

May 2016



High Voltage Electric Networks

Caucasus Energy Network Project

Rehabilitation of OHLs Lori and Tumanyan-1 and -2



Draft Final Resettlement Policy Framework Deliverable 02

FICHTNER

Sarweystraße 3
70191 Stuttgart • Germany
Phone: + 49 711 8995-0
Fax: + 49 711 8995-459
www.fichtner.de

Please contact: Uwe Armonies
Extension: - 335
E-mail: Uwe.Armonies@fichtner.de

Rev No.	Rev-date	Contents /amendments	Prepared/revised	Checked/released
0	23.05.2016	Draft Final Resettlement Policy Framework(RPF)	Schülein/ Back	Neubauer

Disclaimer

The content of this document is intended for the exclusive use of Fichtner's client and other contractually agreed recipients. It may only be made available in whole or in part to third parties with the client's consent and on a non-reliance basis. Fichtner is not liable to third parties for the completeness and accuracy of the information provided therein.

Table of Contents

1. Summary	1
2. Introduction	3
2.1 Project Description	3
2.2 Description of the Project Components for which Land Acquisition and Relocation are possible	4
2.3 Rationale for Preparation of a Resettlement Policy Framework (RPF)	5
2.4 Principles and Objectives Governing Resettlement Preparation and Implementation	6
2.5 Scope of Resettlement within the Project	7
3. Institutional and Legal Framework	10
3.1 Institutional Framework	10
3.2 Legal Framework	14
3.3 Comparison of Armenian Laws and the Policy for Involuntary Resettlement of EBRD PR 5	17
3.4 Gap Analysis	19
4. Eligibility and Entitlement Framework	20
4.1 Eligibility	20
4.2 Entitlement Framework	20
4.2.1 Land	21
4.2.2 State and community/municipal lands	22
4.2.3 Structures	22
4.2.4 Other compensations and allowances	23
4.3 Methods for Valuation of Assets	24
5. RAP Preparation, Review and Approval	26
6. Implementation Process	27
6.1 RAP Implementation Process	27
6.2 Grievance Mechanism	33
6.3 Institutional Capacity	37
6.4 Monitoring	38
7. Public Consultation and Disclosure	40
8. Costs and Budget	43

9. Annexes	44
9.1 Entitlement and Compensation Matrix	44
9.2 Checklist for Census Information	47
9.3 Sample Census Format	48
9.4 Sample Inventory of Losses Format	49
10. Minutes of Public Consultation	50

ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
CC	Construction Contractor
EBRD	European Bank for Reconstruction and Development
EMF	Electric and Magnetic Fields
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESRP	Electricity Supply Reliability Project
ETNIP	Electricity Transmission Network Improvement Project
HVEN	High Voltage Electric Networks
kV	Kilovolt
IUCN	International Union for Conservation of Nature
KWh	Kilowatt-hour
KfW	Kreditanstalt für Wiederaufbau /German Development Bank
MW	Megawatt
MOTC	Ministry of Transport and Communication of RA
NGO	Non-Governmental Organization
OHL	Overhead Transmission Line
PAP	Project Affected Person
RA	Republic of Armenia
RAP	Resettlement Action Plan
ROW	Right of Way
RPF	Resettlement Policy Framework
SEA	Strategic Environmental Assessment
SNCO	State Non-commercial Organization
TOR	Terms Of Reference
UNDP	United Nations Development Program
WB	World Bank
WWF	World Wide Fund for Nature

1. Summary

The present Resettlement Policy Framework (RPF) has the objective to clarify resettlement and land acquisition requirements and organizational arrangements for the planned replacement of the 220 kV OHL Lori and the 110 kV OHLs Tumanyan-1 and Tumanyan-2 which is part of the Caucasus Energy Network Project.

The purpose of this Project is to achieve an asynchronous power connection between Georgia and Armenia and thereby provide a reliable, flexible and mutually profitable cross-border energy exchange not only between Armenia and Georgia but within the South Caucasus and beyond with other regions.

Rehabilitation of OHLs Lori and Tumanyan-1 and -2 will improve the reliability of power supply in northern Armenia. These OHLs are feeding several large industrial and residential customers, but those lines are dilapidated and require rehabilitation.

Rehabilitation of these lines will be implemented after construction and commissioning of BtB s/s Ayrum, as Lori line can then be disconnected, dismantled and reconstructed in the already existing line corridor.

For the preparation of the present document a field survey of the entire line has been undertaken, including discussions with representatives of potentially affected population and stakeholder interviews in the affected regions. The research has been complemented by an analysis and up-date of the legal and institutional framework by a local legal expert.

Fichtner has previously prepared an Environmental and Social Impact Assessment (ESIA) Study and a RPF for the rehabilitation of OHLs Lori and Tumanyan-1 and -2 in 2014 (WB). The ESIA and RPF had been conducted under the given pre-condition that most of the existing towers of the lines could remain. As part of the Caucasus Energy Network Project rehabilitation of these lines will be implemented only after construction and commissioning of BtB s/s Ayrum as Lori line can then be disconnected, dismantled and reconstructed in the already existing line corridor under consideration of the recommended bypasses. The Final Draft versions of the above mentioned ESIA, including the ESMP, and the RPF were disclosed to the public in English and Armenian versions for two weeks. The document was not only posted on HVEN's website, but was also delivered in printed copies to the local administration offices and advertisements in local media about their availability were done. Printed copies were also provided to representative civil society organizations.

After disclosure of the documents, public consultation meetings on the ESIA were held on 14th and 15th January 2015 in the municipalities of Vanadzor and Alaverdi. Consultation meetings concentrated on interpreting the ESIA report to the PAP and seeking their feedback and concerns, which were involved in the final reports.

An in-depth public consultation and socio-economic survey, including census, cadastral information inventory of losses will have to be made by HVEN (especially for the Lori 220 kV OHL) when the project design is finalized.

2. Introduction

2.1 Project Description

Rehabilitation of 220 kV OHL Lori and 110 kV OHLs Tumanyan-1 and Tumanyan-2 are part of the Caucasus Energy Network Project. The purpose of this Project is to achieve an asynchronous power connection between Georgia and Armenia and thereby provide a reliable, flexible and mutually profitable cross-border energy exchange not only between Armenia and Georgia but within the South Caucasus and beyond with other regions.

Replacement of Lori 220 kV Overhead Transmission Lines (OHL)

- The existing 220 kV OHL Lori with a length of approx. 50 km starts at Vanadzor substation (about 1,342 m a.s.l.) and ends at Alaverdi-2 substation (about 964 m a.s.l.). It was commissioned in 1972. Starting from Vanadzor it runs east of the village of Bazum, crosses the road H23, the Gyulagarak State Sanctuary and the road M3, runs south of Gargar and Hobardzi villages, crosses the valley of Dzoraget river, passes the villages of Mghart in the south and Ardvi in the east, runs west of the village Amoj and around Akori, crosses the steep valley of Debed river, passes the villages Sarahart and Sanahin in the south, and is finally reaching Alaverdi-2 substation.
- Rehabilitation of this line will be implemented after construction and commissioning of BtB s/s Ayrum, as Lori line can then be disconnected, dismantled and reconstructed in the already existing line corridor.

Replacement of Tumanyan-1 and -2 110 kV OHLs:

- The 110 kV OHLs Tumanyan-1 and -2 with a length of about 3 km leave substation Alaverdi-2 as one double circuit line and are divided into two single circuit lines before crossing the steep valley of Debed river. On the other side of this valley the line is running west to substation Alaverdi-1. Based on information from HVEN, for construction it is foreseen to connect s/s Alaverdi-1 with Alaverdi-2 via the actual unused part of the OHL Lori. Then the old Tumanyan lines will be dismantled and a new double circuit 110 kV line will be constructed using the existing corridors. However, as the existing lines over-span inhabited buildings down in the valley, it is recommended to shift over-spanning of Debed River valley to the east and then join the existing corridor.
- No land for towers has to be acquired for OHLs Tumanyan-1 and -2, except temporarily for an additional tower needed to connect s/s Alaverdi-2 with the actual unused extension of the Lori line to Alaverdi-2 and for two or three new towers on the northern side of Debed valley. The 110 kV overhead transmission lines Tumanyan-1 and -2 connect substation Alaverdi-2 with substation Alaverdi-1, which is located inside the area of a copper mining company (Vallex Group). Substation Alaverdi-1 feeds this mining company with energy and supplies the city of Alaverdi.

- According to HVEN OHL Tumanyan-1 was commissioned in 1962, OHL Tumanyan-2 in 1963, thus these lines shall be completely replaced by a new double circuit line, including dismantling of old towers, conductors, insulators, etc.

2.2 Description of the Project Components for which Land Acquisition and Relocation are possible

A) Replacement of the 220 kV OHL Lori:

- Technical regulations on safety zones for electric networks of Armenia define a distance of 20 m on each side from 110 kV, 25 m from 220 kV, and 30 m from 400 kV and 500 kV OHLs as a buffer zone (GRA 2009). Additionally, the clearance between the conductors (depending on the final design of the towers) has to be considered. Thus, a ROW width of 60 m for Lori OHL is taken as basis for this study.
- The rehabilitation of OHL Lori will include the dismantling of the currently used 220 kV single circuit transmission line, which was constructed in 1972, and the installation of a new 220 kV single circuit line. Towers 1 to 14 of the existing line shall remain, if possible (rehabilitation of towers and foundations, if necessary), conductors, insulators, etc. will be replaced. From tower 15 to tower 131 at the end of the line at s/s Alaverdi-2 towers, conductors, insulators, etc. will be completely replaced. A few towers will be relocated in order to bypass buildings that are presently located in the line routing corridor. The electric and magnetic radiation from the replaced line (considering the distance of 25 m, the voltage, frequency and other technical parameters) is expected to be well below the ICNIRP Guidelines for Limiting Exposure to Time-Varying Electric and Magnetic Fields. Specifically, the electric and magnetic radiation from the Lori and Tumanyan line is estimated at less than 50 V/m and 2.3 μ T respectively, whereas the threshold values are 5000 V/m and 200 μ T. Thus, no resettlement actions will be necessary for the rehabilitation of this OHL.

Compensation will be required for:

- damages to crops/ trees during land survey
- damages to crops for construction of access roads
- damages to crops for lay down areas and during stringing procedure.
- land required for the construction of temporary access roads
- minor land acquisition may be required for: construction of tower foundations.

Agriculture (with height limitations) and livestock grazing will be possible in the ROW with exception of permanently sealed land at tower foundations.

For more details refer to the ESIA Report. An (abbreviated) RAP will have to be prepared for this line section.

B) Replacement of the 110 kV OHLs Tumanyan-1 and -2:

- Technical regulations on safety zones for electric networks of Armenia define a distance of 20 m on each side from 110 kV, 25 m from 220 kV, and 30 m from 400 kV and 500 kV OHLs as a buffer zone (GRA 2009)¹. Additionally, the clearance between the conductors (depending on the final design of the towers) has to be considered. Thus, a ROW width of 50 m for Tumanyan OHLs is taken as basis for this study.
- The Tumanyan lines leave s/s Alaverdi-2 as one double circuit line and are divided into two single circuit lines before crossing the steep valley of Debed River. On the northern side of this valley the line is then running west to s/s Alaverdi-1. The current ROW of the existing Tumanyan lines over-spans a number of buildings down in the valley of Debed River. According to national law of RA no houses may be over-spanned by construction of new lines. Thus, it is recommended to over-span Debed River valley further east and then join the existing corridor on the northern side of Debed valley. This bypass over-spans only a storage shed. No resettlement will then be necessary for rehabilitation of OHLs Tumanyan-1 and -2.

For more details refer to the ESIA Report. An (abbreviated) RAP will have to be prepared for this line section.

2.3 Rationale for Preparation of a Resettlement Policy Framework (RPF)

At the present stage of the Project the formulation of a Resettlement Action Plan (RAP) is not possible, as the final design of the line routing has not been fixed yet. Additional tower locations/ new replacement towers will be fixed during the land survey, which is performed by the **Construction Constructor** before execution of physical works.

In order to support the project implementer to prepare for eventual RAP activities, the present RPF has been formulated. The purpose of the policy framework is to clarify resettlement principles, organizational arrangements, and design criteria to be applied to subprojects to be prepared during project implementation. The RPF contains information that will later go into the RAP. The RAP or Abbreviated RAP (as appropriate) will then need to be complemented with a detailed census, including cadastral information, an inventory of losses and an enhanced involvement and participatory consultation of PAPs. The possibility to prepare section specific RAPs for the OHL sections exist.

¹ Government of the Republic of Armenia (GRA) 2009: Decree No 363-n on "Approval of Technical Regulation on Safety Zones of Electric Networks". Yerevan.

