulnerable groups during monitoring and evaluation of the LARP.

H. PUBLIC CONSULTATION, PARTICIPATION AND DOCUMENTS DISCLOSURE

27. According to ADB policy, the APs must be fully consulted and provided with opportunities to participate in the planning and implementation of land acquisition and resettlement. They also must be informed in an appropriate and timely manner of the outcomes of the planning process, as well as the schedules and procedures for implementation of the LARP. Public information and consultation campaign must be carried out by the LARU during all stages of the land acquisition and resettlement process. In addition, the LARU must also organize public information meetings, participation of the APs in the DMS, full disclosure of the Resettlement Plan (RP) and informing the APs about the procedures for payments of compensation and relocation.

28. The LARF has been translated into Armenian and distributed to the project regions for review and endorsement. The LARF will be uploaded on the ADB resettlement website immediately upon Board approval. For the further tranches the updated LARF (if necessary) will be disclosed before Management consideration of each PFR.

29. During the different stages of the Project (planning, implementation, and monitoring) the following actions are in place: (i) distribution of public information brochure or booklets in Armenian, (ii) placement of copies of the LARP in Armenian in regional and community offices, and (iii) uploading of the LARPs on the ADB resettlement website.

30. Prior to the finalization of the LARP and its submission to the LARU the APs will be thoroughly informed on the results of the Census and DMS, and their preferences on compensation or other resettlement assistance will be given due consideration. The processes and mechanisms ensuring the active involvement of APs and other stakeholders will be detailed in the LARPs including the date, list of participants, and minutes of consultation meetings.

I. INSTITUTIONAL ARRANGEMENTS

31. The Program will be financed from the proceeds of the Loan Agreement signed between the Government of the RA and ADB. The mentioned Loan Agreement will specify the institutional arrangements of the Program and the structure and responsibilities of the Program Governing Council (PGC). The compensation/rehabilitation tasks described in this LARF involve distinct processes and dynamics and different actors. MOY, on behalf of PIU, will be the IA, MOE will be the EA. PIU Land Acquisition and Resettlement Unit (LARU) workers with the assistance of the consultants will develop and implement the LARP for each subproject based on the policy and procedures set out in this LARF. Several other Government and non -Government agencies will play instrumental roles in LAR processes. Pursuant to current legislation, the State Committee of Real Estate Cadastre of the Government of the Republic of Armenia. is responsible for providing information about the status of real estate ownership, and is in charge of the state registration of ownership. An organogram of the organizational setting for the program is included in Figure 1.

I.1. RA Ministry of Economy and MOY/ PIU

32. RA MOE implements general functions for the Program including cross-agency coordination. MOY is responsible for all LAR preparation, implementation and financing. It will exercise its functions through LARU under the PIU. The LARU will have Social and Resettlement Specialists (SRS) who will be responsible directly to the PIU head for the general management of the planning and implementation of all LAR tasks. A Project Governing Council (PGC) made up of representatives from the MOY, concerned ministries and chaired by RA Prime Minister has been established to oversee the Project and make high level decisions, including resolving high profile AP grievances or serving as a final decision making body for AP grievances, short of their being referred to the Courts.

33. The SRS will be responsible for: (i) cooperate with cadastral; (ii) assisting the consultants in mapping, surveying and title verification activities; (iii) send the LARP to ADB for review, (iv) Disclose the LARP; (v) plan and manage LARP implementation and the distribution of compensation; (vi) assist in case of complaints; (vii) ensure proper internal monitoring; and (viii) hire, following ADB recommendation, the external monitoring agency. The SRS will also provide all needed documentation to ensure the prompt allocation of LAR budgets to the APs and will maintain the coordination of all LAR related activities.

I.2 Consultants

34. Different types of consultants will be involved in LAR tasks:

- i. **PPTA Consultants:** These will include international and local LAR capacity and needed survey teams and will carry out all field-surveys and prepare the needed LARPs for the first tranche.
- ii. **Detailed Engineering Design and Construction Supervision (DES) Consultants:** These will include international and local LAR capacity and needed survey teams and will carry out the same activities for updating/finalizing the First tranche LARPs and will prepare LARPs for the following tranches.
- iii. **Project Management and Institutional Straightening (PMI) Consultants:** These will include international and local LAR capacity and needed survey

teams and will assist in the overall management of the projects, as well as preparation and implementation of LARP. The supervision consultants will also oversee LARP Implementation and carry out external monitoring and evaluation of the implementation of LARP for following tranches of the Program.

