

# Semi-annual Social Safeguards Monitoring Report

(January to June 2012)

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## **Armenia: Sustainable Urban Development Investment Program**

### **Tranche 1**

**Project Number: 42417**

**Loan Number: L2752**

**Prepared: July 2013**

**Prepared by the Yerevan Municipality**

**Yerevan Project Implementation Unit**

## ABBREVIATIONS

ADB	-	Asian Development Bank
AH	-	affected households
AP	-	affected persons
DESC	-	detailed engineering and construction supervision consultant
EA	-	executing agency
IA	-	implementing agency
IMA	-	independent monitoring agency
LAR	-	land acquisition and resettlement
LARF	-	land acquisition and resettlement framework
LARP	-	land acquisition and resettlement plan
MOE	-	Ministry of Economy
MFF	-	multitranches financing facility
PIU	-	project implementation unit
PGCC	-	Project Governing and Coordinating Council
PMIC	-	project management and institutional strengthening consultant
PPMS	-	project performance monitoring system
PPTA	-	project preparatory technical assistance
RS	-	resettlement specialist
SUDIP	-	Sustainable Urban Development Investment Program
TA	-	technical assistance
YM	-	Yerevan Municipality
N-S	-	North-South Road Corridor

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## I. INTRODUCTION

### A. Project Background

1. The Government of Armenia has received a loan from the Asian Development Bank (ADB) to finance the Sustainable Urban Development Investment Program (SUDIP) - Project 1. This project derives from a request from the Yerevan Municipality (YM) to ADB to define a strategic plan to improve urban transport in Yerevan aligned with the urban master plan of Yerevan city. This plan aims at promoting a sustainable, integrated, socially affordable and cost efficient urban transport system.

2. The investment program targets a range of urban connectivity and mobility improvements in all parts of Armenia, aiming to improve transport efficiency, reliability, and safety, and reduce congestion. The program consists of several financial tranches/projects; 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.

3. The impact of the multi-tranche financing facility (MFF) will be the improved urban environment, local economy and enhanced private sector within urban areas. The outcome will be efficient, reliable and affordable urban infrastructures and services provided in Armenian cities.

4. The main objective of Project 1 is to complete the road based missing links of the western urban ring. The two captioned road projects will help to divert through-traffic around the city center. The economic benefits and the use to the traveling public and to freight traffic will be further improved.

5. During the whole MFF the Ministry of Economy(MOE) will act as the executing agency (EA), and the 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.

6. According to Loan Agreement YM on behalf of PIU shall submit semi-annual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission. The objective of this document is to report to ADB on social safeguards compliance particularly regarding the implementation of involuntary resettlement safeguards measures. The report covers period from 1 July to 30 December 2012.

### B. Project Scope

7. The Project comprises the following components:

a. **Urban Infrastructure, including the following subprojects:**

- (i) Argavand -Shirak street;
- (ii) Artashathighway, Shirak street and Arshakunyats avenue section

b. **Institutional Strengthening** to strengthen institutional framework and urban transport organization, increase coordination, monitoring and financing of urban transport subsector; and

- c. **Program Management and Capacity Building:** consulting services for subproject preparation, construction supervision, audit, social and environmental assessments, and institutional capacity development in the urban transport sector.

### **C. Project Classification and Impacts**

8. SUDIP- Project1 was classified as resettlement category A:200 or more persons experience major impacts, which are defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive (income generating) assets.

## **II. SCOPE AND STATUS OF LAND ACQUISITION AND RESETTLEMENT SAFEGUARD**

### **A. LARF**

9. The first LARF approved in 2010 was submitted to ADB and the ADB safeguards team confirmed the compliance of the LARF with ADB Safeguard Policy Statement 2009. Municipality already prepared the decree for Cabinet of Ministers approval but the appendix prepared for the North South Corridor is not acceptable and is currently being revised. ADB confirmed its conditional approval of the LARF and requested Municipality to submit the revised appendix when it is finalized between the Government, the North South Corridor PIU and the ADB safeguards team.