2.4 Principles and Objectives Governing Resettlement Preparation and Implementation

Previous RPFs and RAPs for HVEN OHL-projects were made according to World Bank's OP 4.12. With KfW financing any Resettlement Action Plan or a Land Acquisition and Compensation Plan has to be established in line with the requirements of EBRD PR 5 as well as with the UN Basic Principles and Guidelines on Development Based Evictions and Displacement as international safeguards. Generally, all resettlement provisions have to be in line with national legislation, with the more stringent of both, international or national safeguards prevailing.

The objectives of EBRD PR 5 do not differ fundamentally from WB OP 4.12. The objectives of PR 5 are: "1) to avoid or, at least minimize involuntary resettlement wherever feasible by exploring alternative project designs 2) to mitigate adverse social and economic impacts from land acquisition or restrictions on affected persons' use of and access to land by: (i) providing compensation for loss of assets at replacement cost; and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected to improve or, at a minimum, restore the livelihoods and standards of living of displaced persons to pre-project levels, through measures that can be enterprise based, wage-based and/or enterprise based, so as to facilitate sustainable improvements to their socio-economic status to improve living conditions among displaced persons through provision of adequate housing with security of tenure at resettlement sites."

EBRD PR5 further states that the client will "consult with affected persons and communities, including host communities, and facilitate their early and informed participation in decision-making processes related to resettlement." Consultation will continue during the implementation, monitoring, and evaluation of compensation payment and resettlement so as to achieve outcomes that are consistent with the objectives of EBRD PR5.

An abbreviated Resettlement Action Plan (RAP) will be prepared for each sub-project covering land acquisition, compensation (e.g. damages to crops) and relocation issues, and PAPs will be assisted in regaining or improving their standard of living at least to pre-project level since no PAP should be worse off through the impact of the project.

Consultation with PAPs on compensation, disclosure of resettlement information to PAPs will be ensured beyond pure legal notification of expropriation decree. The Compensation & Resettlement Action Plan (RAP) will be disclosed in Armenian language. Early notification, disclosure of planned resettlement issues in an appropriate time-frame and the possibility to choose between several options is a question of human dignity that should not be violated by the project. Public consultation will include participatory involvement of directly affected persons as well as community representatives, and will include awareness raising about grievance mechanism, options for legalization of land titles and other legal assistance.

Public consultation steps have to respect the requirements of Aarhus Convention esp. article 6 (see also ESIA).

People in rural areas, especially poorer sections do often not possess legal land titles for their dwellings or agricultural land, as traditional use-rights have been sufficient for them or privatization process has passed beyond their consideration. In line with the provisions of EBRD PR 5, PAPs without land titles or other registration details (e.g. informal dwellers or land users) and PAPs the informally occupy houses (e.g., squatters) will receive monetary compensation to cover their relocation expenses and to compensate for the cost of any investments they have made during their the time of their informal occupancy (e.g., building that have constructed or renovations/improvements they have made to existing buildings). Vulnerable and severely affected PAPs will be provided special assistance.

The grievance mechanism to be established by the client in accordance with EBRD PR 10 will be set up as early as possible in the process, consistent with this PR, to receive and address in a timely fashion specific concerns about compensation and relocation that are raised by displaced persons and/or members of host communities, including a recourse mechanism.

2.5 Scope of Resettlement within the Project

The strategy adopted is to avoid and to minimize impacts wherever possible and to compensate PAP for impacts that cannot be avoided. EBRD PR 5 foresees the full compensation of PAP and livelihood restoration to a situation that at the minimum equals the level prior to the Project. (For suggested bypasses in order to avoid settlements, see ESIA Alternative Considerations Chapter 6.2.).

With a length of approx. 50 km (OHL Lori) and 3 km (Tuyaman-1 and -2 OHLs), the planned transmission lines are likely to affect land use. Some private land may need to be acquired e.g. for bypasses of settlements. Also for the temporarily construction of a tower near to s/s Alaverdi-2 in order to connect s/s Alaverdi-1 and s/s Alaverdi-2 via the actual unused part of OHL Lori during construction works at OHLs Tumanyan-1 and -2, land has to be acquired. This does not constitute a legal problem (Law on Alienation of Property for Social and State Needs, 2006), but could impact the lives of local residents, change land use practices temporarily and permanently and cause damages to trees and crops. For the planned lines, land acquisition is expected to be required only to locate towers in new bypass sections. Each tower will require an area of approx. 100 m².

As the lines pass agricultural used lands and mountain pastures they will have an impact on land use. Despite the lines will use the old ROWs, proposed bypasses will require a new ROW (see Chapter 6). Once the tower locations will be defined the cadastral information will exactly determine the ownership status of the affected land during (abbreviated) RAP. Additionally, legal experts will support PAPs that are not registered land owners with legalization of land titles.

All land use and land acquisition required under the rehabilitation of these lines will be conducted according to the procedures detailed in the RPF. A site-specific Resettlement Action Plan (RAP) will be developed and implemented prior to the commencement of construction works related to any of the following issues:

The rehabilitation of OHL Lori will include the dismantling of the currently used 220 kV single circuit transmission line, which was constructed in 1972, and the installation of a new 220 kV single circuit line. Towers 1 to 14 of the existing line shall remain, if possible (rehabilitation of towers and foundations, if necessary), conductors, insulators, etc. will be replaced. From tower 15 to tower 131 (at the end of the line at s/s Alaverdi-2) towers, conductors, insulators, etc. will be completely replaced. For several towers the corridor will be relocated in order to bypass buildings. Thus, no physical resettlement actions will be necessary for the rehabilitation of this OHL. Resettlement impacts are most likely to be limited to land acquisition and compensation of disturbances.

For the replacement of Tumanyan-1 and -2 OHLs the old Tumanyan lines will be dismantled and a new double circuit 110 kV line will be constructed using the existing corridor. However, it is recommended to over-span Debed River valley further east. No land for towers has to be acquired, except temporarily for an additional tower needed to connect s/s Alaverdi-2 with the actual unused extension of the Lori line to Alaverdi-2 and for two or three new towers on the northern side of Debed valley. No physical resettlement is expected to be required. Resettlement impacts are most likely to be limited to land acquisition and compensation of disturbances.

For the construction of workers' camps existing unused buildings in nearest towns and villages will be used or available space rented. Infrastructure for this purpose is sufficiently available. The Construction Contractor will enter formal lease agreements with the owners.

All work on the OHLs will be conducted in full compliance with the RPF of the Project and the (abbreviated) Resettlement Action Plan (RAP), if needed. Avoidance of displacement to the extent possible is a priority. Bypasses will therefore be created in order not to affect settlements, wherever technically feasible. Overall the subprojects are expected to have a very limited resettlement impact. However, as the detailed design is not available yet, it is not excluded that some houses will need to be resettled due to lack of safety distances from the line corridor. Also, land acquisition needs may occur for tower foundations that are changed to avoid resettlement. According to the requirements an (abbreviated) RAP needs to be prepared after the completion of the project's final design.

As rehabilitation works of Lori OHL will only start after commissioning of BtB s/s Ayrum (also part of the Caucasus Energy Network Project), the recommended bypasses will have to be checked by Construction Contractor and adapted to the future conditions (e.g. construction of new buildings in the proposed bypass routing).

Table 2-1: Resettlement Impact Summary Table

Impact	Scope	Mitigation Measure
Land Acquisition for Tower Foundations	Very little land acquisition for tower foundations as project is replacement in old corridor. Requirement for new towers in bypass sections.	<ul style="list-style-type: none"> • Compensation at Replacement Cost
Land Acquisition for Access Roads	No land acquisition for access roads	<ul style="list-style-type: none"> • Use of existing roads where possible, • Use of ROW where possible • For new roads private terrain to be avoided.
Compensation of Crops	Temporary destruction of crops in agricultural areas	<ul style="list-style-type: none"> • Existing access roads to be used, • Lay down areas not on cultivated land, • Use fallow period for construction. • Compensation of all destroyed crops.
To be resettled Houses	No Houses in the Line routing Corridor	<ul style="list-style-type: none"> • Construction of all suggested bypasses to avoid settlements.
Community Development	Affected communities along the line routing would benefit from development measures as road improvements, water supply infrastructure, waste management etc.	<ul style="list-style-type: none"> • Not covered by the project framework and KfW financing

3. Institutional and Legal Framework

3.1 Institutional Framework

High Voltage Electric Networks (HVEN), a state-owned transmission company established in 1998, is responsible for operation, construction and maintenance of the high voltage power transmission network in the country. The implementation of this component of the project as well as overall HVEN operations will be overseen by the Management Board of the HVEN, chaired by the Minister of Energy and Natural Resources and consisting of eight members representing the HVEN, the Government and power sector companies.

The legal basis of the establishment of HVEN was the Government decree No. 450 adopted 20 July 1998. HVEN was reorganized as a closed joint stock company on 21 August 1998. HVEN's charter is approved by the RA Ministry of Energy Decree No. 254-GM, dated 14 August 1998. The sole stock owner of the HVEN is the Republic of Armenia. The management of the stock is delegated to the RA Ministry of Energy in accordance with the RA Government Decree No. 1694-N dated 6 November 2003.

The HVEN's principal activities are:

- electricity transmission
- electricity production (wind farm)
- construction, reconstruction, modernization, renovation of energy facilities
- construction of high voltage grids
- research and development works of energy facilities.

Operating principles:

As per Article 23 of the Energy Law (Licensing of Operations in the Energy Sector) transmission (transportation) of electricity, as well as construction of transmission (transportation) networks in electric energy is a licensed activity in Armenia. Only the Licensees holding adequate operational licenses in compliance with the EL may engage in electric and thermal power and natural gas sale/purchase (purchase with intent to sell) activities, in accordance with the license conditions and market rules.

In addition to that as per Article 36 (Transmission (Transportation) Licenses) of the EL the electrical energy Transmission Licensee is granted the right to provide electricity (capacity) transmission service throughout the Republic of Armenia and the right to transmit electricity (capacity) through the territory of the Republic of Armenia to third countries. The Electricity (capacity) Transmission Licensee shall comply with the market rules and contracts.

Functional Principles:

The HVEN performs design, operation and maintenance of existing high-voltage electrical network and facilities, including but not limited to:

- high voltage substations (220 kV/110 kV/35 kV/6 kV)
- overhead high-voltage transmission lines (330 kV /220 kV/110 kV)
- wind power plant installed on Pushkin pass area (2.64 MW of installed capacity).

HVEN implements also investment projects on new construction, including but not limited to:

- high voltage substations (220 kV)
- overhead high-voltage transmission line (400 kV/220 kV).

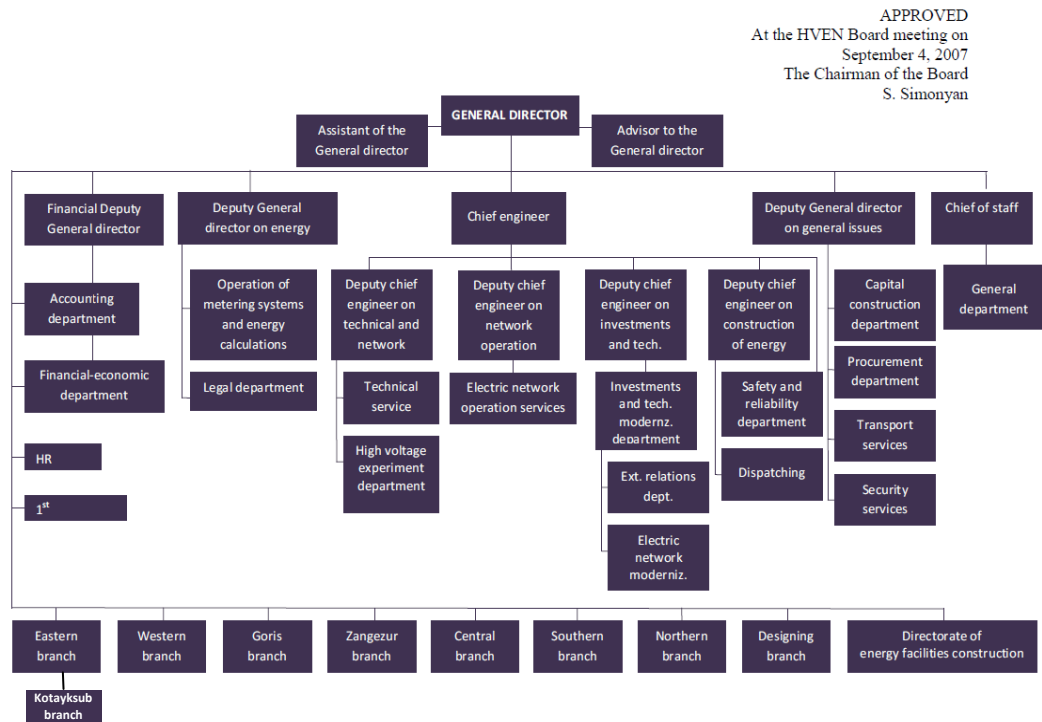


Fig. 3-1: Organization chart of HVEN

Source: HVEN Operations Manual, Chapter 3

Environmental and Social Department:

With the implementation of ESMP as well as preparation and implementation RPF/RAP a new range of tasks is coming under the responsibility of the HVEN. For the time being the institution has not sufficient specially qualified employees to cover the tasks. The creation of an Environmental and Social Department with qualified and well paid staff is highly recommended. Subsequently, training of the staff should be undertaken by experienced trainers on international safeguards and implementation procedures.