- iv. **Independent Monitoring Agency (IMA).** This consultant will be hired to conduct the external monitoring and evaluation of the implementation of tranche 1 LARP implementation. In the absence of a supervision consultant, the IMA will continue to carry out the external monitoring and evaluation for all the tranches.
- v. **Independent Asset Valuers.** These will be accredited private firms to be hired to evaluate affected assets identified by PPTA or Detailed Design and Supervision consultants.

I.3 Local Self-Government

35. Local authorities have direct jurisdiction for land administration and title verification. State Committee of Real Estate Cadastre Regional Offices will provide the data available in the local land registry and will facilitate the communication with community authorities. Community authorities will support surveys tasks, complaints resolution, AP consultation and compensation delivery as needed.

I.4. Other Agencies and Institutions

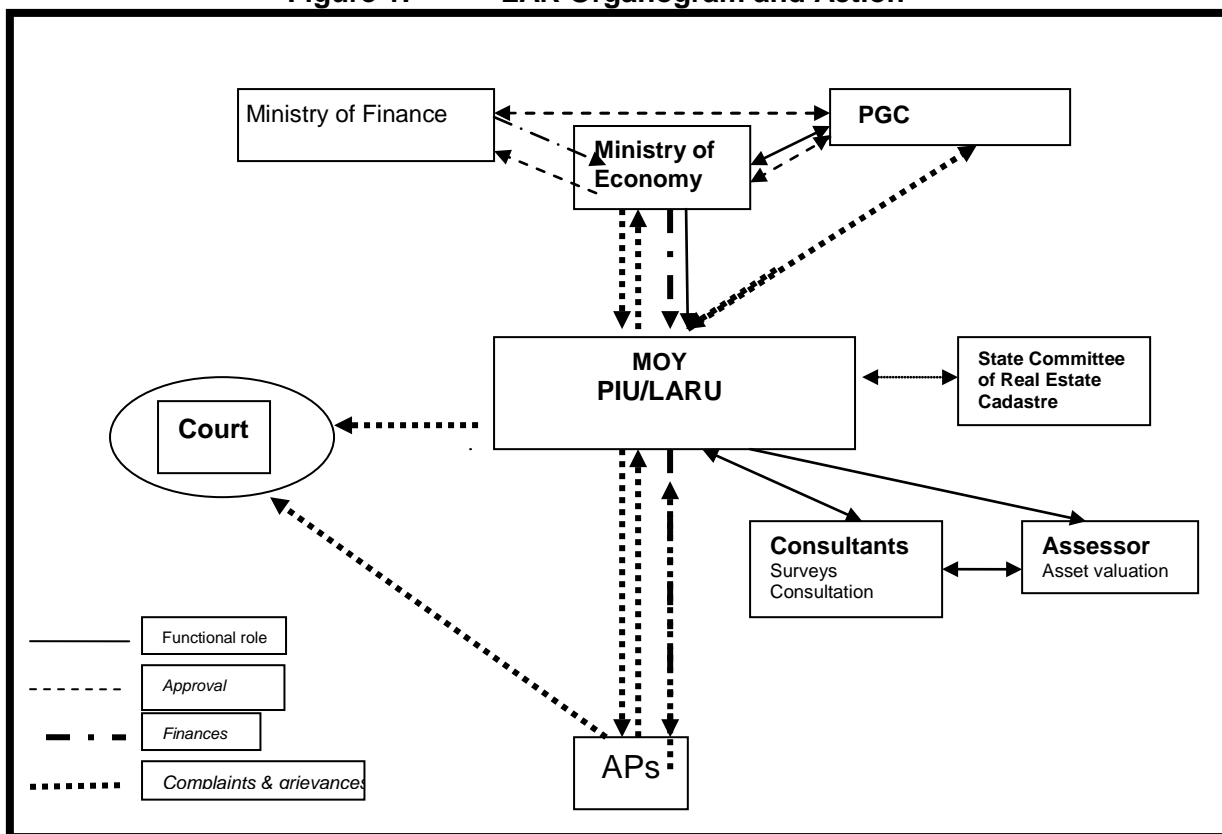
36. Several other institutions will participate to the preparation and implementation of LAR tasks. These are:

- i **Ministry of Finance .** The budgets for the implementation of the LARPs will be provided to MOY by the Ministry of Finance following the official approval of the final LARPs.
- ii **State Committee of Real Estate Cadastre of the Government of the Republic of Armenia.** The State Committee of Real Estate Cadastre of the Government of the Republic of Armenia is responsible for providing information about the status of real estate ownership, and is in charge of the state registration of ownership.
- iii **Courts.** In solving problematic cases related to property acquisition for public and state needs, the basis will be the court decision entered into force.

I.5 ADB.

37. Beside supervising periodically the Project ADB will review all LARPs and provide clearance to contract awards, signing/initiation of civil works to all subprojects with LAR.

Figure 1: LAR Organogram and Action



J. COMPLAINTS AND GRIEVANCES

38. A grievance mechanism will be available to allow an AP appealing any disagreeable decision, practice or activity arising from land or other assets compensation. During consultation, survey and compensation the AP shall be dully notified orally or in a written form about their rights and the procedure of complaints introduction. Complaints and not elimination of consequences should be ensured. This can be achieved by due preparation of LAR: providing full participation of AP and consultation, as well as providing contact and coordination between affected communities, IA and local self-government bodies. The Grievance resolution process will follow the steps defined below in table 3.

Table 3: Grievance Resolution Process

Land/ Crops Compensation Issues
1. First, complaints resolution will be attempted at PIU level with the involvement of the informal mediators. Within 30 days the PIU will dismiss the case or recommend its settlements to the APs.
2. If after the intervention and assistance with the PIU no solution has been reached, the APs should present their grievance to MOY. MOY must consult the PGC for their decision on whether to settle or go to Court. The AP must lodge the complaint within 1 month after receiving response on the original complaint from the PIU and must produce documents supporting his/her claim. The PGC will provide a response within 15 days of registering the complaint. The PGC decision must be in compliance with these RF provisions.
3. Should the grievance redress system fail to satisfy the AP, they can pursue further action by submitting their case to the appropriate court of law.

Nevertheless, above mentioned grievance mechanism does not limit the citizen’s right to submit the case to the court of law just in the first stage of grievance process.

K. MONITORING AND EVALUATION

39. LAR under the Project will be subjected to both internal and external monitoring. Internal monitoring will be conducted by LARU. External monitoring will be assigned to an Independent Monitoring Agency to be hired by MOY and approved by ADB. The IMA will be selected among Non-Governmental Organization (NGOs), academic Institutions, or consulting firms. ADB will advise MOY on the IMA's terms of reference once Project implementation has begun.

K.1 Internal Monitoring

40. Internal monitoring will be carried out routinely by LARU either directly or through the services of a consultant. The results will be communicated to ADB through the quarterly project implementation reports. Indicators for the internal monitoring will be those related to process and immediate outputs and results, which allow to assess the progress and results of LARP implementation, and to adjust the work program, if necessary. The monthly reports will be quarterly consolidated in the standard supervision reports to ADB. Specific monitoring benchmarks will be:

- (i) Information campaign and consultation with APs;
- (ii) Status of land acquisition and payments on land compensation;
- (iii) Compensation for affected structures and other assets;
- (iv) Relocation of APs;
- (v) Payments for loss of income;
- (vi) Selection and distribution of replacement land areas; and
- (vii) Income restoration activities

41. The above information will be collected by LARU which is responsible for monitoring the day-to-day resettlement activities of the project through the following instruments:

- a) Review of census information for all APs;
- b) Consultation and informal interviews with APs;
- c) In-depth case studies;
- d) Sample survey of APs;
- e) Key informant interviews; and
- f) Community public meetings.