10. The second LARF was approved in March 2012 with some revisions in Table 2: Entitlement Matrix of the LARF. This allowed differentiating APs according to the property rights and compensation/rehabilitation measures as mentioned below:

- a. Agricultural land Loss and non-agricultural land loss: Affected persons (AP) will receive a rehabilitation allowance equal to the 25% of the affected land market or cadastral value (whichever the highest).
- b. Residential buildings: All affected households (AH) regardless of legal status will receive cash compensation + 15% for loss of building.
- c. Non-residential buildings/assets: These classify into three groups:
  - i. legal buildings on the legal land - cash compensation + 15% for loss of building at full replacement cost;
  - ii. non-legal buildings on the legal land – cash compensation at full replacement cost without 15%;
  - iii. non-legal buildings on the non-legal land – cash compensation at full replacement cost minus the legalization cost. The legalization process of the buildings is not mandatory. The similar approach will reduce the number of complaints and will facilitate the project implementation and resettlement processes.

### **B. LARP**

11. The LARPs were prepared with the 2010 LARF and the existing alignment will be submitted to ADB by end of July 2011 by Mott Mac Donald. These LARPs will be updated by DESC based on the 2012 LARF and the final alignment will be approved during the detailed design.

12. In February, Municipality and ADB agreed splitting the subprojects into 6 different sections according to the scale of the resettlement. To facilitate the implementation PIU will start preparing these LARPs with the support of ARRM. This will make possible to start the implementation of the LARP for sections where alignment is already final and resettlement limited with comprehensive surveys. The PIU will recruit a national consultant to assist in preparation of other LARPs.

13. IMA contract was signed on May 31, 2012, but as the DESC contract hadn't been signed yet, commencement of the services was not announced. As DESC contract is expected to be signed in September of 2012, the implementation of the first LARP could start in 4th quarter of 2012.

14. The PIU has already signed protocols with most of the APs and can start working on the legalization process. PIU will assist APs seeking legalization and will facilitate their cases.

### **C. Monitoring and Evaluation of Land Acquisition and Resettlement Plans**

15. Land acquisition and resettlement (LAR) will be monitored both externally and internally.

16. **External monitoring:** The external monitoring of LAR will be done by an independent agency (IMA) with the objective to monitor LARPs' preparation, implementation and post implementation processes, and to identify problems and suggest respective solutions, if necessary. The monitoring and evaluation of LARPs progress against the targeted performance indicators will be based on data from primary and secondary sources. IMA will use field visits and interviews with a representative sample of the APs/AHs.

17. **Internal monitoring:** PMIC will establish an internal monitoring system of the LARPs under the guidance of PIU resettlement specialist. The resettlement specialist and PMIC will develop appropriate key performance indicators for internal monitoring of LARPs implementation and will collaborate with PIU monitoring and evaluation specialist to include them in the project performance monitoring system (PPMS). These will focus on land acquisition and resettlement targets, and actual realization of these targets, especially in a timely manner so as not to delay overall project progress, while recognizing the important need to treat resettled persons fairly and equitably. PMIC under the guidance of PIU resettlement specialist will prepare semi-annual social monitoring reports that describe the progress of the implementation of resettlement activities and any compliance issues and corrective actions.

### **D. LARPs Preparation Schedule**

18. Schedule of tasks related to land acquisition and resettlement safeguard for the reporting period is provided in Table 1 below:

**Table1: Land Acquisition and Resettlement Tasks Schedule, July 2012- January 2013**

<b>Tasks</b>	<b>Status</b>	<b>Targeted Dates</b>
1. Preliminary design finalization	completed	
2. Detailed measurements survey (DMS) and data collection	completed	
3. LARF finalization and approval	<b>on-going</b>	<b>October 2012</b>
4. Description protocols finalization	<b>completed</b>	
5. Agreement on property alienation finalization	<b>on-going</b>	<b>November 2012</b>
6. The first LARP finalization and approval (1/6)	<b>on-going</b>	<b>November 2012</b>

### **III. INSTITUTIONAL ARRANGEMENTS OF LAND ACQUISITION AND RESETTLEMENT**

19. The loan agreement signed between the Government of Armenia and ADB specifies the institutional arrangements of the program and the structure and responsibilities of the Program Governing Council (PGC). The compensation/rehabilitation tasks described in the LARF involve distinct processes and dynamics and different actors.