Since 2014 HVEN has employed a Social Specialist for the task to update the recommendations of the Resettlement Policy Framework and to prepare the (abbreviated) Resettlement Action Plan (RAP) (i.e. census, detailed inventory of losses, socio-economic survey, public consultation and disclosure). So far, there is no permanent Environmental specialist within HVEN.

The preparation of RAP will be done by HVEN with some additional consultant support for RAP implementation and monitoring of implementation.

Other Stakeholders:

Other stakeholders of the project within the Government of RA and the non-governmental sector of RA are:

Government of RA:

- Ministry of Energy and Natural Resources
- Ministry of Nature Protection:
 - Department of Protected Areas
 - Environmental Expertise SNCO
- Ministry of Agriculture: Hayantar SNCO (Forest)
- Ministry of Culture: Agency of History and Cultural Monuments Protection
- The State Committee of Real Property Cadastre of the Government of RA (State Cadastre)

Local Administration:

- Local Cadastre Offices of Lori Marz
- Environmental Departments of Lori Marz
- Departments of the Protection of Monuments of Lori Marz.

RAP Monitoring Consultant:

- The RAP monitoring consultant will be hired by HVEN and responsible for the preparation of a RAP-Implementation-Compliance Report for each of the RAPs that will be prepared under the project, in accordance with this RPF.

Construction Contractor:

The construction contractor is responsible to:

- update the RAP (in coordination with HVEN) for any modifications made during final design and organization of open and broad public consultations
- implement RAP/ RPF provisions due to modifications and impacts occurring during construction process related to disturbances and resulting compensation payments, respect of suitable construction periods in agriculture areas (to minimize destruction of crops) in addition to implementation of ESMP etc.

- implement and operate grievance redress mechanism in coordination with HVEN, provision of legal services to vulnerable PAPs through an NGO (e.g. Aarhus Centre) / independent lawyers.
- implementation of continuous public consultations prior to and during physical works.

A selection of national and local stakeholders has been contacted for consultation on the ESIA/ RPF and participation in consultation workshops.

Table 3-1: Key Stakeholder Matrix

No.	Stakeholder	Role/Responsibility
1	HVEN	Overall responsibility for the Project including preparation, implementation and financing of all compensation and resettlement tasks and cross-agency coordination, public consultations, hiring of consultants etc. HVEN's Social and Environmental Unit/ HSE department will coordinate RAP implementation, and operation of grievance mechanism. Prepare (abbreviated) RAP.
2	Ministry Nature Protection/ Environmental Inspectorate	Member of Steering Board; Controls Environmental Compliance of Construction Activities
3	SNCO for Environmental Expertise	Provides Environmental Permit
4	Ministry of Energy and Natural Resources	Member of Steering Board
5	Ministry of Finance	Provides the budgets for implementation
6	Ministry of Agriculture/ SNCO Hayantar	Consults on Forest replanting and nursery
7	Ministry of Culture/ Department for the Protection of Monuments	Accompanies design team to ensure that cultural heritage sites are bypassed or over-spanned
8	The State Committee of Real Property Cadastre of the Government of RA	Responsible for providing information about the status of real estate ownership, and is in charge of the state registration of ownership
9	Local Courts	Review the cases of expropriation issues, carry out a hearing and decide whether the land can be expropriated and at what price
10	Independent Asset Valuers	Accredited private firms who are hired to evaluate the affected assets
11	Community leaders of all affected villages	Accompany design team to design bypasses of settlement areas
12	NGOs (for example, WWF, Social and Environmental Association, regional NGOs)	Advocacy for PAPs and Environmental Good Practice; Participation in Public Consultation
13	Women's organizations/ Women's Regional Council	Consult on RAP, support women headed vulnerable households

No.	Stakeholder	Role/Responsibility
14	Social Workers/ Legal experts	Support vulnerable households/ support households without legal land titles in legalization procedure
15	KfW Development Bank	Monitoring of Safeguard compliance; supervision of project, initiate and review RAP and provide clearance to contract awards and signing/initiation of civil works to the Project.
16	RAP Monitoring Consultant	A RAP monitoring consultant will be responsible for the preparation of a RAP-Implementation-Compliance Report for each of the RAPs that will be prepared under the project, in accordance with this RPF
17	Construction Contractor (CC)	<p>Update RAP for any modifications made in design (in coordination with HVEN).</p> <p>Implementation of RAP/ RPF provisions due to modifications and impacts occurring during pre-construction and construction process related to disturbances, respect of suitable construction periods in agriculture areas (to minimize destruction of crops) in addition to implementation of ESMP.</p> <p>Implement open Public Consultations linked to RAP preparation and RAP implementation.</p> <p>Operation of ongoing interface with PAP communities prior to and during physical works.</p>

3.2 Legal Framework

In Armenia, the relationship on expropriation of property for public and state purposes is regulated by RA Constitution, RA Law on Expropriation of Property for Public and State Purposes and other legal acts. According to the point 3 of Article 31 of RA Constitution, the private property may be alienated (expropriated) for the needs (purposes) of the public and the state only in exclusive cases of prevailing public interests, in the manner prescribed by the law and with prior equivalent compensation. The constitutional base for the expropriation of property for public and state purposes is the exceptional prioritized public interest.

Constitutional conditions for the expropriation of property for public and state purposes are:

- a) Expropriation should be provided within law regulation.
- b) The equivalent compensation against expropriated property should be provided in advance (hereinafter referred to as Compensation).

RA Law on Expropriation of Property for Public and State Purposes (Law on EPPSP) envisages the base, regulation on expropriation of the property for public and state purposes, regulation of the compensation given for the alienated property, the definition of the exceptional prioritized public interest and the regulation of its affirmation. That law applies to all objects (immovable and movable property, property rights, securities etc.) (hereinafter referred to as the Expropriated Property) that belong to the physical person and legal entities as well as communities (hereinafter referred to as the Proprietors) by ownership right, which are situated in RA or are officially registered or recorded in RA in accordance with the law.

Exceptional prioritized public interest may pursue maintenance of state protection, public and state security; maintenance of projects of community or intercommunity significance in the field of the development of communication substructure, transport, energy, land use, land study, city construction, energy supply, water supply; maintenance of protection of the environment.

The law contains special safeguards to persons affected by national interest and envisaged the right of such persons to demand the acquisition of the whole land and property in case the RA Government Decision incorporates requirement on national interest being applicable only to part of the land/property (Articles 5 and 5.1). In this case the relevant person shall have the right to demand the acquisition of the whole land/property within 2 months following the adoption of the relevant RA Government Decision provided the land/property not directly envisaged under but being part of the land/property subject national interest according to the stated RA Government Decision (i) loses its economic and commercial importance due to takeover of the part of the land/property or (ii) it comprises non-essential part of the land/property subject to national interest.

Land Code of the Republic of Armenia: According to Article 66 of the Land Code, state and community/municipal lands can be alienated to persons licensed in the distribution of electricity in the case of the provision of land for the construction of buildings and facilities provided by the design documentation of electricity supply systems. For such cases the Land Code of RA defines the price of alienation equal to the cadastral price of the land. The land can be alienated to HVEN only after the communities have changed the lands category to the category of energy, transportation, communications, utilities infrastructure, and the lands will be alienated by price equal to the cadastral price of the lands with category of energy, transportation, communications, utilities infrastructure.

RA law On the Real Estate Assessment Function was adopted in 2005. The law defines the fundamentals of real estate assessment function and regulates the relationships concerning real estate assessment. The article 6 defines the objects of real estate assessment.

According to the law (article 8) the real estate assessment is obligatory for the following cases:

- a) alienation of real estate that belongs to state or communities, save for privatization of state property and alienation of state or community lands
- b) expropriation of property for public and state purposes
- c) investment of real estate in capital stock of a legal entity or fund
- d) realization of real estate as a result of exemption
- e) other as may be defined by the law of RA.

The activity of real estate assessment requires qualification. Further, it shall be specifically noted that the contract on real estate assessment shall be in compliance with the requirements of the stated law and contain amongst other provisions data on the qualification of the person carrying out assessment as well as methodology and standards used for such assessment.

SPECIFIC NOTE: RA Civil Code, Article 212.3¹ envisages the possibility of mandatory servitude in relation to the lands, which are required for national/ public purposes of operation and maintenance of the energy network infrastructure. This mandatory servitude regime is extended to such lands irrespective of the ownership (whether private or public) on free of charge, permanent and mandatory use basis by virtue of operation of the law.

3.3 Comparison of Armenian Laws and the Policy for Involuntary Resettlement of EBRD PR 5

Table 3-2: Comparison of legal frameworks

	Armenian Laws and Regulations. The law on EPPSP is applied. (see also para. 3.2)	EBRD PR 5	Application
Land owners	Land compensation only for titled landowners.	Recommends land-for-land compensation for displaced persons whose livelihoods are land based, whether or not they are titled landowners. Where equivalent land is not available, cash compensation replacement cost is an option.	EBRD PR 5 applies
Land users	Land compensation only for registered land users.	Lack of title is not a bar to compensation and/or rehabilitation. Land users who do not possess a recognizable legal right or claim to the land they are occupying shall receive relocation assistance and, if applicable, compensation for investments they have made in the land. Land users who do not have formal legal rights to land at the time the census begins but have a claim to such land will be assisted in completing the registration procedure and will then be compensated as land owners.	EBRD PR 5 applies

	Armenian Laws and Regulations. The law on EPPSP is applied. (see also para. 3.2)	EBRD PR 5	Application
Land users	Crop losses compensation provided only to registered land users (landowners and legal tenants).	All land users (legal or illegal) are entitled to compensation for crops. Land users' income must be restored to pre-project levels at least. Replacement land will be provided if that will be needed to restore PAPs' the pre-project levels of income.	EBRD PR 5 applies
Houses & other structures	All affected houses/buildings are compensated for buildings damages/demolition caused by a project, with the exception of unregistered commercial structures.	EBRD PR 5 includes compensation for unregistered non-commercial and commercial structures as well, not only for registered buildings.	EBRD PR 5 applies
Land valuation	Land valuation based on current market value plus 15% of the assessed value.	Land valuation based on current market rate; actual compensation is based on replacement cost (i.e., including any associated taxes, fees or other transfer costs)	Armenian Legislation and EBRD PR 5 both apply The 15% increment will be provided in addition to the project covering any taxes or other transfer fees and costs.

	Armenian Laws and Regulations. The law on EPPSP is applied. (see also para. 3.2)	EBRD PR 5	Application
Public Consultation and Disclosure	Within seven days after the entry into force the Decree for Eminent Domain should be submitted to all legal owners. The Decree shall be published in the media. Information on impacts quantification/costing, entitlements, and amounts of compensation and financial assistance are to be disclosed to the PAPs prior to the date defined in the Government Decree for Eminent Domain/ on Preliminary Study.	Public Consultation and Disclosure in participatory manner with affected people on community level. Public Consultation and Disclosure Plan to be developed together with RAP. Grievance Mechanism according to PR 10.	Both EBRD PR 5 and Armenian Legislation (Law on EPPSP) apply

3.4 Gap Analysis

The main difference of the legal framework of the RA and EBRD PR 5 is related to the compulsory ownership status of affected land and dwellings in Armenian law, whereas PR 5 grants compensation and relocation support even if legal land titles are absent. For the planned project PR 5 must be applied. This means that if the requirements of PR 5 are more stringent than the national legislation, then the more stringent requirements of PR 5 are to be applied.

Other issues arise when it comes to implementation and monitoring, where Armenian legal framework tends to be vague and sometimes ambiguous. There is a considerable gap between enforcement of the law and PR 5 safeguards. HVEN will be responsible for preparation of RAP, public consultation support, training of social and environmental staff and monitoring is suggested to bridge the gap.

An external monitoring consultant will also be responsible for the preparation of a RAP Implementation Compliance Report for each of the RAPs that will be prepared under the project, in accordance with this RPF.