K.2 External Monitoring

42. External monitoring will be carried out in parallel with the implementation of each LARP and will result in a quarterly report and in a final compliance report indicating whether the compensation program has been carried out based on the provisions of this LARF and ADB policy and with the satisfaction of the APs. The compliance report will be communicated to PIU/MOY and ADB and will be a condition to start civil works. External monitoring for the first tranche will be carried out by an IMA to be selected and hired among NGOs, Academic Institutions or independent consultants by PIU. For tranches after the first external monitoring will be carried out by the supervision consultant. Indicators for External Monitoring tasks will include:

- (i) Review and verify internal monitoring reports prepared by PIU /MOY;
- (ii) Review of the socio-economic baseline census information of pre-displaced persons;
- (iii) Identification and selection of impact indicators;
- (iv) Impact assessment through formal and informal surveys with the affected persons;
- (v) Consultation with APs, officials, community leaders for preparing review report; and

- (vi) Assess the resettlement efficiency, effectiveness, impact and sustainability, drawing lessons for future resettlement policy formulation and planning.

43. As part of the final compliance report the IMA will also assess the status of project affected vulnerable groups such as female-headed households, disabled/elderly and families below the poverty line. The following will be considered as the basis for indicators in monitoring and evaluation of the project:

- (i) Socio-economic conditions of the APs in the post-resettlement period;
- (ii) Communications and reactions from APs on entitlements, compensation, options, alternative developments and relocation timetables etc.;
- (iii) Changes in housing and income levels;
- (iv) Rehabilitation of informal settlers;
- (v) Valuation of property;
- (vi) Grievance procedures;
- (vii) Disbursement of compensation; and
- (viii) Level of satisfaction of APs in the post resettlement period.

44. The IMA will carry out a post-implementation evaluation of the LARP about a year after completion of its implementation. The compelling reason for this study is to find out if the objectives of the RP have been attained or not. The benchmark data of SES of severely affected APs conducted during the preparation of the LARP and Poverty Social Assessment (PSA) will be used to compare the pre and post project conditions. The IMA will recommend appropriate supplemental assistance for the APs should the outcome of the study show that the objectives of the LARP have not been attained.

L. CAPACITY BUILDING AND TRAINING IN LARP IMPLEMENTATION

45. All concerned staff involved in LAR tasks at LARU will undergo a two days-long orientation and training in ADB resettlement policy, management and Armenian legislation related to LAR. The training will be provided by the international and local Resettlement specialists of the project preparation consultants. Training will cover the following topics:

- i). Principles and procedures of land acquisition;
- ii). Public consultation and participation;
- iii). Entitlements and compensation & assistance disbursement mechanisms;
- iv). Grievance redress; and
- v). Monitoring of resettlement operations.

M. RESETTLEMENT BUDGET AND FINANCING

46. All RP preparation and implementation costs, including cost of compensation and LAR administration, will be considered an integral part of Project cost and will be contributed by ADB and as a counterpart fund by the GoA, in particular MOY. Land compensation and other expenses arose from the land acquisition (taxes, duty fees, and transaction costs) will be covered by the Municipality budget. Compensation for the remaining assets will be covered by the loan, except taxes, duty fees, and transaction costs envisaged by RA legislation. Each LARP will include a budget section indicating (i) unit compensation rates for all affected items and allowances, (ii) methodology followed for the computation of unit compensation rates, and (iii) a cost table for all compensation expenses including administrative costs and contingencies. Costs for external monitoring tasks and for the preparation of surveys and LARPs can be allocated under the loan.

47. Being the project owner, MOY is responsible for the timely allocation of the funds needed to implement the LARPs. As per the LAR finances flow the budget for compensation and rehabilitation will be directly disbursed by MOY to the AP.

N. LARP IMPLEMENTATION PROCESS

48. Based on experience in Armenia the Preparation and implementation of a LARP may take up to a few months. The basic LAR-related steps for the preparation and implementation of a LARP are summarized on Box 1 below.