#### **A. YM/ PIU and Other State Agencies**

20. YM has overall responsibility for the project. This includes preparation, implementation and financing of all LAR tasks and cross-agency coordination. YM exercises its functions under the PIU for the general management of the planning and implementation of all LAR tasks. PIU has been restructured, and for the implementation of the project a specific unit is set up within PIU. PIU has been staffed with qualified professionals passed tender.

21. PIU land acquisition and resettlement specialist with the assistance of the consultants is responsible for development and further implementation of the LARP for each subproject based on the policy and procedures set out in the LARF.

22. A Project Governing Council (PGC) made up of representatives from the YM, 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, to shorten their being referred to the courts.

23. Several other government agencies play instrumental roles in LAR processes.

- a. **Ministry of Finance:** The budgets for the implementation of the LARPs will be provided to YM by the Ministry of Finance following the official approval of the final LARPs;
- b. **State Committee of Real Estate Cadastre of the Government of the Republic of Armenia:** The Committee is responsible for providing information about the status of real estate ownership and is in charge of the state registration of ownership.
- c. **Ministry of Labor and Social Affairs:** The Ministry is responsible for providing information about vulnerable APs and employees of affected businesses.
- d. **State Revenue Committee:** The committee is responsible for providing information on affected businesses and their net annual income/profit.
- e. **Local/district authorities:** The list of non-legal land users will be provided by the local administrative districts. For the first LARP the information will be provided by Shengavit administrative district.
- f. **Courts:** In solving problematic cases related to property acquisition for public and state needs, the basis will be the court decision entered into force.

## **B. Consultants**

24. Different types of consultants are involved in LAR tasks: a) PPTA consultants who have carried out all the preliminary field-surveys; b) design consultants who will update the LARP to make it implementation ready; c) Supervision consultants assisting in LARP implementation; d) IMA who will conduct the external monitoring and evaluation of the implementation of the LARP.

25. Once the final road alignment is confirmed, the DESC will prepare the implementation-ready LARPs to be finalized concurrently with the detailed design and will assist in implementing the LARPs. Currently DESC conducts all needed surveys for the implementation-ready LARPs and assists PIU in establishment of a complaints and grievances mechanism. DESC also finalizes the compensation budgets for the projects. Once finalized, the PMIC will review and confirm the final budgets.

26. PMIC will prepare safeguard manual related to involuntary resettlement to guide the implementation of resettlement activities. PMIC will review and verify the implementation-ready LARPs and will establish an internal monitoring system of the LARPs. With the support of the PIU resettlement specialist and the YDPIU public relations and communication specialist and the DESC, PMIC will disclose information pamphlets and conduct the consultations with affected families and persons. PMIC will also assist PIU in implementing the LARPs. The PMIC will monitor and report to YM, MOE and ADB the performance of the project and ensure compliance with all



social safeguards' requirements. The PMIC will update and implement with YM and PIU the community and gender action plan over the project period.

27. PIU coordinates and monitors the DESC and PMIC activities to ensure project performance in accordance with the ADB's Safeguard Policy Statement 2009 and relevant Armenian laws and regulations covering land acquisition and resettlement.

#### IV. COMPLIANCE OF LOAN COVENANTS RELATED TO RESETTLEMENT

28. Compliance status related to loan covenants concerning with resettlement/social issues for the reporting period is provided in Table 2 below:

**Table 2: Project Compliance status to Loan Resettlement/Social Covenants**

Loan Covenants	Compliance Status
<p><b>Land Acquisition and Involuntary Resettlement</b> The Borrower shall ensure that all land and all rights-of-way required for each Subproject are made available to the Works contractor in accordance with the schedule agreed under the related Works contract and all land acquisition and resettlement activities are implemented in compliance with (a) all applicable laws and regulations of the Borrower relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; (c) the LARF; and (d) all measures and requirements set forth in the respective LARP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.</p>	<p>To date Land Acquisition and Involuntary Resettlement has not been implemented, but shall comply once Land Acquisition and Involuntary Resettlement arrangements are started. The draft LARF and LARPs are prepared by the technical assistance consultant, recruited by ADB. The LARF was revised and approved by the ADB in 2012 and will be submitted for the Government approval during the next quarter. The LARPs will be updated by the DESC based on the 2012 LARF.</p>
<p>Without limiting the application of the Involuntary Resettlement Safeguards, the LARF or the LARPs, the Borrower shall ensure that no physical or economic displacement takes place in connection with the Subprojects until:</p> <p>Compensation and other entitlements have been provided to affected people in accordance with the LARPs; and</p> <p>A comprehensive income and livelihood restoration program has been established in accordance with LARPs.</p>	<p>To be complied with.</p>