4. Eligibility and Entitlement Framework

4.1 Eligibility

PAPs entitled for compensation or relocation provisions under the Project are:

- (a) all PAPs losing land either covered by legal title/traditional land rights, land that can be legalized, or land without legal status
- (b) tenants and sharecroppers whether registered or not
- (c) owners of buildings, crops, plants, or other objects attached to the land; and
- (d) PAPs losing business, income, and salaries.

Compensation eligibility will be limited by a cut-off date on the day of the start of the detailed census and inventory of losses. New settlement, improvement or start of activity in the affected areas after the cut-off date will not be eligible for compensation.

PAPs however will be given sufficient advance notice and requested to vacate premises. Affected people will get the opportunity to dismantle affected structures prior to project implementation; however they won't have to bear the cost of total demolition. Construction materials that PAPs chose to re-use will not be confiscated and they will not pay any fine or suffer any sanction. Remaining structures and unused material will be dismantled by the implementing agency.

PAPs who have legal land titles and that will have to relocate will be given new land, supported with registration of legal land title and building of new house. PAPs will be involved in all decisions related to their relocation and be given different options for choice. Livelihood restoration measures will be financed to improve PAPs livelihoods and living conditions or at least restore them to pre-displacement levels.

4.2 Entitlement Framework

Entitlement provisions for PAPs losing land, houses and other structures as well as income, rehabilitation subsidies will include provisions for permanent or temporary land losses, buildings losses, crops and trees losses, a relocation subsidy, and a business loss allowance based on tax reports and/or lump sums. As there are no recent experiences from transmission line construction rehabilitation entitlements have been based on experiences from the road infrastructure sector, i.e. MoTC RA / ADB, Dec. 2010.

PAPs may be classified in one of the following three groups:

- (a) **Legal owners:** those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country)

(b) **Legalizable PAPs:** those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets--provided that such claims are recognized under the laws of the Republic of Armenia or become recognized through any legal steps necessary to ensure the effective implementation of resettlement activities under the project, including, as appropriate, a process for recognizing claims to legal rights to land--including claims that derive from customary law and traditional usage

(c) **Non-legalizable PAPs:** those who have no recognizable legal right or claim to the land they are occupying.

4.2.1 Land

The entitlements are detailed below:

- Legal owners of agricultural land will be compensated at either (i) through replacement land within the same village equal in value/productivity to the plot lost acceptable to the PAPs. 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 at the request of the owner (the request can be submitted to HVEN during two months after entering into the force the Decree on Eminent Domain). When >10% of a PAP agricultural land is affected, PAP (owners, leaseholders and sharecroppers) will get an additional severe impacts allowance (see definition on page 21); or (ii) in cash at market or cadastral value (whichever the highest) plus a 15% allowance, free of any deductions for registration costs or taxes. When there are no active land markets cash compensation will be based on the value of a replacement plot within the same village acceptable to the PAP plus 15% allowance. Compensation will be free of deductions for transaction and registration costs. PAPs will have the choice between land replacement and cash compensation.
- Legal owners of nonagricultural land will be either (i) compensated in cash at market value plus a 15% allowance, or (ii) provided with an alternative land plot. If there is no market rate, compensation will be the provision of a replacement plot acceptable to the PAP within the same village or cash compensation based on the cost of replacement land plus 15% allowance. Non-directly affected sections of a plot which become inaccessible or unviable for any use after the impact will be included in the affected land at the request of the owner (the request can be submitted to HVEN during two months after entering into the force the Decree on Eminent Domain). Land that is earmarked for village development/residential land shall be avoided wherever possible and needs to be compensated with the appropriate value. PAPs that will prefer an alternative land plot over compensation will be consulted on the choice of location of alternative plots and will be given a plot in a location as close as possible to the original site, or if this is not possible cash compensation will be paid. Compensation will be free of deductions for transaction and registration costs.

- Legalizable PAPs will be legalized as Legal owner and paid as Legal owner.
- Non-legalizable PAPs will be compensated in order to relocate to another location and restore their livelihoods. In addition to this compensation, non-legalizable PAPs that will be considered “vulnerable” according to this PRF are also entitled to rehabilitation allowance.
- Leaseholders will get legal ownership and be compensated as full owners or will be given a new lease. If this is not possible (If in accordance with RA law the leaseholder cannot get legal ownership or he/she refuses to get legal ownership and receive a new lease and prefers to get compensation) he/she will receive compensation in cash equal to the market or cadastral value (whichever the higher) of the affected land.

4.2.2 State and community/municipal lands

- State and community/municipal lands will be alienated in accordance with subparagraph 7 of paragraph 1 of Article 66 of the Land Code of RA and only after the communities have changed the lands category to the category of energy, transportation, communications, utilities infrastructure. In accordance with paragraph 2 of Article 66 of the Land Code of RA the lands will be alienated by price equal to the cadastral price of the lands with category of energy, transportation, communications, utilities infrastructure. The costs connected with the category changing of state and community lands will be paid by HVEN.

4.2.3 Structures

- Residential Buildings will be compensated to all PAPs irrespective of the house registration status in cash at replacement cost plus a 15% allowance. Compensation will be free of deductions for depreciation, transaction costs, registration costs and salvageable materials. In case of partial impacts or unwillingness of the owner to relocate, PAPs will be provided for compensation for the partial damage incurred by them. Upon completion of works, the project will return their asset to its prior condition. Relocated renters will be given all relocation and severe impacts allowances (see below).
- Non-Residential Buildings will be compensated in the same fashion as residential buildings only to those PAPs who have registered legally their property (see above). However, PAPs without registration but whose property is legalizable will be compensated, only after legalization. All fees for legalization will be paid by the Project Funds. Relocated renters will be given all relocation and severe impacts allowances. Non-legalizable PAPs will be compensated in cash at replacement value of the property.

4.2.4 Other compensations and allowances

- Crops: Cash compensation at current market rates for the gross value of one year's harvest by default. Crop compensation will be paid both to landowners and tenants based on their specific sharecropping agreements. Non-legal land users are also eligible for crop compensation at the same terms as tenants.
- Trees: Cash compensation based on the estimated productivity of the normal life span of the tree, based on type, age and productivity of trees. Cash compensation for private wood producing trees and productive (fruit/nut) trees. Re-plantation of twice the amount of saplings in suitable location in case of state owned/community trees.
- Businesses: Permanent losses for business activity will be compensated in cash equal to a 1-year net income based on tax reports; temporary losses will be compensated in cash equal to the monthly income based on tax reports multiplied with the number of months of business stoppage. In absence of tax reports (mostly in the case of informal/small businesses) these PAPs will be compensated as above but based on the minimum non-taxable salary (minimum salary defined in RA legislation). This is adopted in the case of informal businesses that usually operate at profit levels below the minimum non-taxable salary, so that the livelihood restoration principles of the policy will be respected.
- Permanent business workers and employees: Indemnity for lost wages for the period of business interruption up to a maximum of 6 months.
- Relocation allowance: PAPs forced to relocate (including renters) will receive a relocation allowance 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: AH losing 10% or more of agricultural land or AHs that are forced to relocate (including relocated tenants) will get severe impacts allowance for a 6 months period in the monthly amount of AMD 50,000 (equal to 6 months minimum salary defined in RA legislation).
- PAPs will receive the following financial assistance:
 - Costs/fees related to acquisition and compensation payment that include:
 - costs/fees for power of attorney (provided from abroad/local)
 - costs/fees associated with national passport (ID card) update in case the data expired
 - costs/fees associated with the registration of land ownership transfer as a result of inheritance

- cost for transaction taxes and fees connected with land acquisition will be covered by the Project Funds as a part of the compensation.

- Compensation to Vulnerable People:

Vulnerable people (PAPs below poverty line and widows 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. Women headed households, households with elderly, destitute or disabled people are counted among the vulnerable households. Vulnerable people shall receive a one-off allowance for 6 months in the monthly amount of the minimum salary.

- Vulnerable people are considered:

- (i) Poverty -stricken households, which are registered in the Family Benefit System of the MLSI of RA and receive corresponding allowance according to the order, set forth under RA legislation.
- (ii) Households, headed by lonely, widowed or with lost breadwinner women, where there is no other working age person, except the one of pension age, the one passing his mandatory service in the armed forces of RA, holding 1st or 2nd degree of disability or a full-time student of up to 23 years.
- (iii) Households, headed by people of the pension age (elderly), where there is no other working age person, except the one of pension age, the one passing his mandatory service in the armed forces of RA, holding 1st or 2nd degree of disability or a full-time student of up to 23 years.

- Compensation of households, below the poverty line

If during drafting of descriptions, consulting companies of the PIU reveal that the affected household is poor (according to their self-declared income and based on the national poverty line), yet has not been involved in the Family Benefit System, then the PIU shall inform the MLSI of RA and body providing social services for the given region to involve given households in the Family Benefit System, according to the order, established under the law. These households shall receive rehabilitation allowance only after the involvement in the Family Benefit System. Households below the poverty line are to be considered as vulnerable people and are eligible for vulnerability allowance additionally to the support to register with the Family Benefit System. Those PAPs that for some reasons cannot be registered with the Family benefit System will thus still receive the vulnerability allowance (and all other compensations that they are eligible to receive.).

4.3 Methods for Valuation of Assets

The activity of real estate assessment requires qualification. The legal basis for orders with respect to real estate assessment is a civil contract on rendering services concluded in accordance with RA Civil Code (article 9). In addition, article 10 of the law enumerates the essential provisions that the parties must cover in the mentioned contract.

The assessment of real estate is carried out in accordance with standards of property assessment that is defined by the Government of RA (article 7).

Based on this provision of the law, on 8 June 2006, RA Government adopted decree “On Defining the Standard of Real Estate Assessment in the Republic of Armenia”. Amongst other things, the decree assigns the Ministry of Trade and Economic Development (now the Ministry of Economy) to define and, starting from 01 September 2006, put into legal force the Standard of Real Estate Assessment in the Republic of Armenia.

Assessment of the real estate values will be done by a certified independent company based on the procedure defined in the Law of the Republic of Armenia on Assessment of Real Estate (LARE) and in this RPF as follows:

- (a) **Agricultural Land** will be valued at market rates based on a survey of land sales in the year before the impact survey.
- (b) **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 or salvaged materials will be applied. If a PAP does not wish to relocate, partial impacts may be paid only for the affected portion of the building or repairs.
- (c) **Annual Crops** will be valued at net market rates at the farm gate for the first year crop.
- (d) **Trees** will be valued according to different methodologies depending whether the tree lost is a wood tree or a productive tree.
 1. Wood trees will be valued based on age category (i. seedling; ii. medium growth and iii. full growth) and wood value and volume.
 2. Fruit/productive trees will be valued based on age (i. seedling; ii. adult-not fruit bearing; and iii. fruit bearing). Stage (i) and (ii) trees will be compensated based on the value of the investment made; stage (iii) trees will be compensated at net market value of 1 year income x number of years needed to grow a new fully productive tree.

Source: MoTC RA/ADB, Dec. 2010

After assessment of real estate, the evaluator comes out with the report on real estate assessment (article 11 of LARE)). The law indicates the obligatory scope of the report. According to the provisions of EBRD PR 5, the assessment will seek to identify the replacement costs of the asset (market price plus any transfer costs and taxes)

The problems concerned with the data covered by the valuation report, as well as the trustworthiness of the real estate market-price can be solved based on the written request of the subjects of real estate assessment activity to the authorized body or upon the initiative of the authorized body. In case of disputes, the matter can be solved in the court of law.

5. RAP Preparation, Review and Approval

With finalizing of detailed design of the new transmission line corridor including all parallel sections and bypasses, a census of Project Affected Persons (PAP) can be started, including a preliminary cadastral survey of affected property and their owners and not-entitled users. Following this survey the Government enacts the decree declaring the Project as a public interest project (see Fig. 6-1 and Fig. 6-2). After issuing the decree, HVEN will conduct the detailed surveys in the field, which are the detailed census of Project Affected Persons (PAPs) and the detailed inventory of losses i.e. all land and non-land impacts.

An independent assessor will then carry out the valuation of all affected assets. This will enable the establishment of a budget for compensation payments, relocation and livelihood restoration. A socio-economic survey will be carried out for the affected households in order to understand the socio-economic aspects of PAPs livelihoods (i.e. sources of income, poverty status, ethnicity, education, health situation, land holding, house type and value etc.) and to find out any vulnerability situation of PAPs that would require special livelihood restoration measures. On the basis of these survey data the Resettlement Action Plan will be compiled. PAPs will be informed continuously about the course of the project and the establishment of grievance redress mechanism and the RAP will continuously be updated. The RAP should comply with RA legislation requirements related to involved persons, the implementation methods and dates. The RAP will have to be approved by the Funding Agency.