BOX1: LAR TASKS PROCESS

Step	Action	Responsibility
A) LARP PREPARATION		
1	Assessment of Project's Poverty and Social Impacts	PPTAC
2	Finalization of preliminary design	DESC/PMIC/MOY/PIU
3	Prepare surveys forms for Census and DMS, train local Census and DMS teams	PPTAC/DESC/PMIC/MOY/PIU
4	Collection of cadastral and land parcel maps of the project area	PPTAC/DESC/PMIC/
5	Verify land records in affected areas, update cadastral maps and carry out impacts and valuation surveys – Detailed Measurement Survey (DMS)	PPTAC/ DESC/PMIC/ PIU
6	Conduct public consultations	PPTAC/ DESC/PMIC/ PIU LARU
7	Negotiations with APs	PPTAC/ DESC/PMIC/ PIU LARU
8	Integrate data from Census into the RP	PPTAC/ DESC/PMIC
9	Submission of LARP for RA Government endorsement and ADB for approval	PMIC/ MOE/MOY/RA Government/ADB
10	Disclosure	PPTAC/ DESC/PMIC/ PIU
B) LARP Finalization (Detailed Design)		
1	Detailed Design	PPTAC/ DESC/PMIC/ PIU
2	Review of impacts and AP lists based on detailed design	PPTAC/ DESC/PMIC/ PIU LARU
3	Review of prices based on the updated rate	PPTAC/ DESC/PMIC/ MOY/ PIU LARU
4	Legalization of legalizable	DESC/PMIC/ MOY/ PIU
5	Preparation of the final LARP	DESC/PMIC/ PIU LARU
6	ADB Approval	ADB
7	Final RP disclosure: Distribution of RP and information pamphlets in Armenia in the affected communities; posting of RP in English on the ADB website	DESC/PMIC/ PIU LARU /ADB
8	Signing of civil contract award	ADB/ MOY/PIU
C) RP IMPLEMENTATION		
1	Approval of Contract awards Signing	ADB
2	Detailed Schedule for compensation action plan	PMIC/ PIU LARU / MOY
3	Distribution of Relocation Notices to APs	MOY/ PIU
4	Award of Cheques for Land Compensation	MOY / PIU
5	Award of Cheques for other Compensation & Assistance/ Rehabilitation	MOY / PIU
6	Demolishing/ Relocation of Affected Structures/Assets	MOY/ Contractor
7	Review of RP Implementation through a compliance report	MOY / PIU LARU /IMA/ADB
8	If RP Implementation found satisfactory, Notice to proceed for Civil works is issued	PMIC/ADB/ MOY
D) POST-IMPLEMENTATION TASKS		
1	Independent evaluation of LARP	IMA
E) CYCLICAL/CONTINUOUS TASKS		
1	Internal monitoring. Quarterly reporting to ADB	PMIC/PIU LARU

2	External Monitoring. Semi-annual reporting to ADB	PMIC/IMA
3	Grievances Redress/Law Suites	MOY/ PIU /PMIC /Court
4	Inter-agency coordination and Communication with AP	MOE /MOY/ PIU LARU

ANNEX A OUTLINE OF A STANDARD LARP

1. LAR issues for the scheme

This chapter describes the scheme activities and items requiring LAR; alternative options, if any, considered to minimize land acquisition and its effects; and why remaining effects are unavoidable.

2. Scope of land acquisition and resettlement

This chapter describes the preparation of the impacts (who carried it out and when it was initiated) and provides a full assessment of each type of impact and a census of affected peoples as described in the LARF. The chapter also includes a description of the methodology followed to determine unit-compensation rates for each affected item and subsidy/allowance.

3. Objectives, policy framework, and entitlements

Based on the LARF, this chapter outlines the eligibility and compensation framework for the scheme.

4. Consultation and grievance redress participation

This chapter summarizes procedures for redress of grievances by people affected described in LARF and describes the consultation/participation process and grievance redress that occurred in the subproject at hand.

5. Compensation, relocation, and income restoration

This chapter outlines the income restoration measures to be implemented.

6. Institutional framework

This chapter outlines the institutional arrangements for the scheme based on this LARF. It includes the following issues: responsibilities for main tasks and for planning, negotiating, consulting, approving, coordinating, implementing, financing, monitoring, and evaluating land acquisition and resettlement.

7. Resettlement budget and financing

This chapter provides the unit compensation rate for each affected item and assesses the LAR budget for the scheme. The LAR budget will include land acquisition and eventual land acquisition costs, amounts due for crop compensation and for the subsidies and allowances, monitoring and evaluation costs, and administrative costs and will be adjusted for inflation and applicable taxes.

8. Implementation schedule

This chapter provides a time schedule showing the LAR process and linking LAR tasks with civil works implementation.

9. Monitoring and evaluation

This chapter specifies arrangements for routine and independent monitoring and evaluation activities.