<p><b>Human and Financial Resources to Implement Safeguards Requirements</b></p> <p>The Borrower shall make available necessary budgetary and human resources to fully implement the EMP, the LARPs and IPP.</p>	<p>Being complied with: Budgetary resources will be available in accordance with the Financing Plan described in Periodic Financing Request. For the proper implementation of the resettlement and environmental arrangements a resettlement specialist and an environmental specialist will be involved in the new project unit. The PMIC and DESC consultants will have environment and resettlement specialists in their staff composition. The project is not expected to affect indigenous people.</p>
<p><b>Health and Labor Standards</b></p> <p>The Borrower shall cause Yerevan to ensure that contractors engaged under the Project (i) comply with all applicable labor laws; (ii) use their best efforts to employ woman and local people, including disadvantaged people, living in the vicinity of the Project; (iii) provide equal pay to men and women for work of equal type; (iv) provide and adequately equip first-aid, health and sanitation, and personal hygiene facilities for male and female workers at the Project site; (v) maximize female training and employment; (vi) conduct an information and education campaign on sexually transmitted diseases and HIV/AIDS for construction workers as part of the health and safety program at campsites and adjacent communities during Project implementation; and (vii) abstain from child labor. Relevant contracts financed under the Project must include specific clauses on these undertakings.</p>	<p>To be complied with.</p>
<p><b>Gender and Development</b></p> <p>The borrower shall cause Yerevan to ensure that within 6 months of the Effective Date, the community and gender action plan is agreed with ADB, that it is implemented in timely manner over the Project period, and that adequate resources are allocated for this purpose.</p>	<p>Being complied with: The community and gender action plan was prepared on May 2011, by the technical assistance consultant recruited by ADB. The PMIC will update and implement with YM and PIU the community and gender action plan over the RFP 1 period.</p>
<p><b>Safeguards-related Provisions in Bidding Documents and Works Contracts</b></p> <p>The Borrower shall ensure that all bidding</p>	<p>To be complied with.</p>

<p>documents and contracts for Works contain provisions that require contractors to:</p> <ul style="list-style-type: none"> <li>(a) comply with the measures and requirements relevant to the contractor set forth in the IEE, the EMP, and the LARP(to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set out in a Safeguards Monitoring Report;</li> <li>(b) make available a budget for all such environmental and social measures;</li> <li>(c) provide the Borrower with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks or impacts that arise during construction, implementation or operation of the project that were not considered in the IEE, the EMP, and the LARP;</li> <li>(d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and</li> <li>(e) fully reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction.</li> </ul>	
<p><b>Safeguards Monitoring and Reporting</b></p> <p>The borrower shall do the following</p> <ul style="list-style-type: none"> <li>(a) submit semi-annual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission;</li> <li>(b) If any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the project that were not considered in the IEE, the EMP, and the LARP, promptly inform ADB of the occurrence of such</li> </ul>	<p>Shall comply at the appropriate time.</p>

<p>risks or impacts, with detailed description of the event and proposed corrective action plan;</p> <p>(c) No later than [6 months], engage qualified and experienced external experts or qualified NGO under a selection process and terms of reference acceptable to ADB, to verify information produced through the Project monitoring process, and facilitate the carrying out of any verification activities by such external experts; and</p> <p>(d) Report any actual or potential breach of compliance with the measures and requirements set forth in the EMP or the LARP promptly after becoming aware of the breach.</p>	
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## V. CONCLUSION AND PLAN FOR THE NEXT REPORTING PERIOD

29. Land acquisition and involuntary resettlement has not been implemented yet, but will comply with loan covenants once land acquisition and involuntary resettlement arrangements are made. Currently, it is in the preparatory stage as final implementation-ready LARPs are being prepared by DESC.