Legalization of land users without land-titles:

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 as military areas, hospital areas, school areas or areas that are not fit for settlement like river beds, radioactive terrains or other dangerous or ecological unfit lands) (See Land Code of the Republic of Armenia, article 60). To be legalized, the PAPs will have to initiate a legalization process in accordance with RA legislation. HVEN will assist PAPs seeking legalization and will facilitate their cases. This may involve contracting legal and technical experts to assist in the process, and if necessary the provision of financial assistance to pay the necessary fees. In practice, this will mean that HVEN will ensure that the Contractor responsible for RAP preparation and implementation will recruit the necessary expertise (e.g. lawyers, property surveyors) to assist PAPs in the legalization process. For some PAPs this will merely involve providing guidance on the relevant procedures to follow, while other more vulnerable PAPs may need more intensive hand-holding and guidance through each step of the process. Ultimately, the contractor should also identify which PAPs will be eligible for financial assistance (in terms of fees for legalization etc) on the basis of their ability to pay. These will be identified as part of the socio-economic census and inventory of losses and on this basis, specific eligibility criteria for different types of assistance will be specified in the Resettlement Action Plan.

6. Implementation Process

6.1 RAP Implementation Process

The RAP implementation process will have to be completed before the start of the civil works. Four phases can be distinguished:

1.) RAP preparation

RAP preparation starts with the provision of institutional capacities to carry out RAP and the review of recommendations given in the RPF and decision-making process for a Construction Contractor to support HVEN with the task of RAP preparation.

2.) RAP finalization

This phase will be carried out together with the detailed design. It includes the census of PAPs and detailed inventory of losses as well as a socio-economic survey to determine how livelihoods can be restored to pre-project level and vulnerability avoided.

3.) RAP implementation

This phase will start when the final RAP is approved. The compensation negotiations with PAPs will be started during this phase. It includes the land valuation and acquisition procedure as well as the effective payment of compensations, legalization of legalizable PAPs, livelihood restoration measures and relocation procedures. It ends after compensations have been fully paid to all PAPs and any physically displaced PAPs have either been settled in their new homes or, in exceptional circumstances, in temporary homes at project expense while new homes are being prepared.

4.) Start of Civil Works

Civil works will only start after compensation of all affected households has been accomplished and any physically displaced PAPs have either been settled in their new homes or, in exceptional circumstances, in temporary homes at project expense while new homes are being prepared. A compliance report by an independent monitoring will be necessary.

Continuous RAP tasks as grievance redress & monitoring will go on during the phase of civil works in order to assure timely response to PAPs requirements and to assure correct implementation of resettlement procedures.

ACTIONS UNDERTAKEN IN EXPROPRIATION OF PROPERTY FOR PUBLIC AND STATE PURPOSES

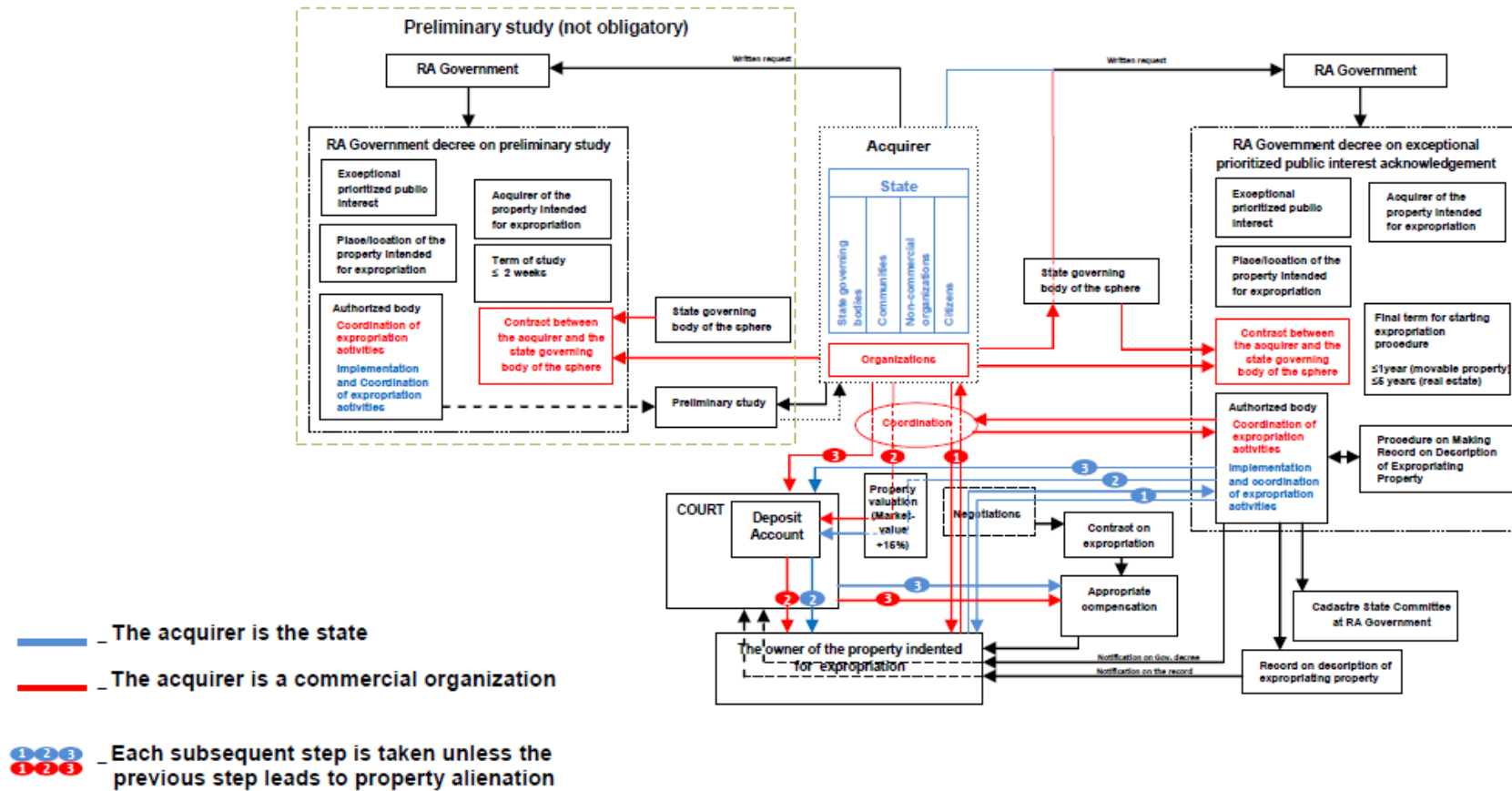


Fig. 6-1: Actions in expropriation of property for public and state purposes

TERMS/TIMING OF ACTIONS UNDERTAKEN IN EXPROPRIATION OF PROPERTY FOR PUBLIC AND STATE PURPOSES

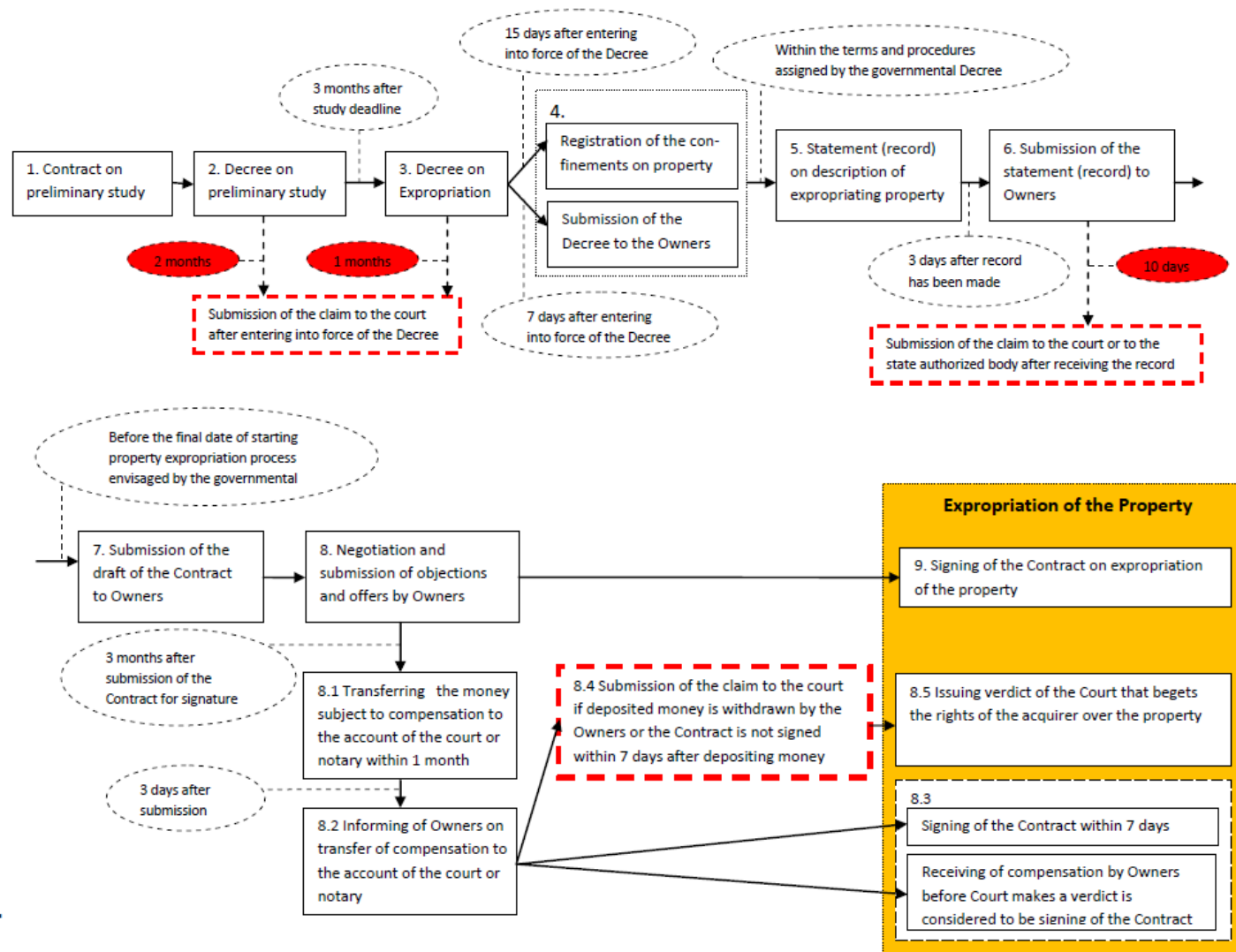


Figure 2.

Fig. 6-2: Terms/ timing of actions in expropriation of property for public and state purposes

The law on EPPSP allows the acquirer to apply to the Government for carrying out a preliminary study of the property intended for expropriation before requesting expropriation of property for public and state purposes. If this option is taken the acquirer have to send a written request to the Government on its intention to carry out a preliminary study of the property. If the government finds the information provided in the request (Law “On Expropriation of Property for Public and State Purposes”, article 7, part 2) satisfactory a decree “On Preliminary Study of Property Subject to Expropriation” is adopted.

The decree must define:

- exceptional prioritized public interest
- place/location of the property intended for expropriation
- authorized body
- acquirer of the property intended for expropriation
- the period of study that must not be longer than 2 months from the time the decree enters into legal effect

The Contract concluded between the acquirer and the state governing body of the sphere is included in the decree as an annex. This contract acquires legal effect together with the decree.

The Authorized body may, among others, take part in the study. After conducting preliminary study (depending on outcomes) or without that the acquirer may send a written request to the Government for expropriation of property for public and state purposes and upon consideration of the information provided by the acquirer (Law “On Expropriation of Property for Public and State Purposes”, article 6, part 4) the government may adopt a decree on exceptional prioritized public interest acknowledgement with regard to the property in question.

The Government decree includes statements on the following:

- exceptional prioritized public interest
- acquirer of the property intended for expropriation
- place/location of the property intended for expropriation
- final term for starting expropriation procedure, which must not take longer than 1 year in case of movable property and 5 years if the property intended for expropriation is real estate.
- authorized body
- procedure on making record on description of expropriating property

Tasks of Resettlement Action Plan (RAP):

Table 6-1: Tasks of Resettlement Action Plan

Step	Action	Responsibility
A)	Preparation of Resettlement Action Plan (RAP)	
1	Assessment and Update of ESMP / RPF	Construction Contractor (CC) / HVEN
2	Finalization of Detailed Design	HVEN / CC
3	Prepare survey forms for Census and Detailed Inventory of Losses, PCDP and Timeline for RAP	HVEN
4	Acquire Cadastral Information and Land Parcel Maps	HVEN / CC
5	Coordination with local Government	CC/ HVEN
6	Consult and Transect Walk with Community Leaders and representatives of affected persons	HVEN
7	Government Decree	HVEN
8	Conduct Socio-Economic Census	HVEN
9	Public Consultation with PAPs	HVEN
10	Verify land ownership and identify non-entitled land users to get support by independent legal experts for legalization of land titles	HVEN / licensed official valuator
11	Valuation of Assets	Licensed official valuation specialists
12	Integrate data from Census in Resettlement Plan	HVEN
13	Submission of RAP to Government of RA	HVEN
14	Public Consultation and Disclosure	HVEN
B)	Finalization of RAP	
1	Review of impacts and lists of PAPs based on detailed design	HVEN / RAP Monitoring Consultant
2	Review of prices based on updated rates	HVEN / RAP Monitoring Consultant
3	Socio Economic Survey of vulnerability situations, Assignment of Social Workers for affected vulnerable households	CC / HVEN
4	Legalization of land where applicable	HVEN / Local and National Cadastre
5	Final RAP disclosure and approval	HVEN / WB
6	KfW Review and Approval	KfW

Step	Action	Responsibility
C)	RAP implementation	
1	Consultation with PAPs	CC / HVEN / RAP Monitoring Consultant
2	Distribution of relocation/land acquisition notices	HVEN
3	Compensation payments	HVEN
4	Preparation of a Compliance report	HVEN / RAP Monitoring Consultant
5	COMMENCE CIVIL WORKS	Contractor
6	Repeat Socio-economic Census	RAP Monitoring Consultant
D)	Continuous tasks	
1	Monitoring of RAP implementation	HVEN / RAP Monitoring Consultant
2	Grievance Redress, Law suites	HVEN / CC / Courts
3	External Audit and preparation of a RAP Implementation Compliance Report	HVEN / RAP Monitoring Consultant

Disbursement of compensations:

Compensations will be included under the project and will be paid by the HVEN. The following process and procedure has been preliminarily established for disbursement of compensation cheques to the PAPs, relying on the experience of other projects in Armenia i.e. ADB/MoTC:

- (i) Verification of PAPs: Verification of PAPs: Verification of the PAPs will be made through his/her Passport. All PAPs must bring copy of their original Passport at the time of receiving cheques.
- (ii) Payment of Compensation: Payment to PAPs will be paid in 7-15 days, Payment will be made through crossed cheques.
- (iii) Vacation of Site: Notices will be issued to vacate the site with request to PAPs by sending written invitations to receive the compensation cheques along with time schedule and venue etc and a vacation notice to vacate the site within specified days.
- (iv) Absent PAPs: Absent PAPs may receive the compensation after the notified schedules of payments after production of a genuine proof of their absence on the due dates.

In cases of relocation, payment of compensation will be made no later than 30 days prior to the actual possession of the acquired lands or structures. In cases without relocation, payment of compensation will be made no later than 10 days prior to the actual possession of the acquired lands or structures.

No land will be possessed by the Project Implementing Agency for commencement of construction works without full payment of due compensations to the affected landowners and their tenants. However, in case of a dispute, the assessed/allocated amount of compensation will be pledged in the names of the concerned PAPs, pending a decision by the court. In such cases, the project may possess the land before payment of compensation. Civil works can start after the court decision enters into force and the affected assets are re-registered in the State Cadastre in the name of HVEN, and following completion of the RAP compliance report.

The HVEN is responsible for financing the compensation, allowances, and administration of compensation and resettlement funds, its implementation and timely allocation of sufficient resources. Allocations will be reviewed on quarterly basis based on the budget requirements indicated by the RAP.

As per the flow of Compensation and Resettlement finances it is noted that the budget for land and crop compensation will be disbursed by HVEN. The compensation funds for other items such as documented structures (houses, shops, etc.), house restoration, shops, employment, income loss, etc. will be disbursed by the project implementation department of HVEN.

The contractor who will be hired to do detailed design and installation (one turn-key contract for both lines) will be in charge of preparing, disclosing the site-specific RAPs and organizing the consultations.

6.2 Grievance Mechanism

In the course of the construction process, people affected by the project may feel treated unjustly. This might happen for various reasons: the contractor does not adhere to sound construction principles, the damages to crops are not paid for, resettlement measures have not been implemented, people have been forgotten during land survey or simply misunderstandings have arisen and so forth. This may also be disagreement with procedures of consultation, notification or valuation. When this happens people are encouraged to lodge their complaints. The grievance mechanism is implemented, so that people can get their problems solved and grievances redressed in a timely and effective manner without directly addressing the court.

During consultation, survey and compensation the AP shall be notified orally or in a written form about their rights and the procedure of complaints introduction. Local NGOs e.g. via the local Aarhus Centre can inform communities about the possibility to raise complaints and how and where to address them. The grievance mechanism has to be locally implemented at the level of village institutions and local self-government as well as bundled on national level at HVEN. Local Aarhus Centre representatives are aware of the projects and have participated in public consultations.

Grievances can be addressed at the local community level ("*marzpet*"), where the grievance is recorded and forwarded to HVEN grievance committee responsible.

Grievances that are addressed to the Construction contractor during the execution of civil works shall also be forwarded to HVEN grievance committee. Even if the constructor decides to settle the grievance on the spot, the documentation of the grievance settlement procedure needs to be documented at the HVEN grievance committee / focal point.

Also, all project related complaints can be directly addressed to HVEN grievance committee via phone, e-mail or grievance form. A project grievance hotline shall be made available by HVEN for direct complaints (at national level) and all received grievances shall be recorded in a grievance log-book.

The HVEN grievance committee then decides whether to settle directly, call for grievance committee meeting or go to court. The decision has to be taken within 15 days.

In case of major grievances, that cannot be directly settled, permanent and not-permanent members of the grievance committee will be called for a meeting.

In case of failure of the grievance redress system, the PAPs can submit their case to the appropriate court of law.

The Committee will be composed of permanent and non-permanent members.

Permanent members: HVEN, the contractor and a lawyer.

Non-permanent members: Appropriate marz representative, community representative and NGO representative. Non-permanent members will be notified of the date and venue of the meeting 10 days before the meeting. Absence of non-permanent members cannot be the reason for the cancellation of the meeting. A lawyer can be represented by one of the permanent members.

The contractor is obliged to carry out the work in accordance with the contractual requirements that include:

- a person of staff responsible for grievance procedure who will provide technical assistance to HVEN in handling any grievances that may arise during RAP preparation and implementation
- preparation of regular monitoring reports on the status of RAP preparation and implementation, including details of any complaints that arose and how they were handled

- If vulnerable affected people are identified following census completion, then the contractor will appoint professional advocates (social workers/legal experts) to assist those people during the entire process, and to act as independent advocates for them should any grievances arise.
- arbitration of grievances with HVEN and PAP.

HVEN will carry out works that include:

- a person of staff responsible for grievance procedure coordination, hereby referred to as grievance coordinator (including first contact, periodical site visiting of mitigation measure to be implemented by contractor)
- a telephone line, e-mail address and contact name on project boards
- arbitration of grievances with contractor and PAP
- liaison with court.

However PAPs have the option to choose a different representative or directly liaison with HVEN staff, responsible for grievance redress. Vulnerable households will have the support of their individual social worker and legal support.

Additionally, legal experts will support PAPs who are not registered land owners with legalization of land titles.

NGOs e.g. Aarhus Centre or local Aarhus member organizations will monitor grievance redress negotiations, assist with grievance arbitration, raise public awareness. PAPs need to be informed that in case of conflict with the community leader they can address NGO staff to follow up their complaint. NGOs will monitor relationship between PAPs and community leader.

The aggrieved person (PAP) is encouraged to proceed in the following way:

- a) contact the contractor's designated grievance staff during periodical site visits in person or via designated telephone number or the community leader or NGO staff
- b) lodge complaint and provide information on the case
- c) agree with the contractor on mitigation measure
- d) agree with the contractor on time limit for grievance settlement. Grievances have to be settled within two weeks, or otherwise specified in scheduled agreement.
- e) sign if the mitigation measure has been implemented as agreed
- f) seek redress from HVEN if not satisfied with above mentioned procedure
- g) involve appropriate NGOs
- h) seek redress from court if all else fails.

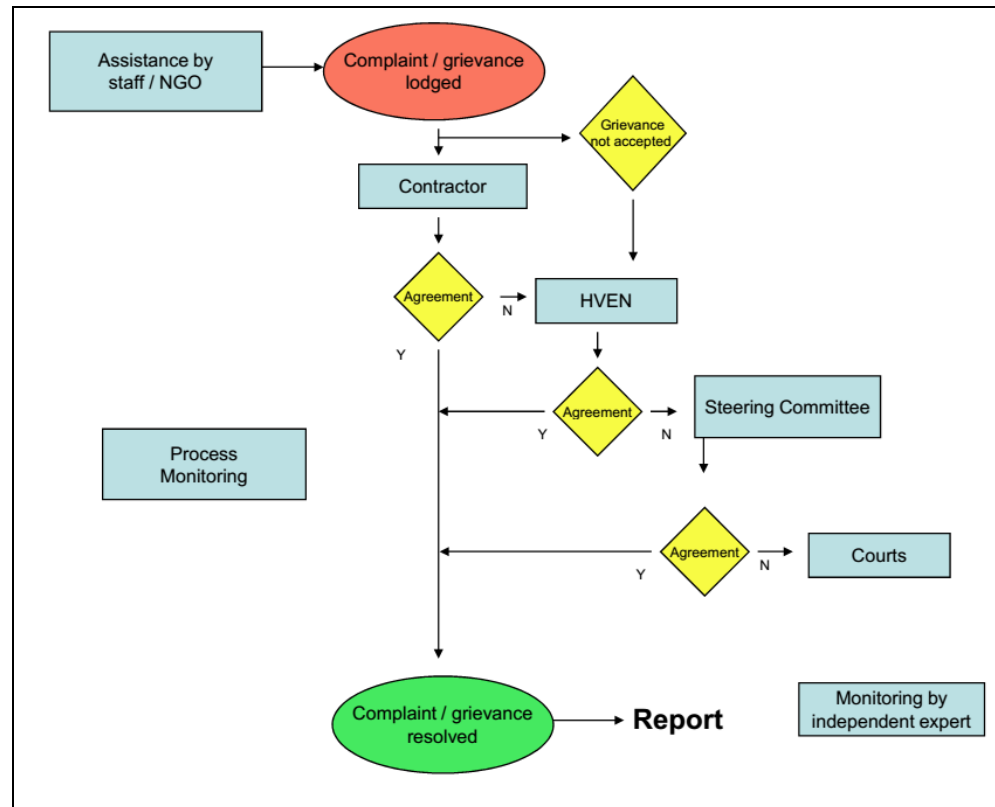


Fig. 6-3: Grievance Mechanism Flow Chart

Nevertheless, the above mentioned grievance mechanism does not limit the citizen's right to submit the case straight to the court of law just in the first stage of grievance process. The grievance mechanism is designed to avoid lengthy court procedures.

KfW is not directly part of the Grievance procedure but should receive reports which complaints were received and how they have been followed up / mitigated.

Special consideration has to be taken for PAPs living in remote areas and vulnerable people as complaint mechanisms may be unusual and contact with legal procedures let alone courts of law may appear not very promising from their experience. This would prevent the most disadvantaged persons from addressing their grievance.

A close monitoring on village level by an independent social expert during the implementation of the project and a personal contact with PAPs is therefore recommended.

Vulnerable PAPs (all households headed by women or elderly people, and all households below the poverty line) will be entitled to a legal aid / social worker to support them with complaints procedures.

6.3 Institutional Capacity

HVEN has recently employed a social specialist for establishment of site specific resettlement plans, however the social specialist will require consultant support for substantial RAP activities e.g. if houses are affected.

Under the turnkey arrangement, it is proposed that Resettlement Action Plans shall be prepared as needed as part of the detailed design process. Internationally experienced resettlement experts should be recruited by the contractor to support the RAP preparation. HVEN will then be responsible for RAP implementation.

The employment of qualified Social- and Environmental consultants within HVEN will be necessary.

Qualified international safeguard experts will provide trainings to HVEN's staff and consultants on the application of OP 4.12 safeguards and the Guidelines on how to prepare a Resettlement Action Plan (RAP).

A resettlement plan, that can be referred to has e.g. been prepared for ESRP. Training on grievance resolution and response to complaints at HVEN shall be part of the capacity building activities.

Thematic focus of trainings could be put on:

- survey methodologies (census and inventory of losses)
- livelihood analysis to recognize PAPs perspectives and vulnerability context
- institutional setup and process for land acquisition and compensation payments
- grievance mechanism and grievance redress committees
- resettlement process and setup of resettlement committees
- legal support and PAPs difficulties to have access to legal support
- social workers for vulnerable PAPs
- opportunities and implementation of specific livelihood restoration measures as a compensation and local development option
- internal and external monitoring / audit.

Practice orientation of trainings would be essential.

6.4 Monitoring

The monitoring measures are designed to ensure the effective and timely implementation of compensation and resettlement activities.

As there is not enough similar experience with the construction or rehabilitation of transmission lines and rehabilitation of substations in Armenia since Soviet times, the implementation of compensation and relocation activities in compliance with Armenian law and international safeguards will have to be closely monitored.

Limitations are foreseen concerning asset valuation mechanisms/licensing procedures, timely compensation payments and prior information, consultation and participation of project affected people. The enforcement of the existing laws is considered to be a major gap between the national framework and the international safeguards. A further issue is the eligibility status of un-registered land users. Here, the safeguards of KfW Development Bank and World Bank have to be applied and all affected land-users fully compensated.

Armenian law does not foresee a monitoring system of compensation payments. So far, monitoring has been done as a follow up of complaints and law suits by PAPs. In order to correspond to international standards, it is recommended to have compensation procedures and payments monitored by a qualified international monitor who is familiar with the local context.

The monitoring activities should review the project progress in three steps:

1. Before the start of the final design / land survey

- communication and division of tasks between institutions on ministerial, national and district level involved in the compensation process
- process of public information and consultation on the regional and local levels (Marzes)
- process of expropriation incl. land acquisition contracts and expropriation records as well as valuation and negotiation mechanisms
- criteria which determine the necessity of resettlement.

2. After land survey and before the start of the construction work (performance monitoring)

- timeliness of compensation payments to all affected persons
- effectiveness of linkages with savings and investment program as well as revolving fund program in order to prevent increased vulnerability
- existence and functioning of the grievance mechanism
- information campaign and consultation with PAPs
- status of land acquisition and payments on land compensation
- compensation for affected structures and other assets

- payments for loss of income
- selection and distribution of replacement land areas; and
- initiation of income restoration activities.

3. After the completion of the construction work (impact monitoring)

- effective implementation of resettlement activities (Resettlement Action Plan) and relocation of PAPs
- effective implementation and results of the grievance mechanism; monitoring of complaints received during implementation and how they were resolved
- post-displacement livelihood situation
- effective implementation of livelihood improvement measures
- social survey / repeat of census in order to determine if people have been enabled to restore their livelihoods
- continuation of income restoration activities.

After the completion of the construction work, an independent audit (RAP Implementation Compliance Report) should be carried out by an international auditor in order to check out the adequacy of the compensation payments and the effectiveness of the resettlement under each RAP prepared as part of the project. If the livelihood of resettled people has not been restored an additional program for livelihood restoration should be implemented.

7. Public Consultation and Disclosure

According to EBRD PR 5, the client informs potentially displaced persons at an early stage about the resettlement aspects of the project and takes their views into account in project design.” According to Equator Principles, all RAPs must be prepared through a process of public consultation with all interested affected parties.

As soon as the decision to undertake the final land survey is taken, the process of public information and the involvement of PAPs are expected to start. At this moment, the activity to prepare the Resettlement Action Plan (RAP) should also be started. The administrations of the concerned regions, towns and villages have to be informed about the project. It is important to check the human resources available for the project related activities and if necessary to increase staff and/or give trainings.

- PAPs opinions, concerns and suggestions for mitigation related to the project have to be taken into account.
- Community leaders have a crucial role in the project. They have to be informed about all relevant steps of the project, accompany the designer and should be members of the resettlement committees and grievance redress committees. However information should not be limited to Community leaders alone, but also use channels that are independent of village hierarchies.
- Final design will have to be discussed in every concerned village during design procedure and transects to be made with stakeholders.
- PAPs will be informed about health and safety issues i.e. risks of electrocution and electric and magnetic fields (EMF) and minimum distances to be respected. (see also ESIA Chapter 9.3.6. and ESIA Annex 12.2)
- Information about the project should be shared with all concerned staff within the administration (local heritage department, environmental department, agriculture department, cadastral office etc.).
- The public awareness and information activities should be carried out together with the final design and followed by detailed census and inventory of affected property/ inventory of losses.
- PAPs have to be informed about Cut-Off-Date procedure, in order to know that new constructions in the corridor of the line will not be eligible for compensation.
- Further, PAPs have to be informed about the grievance redress procedure.
- PAPs have to receive a written summary of their rights for compensation and resettlement provisions, entitlements under resettlement, their options for cash or land compensation and whom they can complain to.

- Vulnerable PAPs (all households headed by women, elderly persons, disabled persons, students younger than 23 years old, and all households below the poverty line) are entitled to an individual case worker (either legal specialist/lawyer or social worker). These persons will have to be selected and introduced to PAPs without any further steps to be taken by PAPs.

Copies of the RAP have to be translated in Armenian language and made available to PAPs and other stakeholders in appropriate, accessible locations especially in the project area. The municipalities of the concerned regions/marzes and the concerned villages are suggested as suitable locations.

Project Affected Villages:

Region of RA	Villages/ towns in the vicinity of the Project
Lori Marz (OHL Lori, OHLs Tumanyan-1 and -2)	Town Vanadzor Town Alaverdi Village Bazum Village Gargar Village Hobardzi Village Mghart Village Ardvi Village Amoj Village Akori Village Sanahin

Community leaders of all affected villages have to be consulted during design and implementation of the project. Information includes all documents and maps as well as information brochures. Focus groups with PAPs and other stakeholders are suggested in severely affected villages.

Documents have to be disclosed for a period of minimum 20 days, which will allow time for all interested and affected parties to submit their comments and concerns about the RAP.

Fichtner already prepared an Environmental and Social Impact Assessment (ESIA) Study and a Resettlement Policy Framework (RPF) for the Rehabilitation of OHLs Lori and Tumanyan-1 and -2 in 2014. The ESIA and RPF had been conducted under the given pre-condition that most of the existing towers of the lines could remain. As part of the Caucasus Energy Network Project rehabilitation of these lines will be implemented only after construction and commissioning of BtB s/s Ayrum as Lori line can then be disconnected, dismantled and reconstructed in the already existing line corridor under consideration of the recommended bypasses. The Final Draft version of the above mentioned ESIA, including the ESMP, and the RPF were disclosed to the public in English and Armenian versions for two weeks.

The document was not only posted on HVEN's website, but was also delivered in printed copies to the local administration offices and advertisements in local media about their availability were done. Printed copies were also provided to representative civil society organizations.

After disclosure of the documents, public consultation meetings on the ESIA and RPF were held on 14th and 15th January 2015 in the municipalities of Vanadzor and Alaverdi. Consultation meetings concentrated on interpreting the ESIA and RPF reports to the PAP and seeking their feedback and concerns, which were involved in the final reports. The public consultation meetings were successfully conducted with a good participation. From the affected communities nearly all were represented by their community leaders. Mass media (Lori TV and Fortuna TV) recorded parts of the meeting at Vanadzor and developed TV spots. The local branches of the NGO Aarhus Center participated actively in the discussions. For further details see Chapter 10.

8. Costs and Budget

The budget for compensation and resettlement will be included in the project as KfW Development Bank's loan to the Ministry of Finance, which will internally provide the funds as a subsidiary loan to the HVEN transmission company.

Table 8-1: Estimated Budget for implementation of RAP

Activity	Cost in US \$	Responsibility
Land Acquisition for tower foundations replacement cost 200 AMD/m ² / 0.4USD/m ² (amount paid for compensation of lands at substation sites Length: 50 km Lori OHL, 3 km OHL Tumanyan Distance of towers: 400 m, Foundation: max. 100 m ² per tower 2-3 new tower foundations needed for Tumanyan; max. 50 tower foundations for Lori in bypass sections (rest of line in existing corridor)	5,000	HVEN
Resettlement of houses under the line in existing corridor. No displacement of households expected if bypass sections are designed.	Cost to be determined during RAP.	HVEN
Land Acquisition for Access Roads, Use of existing corridor and thus existing access roads.	n.a.	HVEN
Compensation for Crops (only for few tower foundations) and temporary damage to crops Official Valuation to be undertaken, no estimate possible	tbd	HVEN
Physical Resettlement / No resettlement needed	0	HVEN / Final Design by CC
RAP Study	50,000	HVEN
Public Consultations and Info Material	10,000	HVEN and CC
External RAP Audit	50,000	External RAP Monitoring Consultant
Total	115,000	

9. Annexes

9.1 Entitlement and Compensation Matrix

Table 9-1: Entitlement and Compensation Matrix

No.	Impact Category	PAP Category	Compensation
1	Agricultural land	Legal owners	<p>(i) in cash at market 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 a replacement plot within the same village acceptable to the PAP plus 15% allowance or</p> <p>(ii) through replacement land within the same village equal in value/productivity to the plot lost acceptable to the PAPs.</p> <p>Compensation will be free of deductions for transaction, registration costs.</p>
		Legalizable PAPs, customary users	Will be legalized as Legal owner and paid as Legal owner
		Non-legalizable PAPs	Will be compensated with one time allowances in order to relocate to another location. They are also entitled to rehabilitation allowance if they belong to the category of vulnerable people as well as to relocation allowance in case of relocation.
2	Non-Agricultural Land (residential- or commercial land)	Legal owners	Market value plus a 15% allowance in cash (the compensation is free of any deductions for transaction and registration costs). If there is no market rate, compensation will be the provision of a replacement plot acceptable to the PAP within the same village or cash compensation based on the cost of replacement land plus 15% allowance.
		<u>Legalizable PAPs</u>	Compensation as Legal owner/Leaseholder
		<u>Non Legalizable PAPs</u>	Will be compensated with one time allowances in order to relocate to another location. They are also entitled to rehabilitation allowance if they belong to the category of vulnerable people as well as to relocation allowance in case of relocation.

No.	Impact Category	PAP Category	Compensation
3	State/ community/ municipality land	State RA	In the cases where the legal owner is the state/community (village, town or RA) lands will be alienated by a price equal to the cadastral price of the lands with category of energy, transportation, communications, utilities infrastructure. The costs connected with the category changing of state and community lands will be paid by HVEN.
4	Residential buildings	All PAPs	Will be compensated to all PAPs irrespective of the house registration status in cash at replacement cost plus a 15% allowance. Compensation will be free of deductions for depreciation, transaction costs, registration costs and salvageable materials. In case of partial impacts or 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).
5	Non-residential buildings	All PAPs	Will be compensated in the same fashion as residential buildings only to those PAPs who have registered legally their property. PAPs without registration will be compensated, only after legalization (in accordance with RA legislation). All fees for legalization will be paid by the Project Funds. Non-legalizable PAPs will be compensated in cash at market price value.
6	Crops	All PAPs	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. Non-legal land users are also eligible for crop compensation according to EBRD PR 5 at the same terms as tenants.
7	Trees	All PAPs	Cash compensation at market rate based on type, age and productivity of trees. Cash compensation for private wood producing trees and productive (fruit/nut) trees. Re-plantation of twice the amount of saplings in suitable location in case of state owned/community trees.
8	Businesses	All PAPs	Permanent losses for business activity will be compensated in cash equal to a 1-year net income based on tax reports; temporary losses will be compensated in cash equal to the monthly income based on tax reports multiplied with the number of months of business stoppage.

No.	Impact Category	PAP Category	Compensation
			In absence of tax reports (mostly in the case of informal/small businesses) these PAPs will be compensated as above but based on the minimum non-taxable salary (minimum salary defined in RA legislation). Indemnity for lost wages for the period of business interruption up to a maximum of 6 months.
9	Physical relocation	All relocated PAPs	PAPs forced to relocate (including renters) will receive a relocation allowance sufficient to cover transport costs and living expenses for 1 month.
10	Severe impacts allowances	Severely impacted PAPs	When >10% of a PAP agricultural land is affected, PAP (owners, leaseholders and sharecroppers) will get an additional severe impacts allowance for agricultural income losses equal to the market value of a year's gross yield of the land lost. All valuations will be done by licensed valuation consultant based on the assets inventory and measurement data of agricultural land plots.
11	Vulnerability allowance	Vulnerable PAPs/ PAPs below poverty line	Vulnerable people (PAPs below poverty line and widows 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. Women headed households, households with elderly, destitute or disabled people are counted among the vulnerable households. Vulnerable people shall receive a one-off allowance for 6 months in the monthly amount of AMD 32500 (the minimum salary).
12	Community structures and public utilities/ structures	State RA	Will be fully replaced or rehabilitated so as to satisfy their pre-project functions.
13	Other state property/ e.g. trees	State RA	Re-plantation of twice the amount of saplings in suitable location and 3 years nursery.

Vulnerable people are considered:

- (i) Poverty -stricken households, which are registered in or eligible for the Family Benefit System of the MLSI of RA and receive corresponding allowance according to the order, set forth under RA legislation.

- (ii) Households, headed by lonely, widowed or with lost breadwinner women, where there is no other working age person, except the one of pension age, the one passing his mandatory service in the armed forces of RA, holding 1st or 2nd degree of disability or a full-time student of up to 23 years.
- (iii) Households, headed by people of the pension age (elderly), where there is no other working age person, except the one of pension age, the one passing his mandatory service in the armed forces of RA, holding 1st or 2nd degree of disability or a full-time student of up to 23 years.

9.2 Checklist for Census Information

Persons:

- aggregate number of individuals and households in each affected category
- age, gender, occupation of every individual (see list of PAP categories vulnerable to census exclusion)

Property:

Personal property including details of ownership of:

- structures: houses, farm buildings, shops, industrial structures, grain drying area, latrines
- land and type: irrigated or non-irrigated land, woodlots, grassland, unused land, etc.; a description and estimate of the value of standing crops on land
- other: livestock, wells, trees.

Public and common property:

- land: village common lands, gathering and foraging areas, fishing areas, etc.
- structures and facilities: schools, health facilities, burial grounds, community centers, public transport, banks
- infrastructure: drinking and other water systems, access and internal roads, electricity and other power sources.

PAP incomes from other sources, including:

- farm-based income
- off-farm labor
- informal sector activities.

Source: India Resettlement Handbook, World Bank, 1995, p. 39

9.3 Sample Census Format

Household (HH) Socio-Economic Census Form							
Name of Asset Owner:		Name of Village:		Map Location: GPS Coordinates ____		Asset Affected: (add description i.e. 2has of rainfed agriculture)	
Household Composition							
<i>Name of HH Member</i>	<i>Sex</i>	<i>Age</i>	<i>Relation to HH Head</i>	<i>Primary Occupation</i>	<i>Secondary Occupation</i>	<i>Highest Level of Education</i>	<i>Illness or Disability</i>
Example 1	Male	34	Head of Household	Farmer	Seasonal Work	Secondary School	None
Example 2	Female	25	Wife	Trader	None	Primary School	None
Example 3	Female	7	Daughter	Student	None	None	None
Example 4	Male	5	Son	Student	None	None	None
Productive Assets Owned (all assets owned, not just those lost to transmission line)							
Rainfed Land (ha's)	Tenure status	Irrigated Land (ha's)	Tenure Status	Number of fruit trees	Number of other trees	Commercial structures owned and operated	Other structures owned
3has	Owner	0.5ha	Owner	20	2	None	1 Stable
Overall Annual HH Revenue	Source of Income (Percentage)						
100,000 AMD	Rainfed Agr	Irrigated Ag	Remittances	Livestock	Trade	Seasonal Labor	Woodlots
	40%	20%	10%	5%	10%	10%	5%

9.4 Sample Inventory of Losses Format

ID	Name	Family members/ Employees	Land affected			Buildings affected			Trees affected		Businesses affected			Resettled		Vulnerable PAP allowance		Severe Impact Allowance	
			Type	Area owned	Area Affected	Type	No of floors	Area Affected	Type	No.	Type	Per- manent	Tem- porary	Yes	No	Yes	No	Yes	No
1	Example 1	6	Potato field	500 m ²	100m ²				Apricot	3					no	yes		yes	
	Example 2	4				Stone	1	100			Small Shop	yes		yes		no		yes	
	Example 3	2	1.) Potato field 2.) Vineyard	10.000 m ² 300 m ²	60 m ² 100 m ²										no		no		no
	Example 4	5	Construction land	200 m ²	200 m ²										no			yes	

10. Minutes of Public Consultation

The Draft ESIA and RPF Reports to the ‘Rehabilitation of OHLs Lori and Tumanyan-1 and -2’ have been disclosed on 19th December 2014. The documents were published on the HVEN website in both Armenian and English, and Armenian hard copies were submitted to all affected communities.

The Public Consultation meetings have been conducted in Vanadzor and Alaverdi municipalities on 14th and 15th January 2015. Respective announcements were sent to local authorities via email and posted on the announcement desk of the municipalities two weeks before the Public Consultation meetings. The meetings were also announced in local television. Local NGOs were informed via emails and directly contacted through Aarhus Center.

At the public consultation meetings, the Consultant held a non-technical introduction (with slides) presenting the results of the ESIA. This introduction was held with simple, non-technical words understandable also for not highly educated people. It was held in English and translated consecutively in Armenian language. All questions raised in Armenian were translated into English language; the answers to these questions were also translated consecutively into Armenian. The slides to the presentation were given in Armenian.

This introduction presented a project description, stated who did the investigation, it gave information about the method of investigation and the method of assessment. Environmental and social impacts of the Project were communicated and some examples were shown in detail, measures for mitigation and their monitoring were introduced, and recommendations were presented. The ESMP and Grievance Redress Mechanism were also introduced and the provisions of the Resettlement Policy Framework explained. After the introduction the discussion started. The questions raised and the corresponding answers of the two meetings are given in the following.

Public Consultation Meeting at VANADZOR 14.01.2015

Questions/ Concerns raised and Answers

Question/ Concerns	Participant	Answers
What happens if the conductors of the transmission line over-spanning buildings in gorges are cut and fall down?	Perch Bojukyan, Aarhus Center (NGO)	This incident is very unlikely during operation of the line. No houses are allowed under the lines. During construction works for stringing special precaution measures have to be taken, which are mentioned in the ESMP.
You say that the existing line crosses Gyulagarak State Sanctuary. How will the new line go and how much cutting is expected?	Perch Bojukyan, Aarhus Center (NGO)	The line routing between towers 35 and 37 of the existing line crosses Gyulagarak State Sanctuary. In mitigation measures it is suggested to use the existing towers, and if from an engineering point of view this is not possible, it is recommended to dismantle the existing line prior to construction in order to use the present corridor. If this is done, impacts to flora and fauna in forested areas and the Gyulagarak State Sanctuary will be low during construction works. No mature trees will have to be felled within the ROW, as during current maintenance works the ROW is kept free of big trees.
Which method of land acquisition will be used? Will the method of involuntary land acquisition be used? Will the Government Decree on Eminent Domain be used?	Artak Ohanyan, Head of Department for Land Management	Landowners will be asked to sell the land required for the tower location at the market price plus 15%. In case of failure, the Government Decree on Eminent Domain and the method of involuntary land acquisition will be used. The market price will be evaluated by a licensed valuator that will be hired by HVEN / Contractor.
What if there are houses in the ROW of the OHL? People living in these houses will be relocated or they will be compensated?	Vardan Hovhannisyan, Head of Department for Territorial Administration	One of the objectives of the World Bank's policy is, that involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs. Therefore bypasses of villages affected by the line corridor are proposed. If it is not possible to avoid resettlement, the owner of the house located in the ROW will be compensated in cash at replacement cost plus a 15% allowance. This will be fixed in the RAP.

Question/ Concerns	Participant	Answers
Where can I find the project documents?	Perch Bojukyan, Aarhus Center (NGO)	ESIA and RPF were disclosed on December 19, 2014. Documents were disclosed on the HVEN website in both Armenian and English and hard copies were submitted to all affected communities.
We have serious problems with the houses located in the ROW of existing lines. Many of them are legalized. Please bypass the houses where possible.	Deputy Head of Administration of Lori	The contractor will have to keep the requirements of WB, which say that resettlement should be avoided where feasible. The requirement will be part of the contract for design and construction. In design stage while defining the route, the participation of heads of communities is very important. Please be very active and make your proposals at early stage of design works.
If any trees have to be cut, to whom does the wood belong?	Deputy Head of Administration of Lori	According to national legislation, the wood of State Forests belongs to the Forest Department. In Community Forest the community has to decide about sharing of the wood. This aspect will be specified in the Final ESIA study.

The Participants at Vanadzor Public Consultation Meeting

No.	Name	Institution
1	AshotAsryan	Hobardzi Community Representative
2	Detlev Paulsch	Environmental Specialist Fichtner
3	Arman Mkhitarian	Lori Marzpetaran; Construction Department
4	SamvelGrigoryan	Lori Marzpetaran; Representative
5	Steffen Schülein	Social Specialist Fichtner
6	AdrineMkhoyan	Lori TV
7	SrbuhiHarutyunyan	Bazum Community Leader
8	Anna Pluzyan	Bazum Community Representative
9	Albert Tsaturyan	Bazum Community Representative
10	ArtyomShahverdyan	Lori Marzpetaran; Agricultural Department
11	Vardan Hovhannisyan	Lori Marzpetaran; Department for Territorial Administration
12	ArtakOhanyan	Lori Marzpetaran; Department for Land Management
13	GareginGevorgyan	HVEN North Branch Director
14	SeyranTsaturyan	Lori Marzpetaran; Construction Department
15	Perch Bojukyan	Lori Marz, Aarhuscenter (NGO)

No.	Name	Institution
16	Anahit Karapetyan	Fortuna TV
17	HrahatZohrabyan	HVEN North Branch Representative
18	LusineZakaryan	HVEN Sociologist
19	ArsenDarbinyan	Deputy Head of Administration of Lori
20	ArsenPalikyan	EA Energy Advisory
21	ArsenHayriyan	EA Energy Advisory, Legal / Resettlement Expert
22	AleksanderGrigoryan	Gyulakarak Community Leader

Photos from Public Consultation Meeting at Vanadzor





Public Consultation Meeting at ALAVERDI 15.01.2015

Questions / Suggestions raised and Answers

Question/ Concerns	Participant	Answers
The existing line is going through the Aqori village. It would be very good if the route of the new line bypasses the village residential lands.	Hrahat Simonyan, Aqori Community Leader	The residential lands and the lands intended for settlement will be bypassed where possible. It is the requirement of local legislation and the WB's policy on involuntary resettlement.
Will there be a power outage during the reconstruction/rehabilitation works?	Samvel Shahverdyan, Aygehat Community Leader	There will be no power outage during the reconstruction/rehabilitation works as the electricity will be supplied by another existing line.
Can a long stay under transmission lines during agricultural works lead to injury?	Samvel Kirakosyan, Ardvi Community Leader	Under conductors of transmission lines people are allowed to engage in agriculture. Under the power lines they are not allowed to build houses according to the law and also because it there could be effects of EMF on humans that are permanently exposed,. For transmission lines of 220 kV and more a safe distance of more than 7 meters from the wires is considered.
How much and in which segments of the line cutting of trees is expected?	AnushEvoyan, Aarhus Center (NGO)	During construction works impacts to flora and fauna at forested areas will be low as the new line will use the existing ROW and towers. Thus, no mature trees will have to be felled within the ROW, as during current maintenance works the ROW is kept free of big trees.
The land for tower location will be rented or acquired?	ArsenTitanyan, Odzun Community Leader	The lands necessary for tower location will be acquired by HVEN. Landowners will be asked to sell the land at the market price plus 15%. The market price will be evaluated by a licensed company that will be hired by HVEN / Contractor. The compensation will be paid in accordance with RPF provisions.

The Participants at Alaverdi Public Consultation Meeting

No.	Name	Institution
1	Armen Nalbandyan	HVEN North Branch Representative
2	Steffen Schülein	Social Specialist Fichtner
3	Detlev Paulsch	Environmental Specialist Fichtner
4	Arsen Titanyan	Odzun Community Leader
5	Hrahat Simonyan	Aqori Community Leader
6	Valeri Minasyan	Alaverdi Municipality; Construction Department
7	Hrayr Nazaryan	Alaverdi Municipality; Construction Department
8	Samvel Shahverdyan	Aygehat Community Leader
9	Samvel Kirakosyan	Ardvi Community Leader
10	Vachagan Hovhannisyan	KarmirAghek Community Leader
11	Anush Evoyan	Alaverdi City, Aarhuscenter (NGO)
12	Varujan Titanyan	Odzun Community Representative
13	Samvel Sargsyan	Arevatsag Community Leader
14	Vachagan Navasardyan	Mghart Community Leader
15	Haykasar Mayilyan	Hagvi Community Leader
16	Lusine Zakaryan	HVEN Sociologist
17	Arsen Palikyan	EA Energy Advisory
18	Arsen Hayriyan	EA Energy Advisory, Legal / Resettlement Expert

Photos from Public Consultation Meeting at Alaverdi



Conclusion

The Public Consultation Meetings were successfully conducted with a good participation. From the affected communities nearly all were represented by their community leaders. Mass media (Lori TV and Fortuna TV) recorded parts of the meeting at Vanadzor and developed TV spots. The local branches of the NGO Aarhus Center participated actively in the discussions.

Recommendations from the Public Consultation Meetings

- It should be specified more clearly in the ESIA report to whom the wood of felled trees will belong.
- Community leaders expressed the wish that trees should be replanted near to the locations where trees have been felled for construction.
- Participants were asked by the Consultant about any information concerning bird mortality at the existing transmission lines. According to the communities, no incidents have been recorded.

Received recommendations were incorporated into the present ESIA report.