

WATER AND IRRIGATION SERVICES ENHANCEMENT PROJECT

RESETTLEMENT FRAMEWORK



RESETTLEMENT POLICY FRAMEWORK (RPF)

(Simplified for Low or Moderate Risk Projects)

RESETTLEMENT FRAMEWORK

FOR THE

WATER AND IRRIGATION SERVICES ENHANCEMENT PROJECT

(WISE – P508124)

PREPARED BY

WATER COMMITTEE

of

Ministry of Territorial Administration and Infrastructure of Armenia

DRAFT (March 2025)

Table of Contents

CHAPTER 1: INTRODUCTION	2
1.1 Project Objectives and Description	2
1.2 Objective and Rationale	3
1.3 Scope and Approach	4
1.4 Key Principles	6
CHAPTER 2: LEGAL AND REGULATORY FRAMEWORK	8
2.1 Comparison of National Law with World Bank ESS5	8
2.2 Identified Gaps and Proposed Approaches	10
CHAPTER 3: Resettlement Plan	12
3.1 Land Acquisition Scenario	12
3.2 Preparation of RPs	13
3.2.1 Sub-project Identification and Screening	13
3.2.2 Scoping & Baseline Studies	13
3.2.3 Stakeholder Engagement & Consultation	14
3.2.4 Preparation of Resettlement Plans	14
3.2.5 Approval & Disclosure	15
3.3 Cut-off Date	15
3.4 Implementation of RPs	15
3.5 Disclosure and Consultations	16
3.6 Monitoring and Evaluation	17
CHAPTER 4: INSTITUTIONAL ARRANGEMENT	18
4.1 Water Committee of Ministry of Territorial Administration and Infrastructures	18
4.2 Ministry of Finance	18
4.3 Cadaster Committee	18
4.4 Regional and Local Authorities	18
CHAPTER 5: FEEDBACK AND GRIEVANCE REDRESS MECHANISM FOR RESETTLEMENT ISSUES	22
5.1 Objective	22
5.2 Steps	22
5.3 Appeal	23
5.4 Closure of Grievances	23
5.5 Grievance Records and Documentation	24
5.6 FGRM Focal Point Contact Information	24
CHAPTER 6: Cost and Budget	25

ACRONYMS

AFD	Agence Française de Développement
ESIA	Environmental and Social Impact Assessment
ESF	Environmental and Social Framework
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standards
GoA	Government of Armenia
FGRM	Feedback and Grievance Redress Mechanism
FM	Financial Management
GM	Grievance Mechanism
GRC	Grievance Redress Commission
HLIB	Health and Labor Inspection Body
HMC	Hydrometeorology and Monitoring Center
H&S	Health and Safety
IA	Implementation Agency
IBRD	International Bank for Reconstruction and Development
I&D	Irrigation and Drainage
IEC	Information, Education and Communication
ILCS	Integrated Living Conditions Survey
ILO	International Labor Organization
IPF	Investment Project Financing
IPF-PBC	Investment Project Financing with Performance-Based Conditions
IWPC	Integrated Water and Planning Center
LMP	Labor Management Procedures
M&E	Monitoring and Evaluation
MoE	Ministry of Economy
MP	Monitoring Plan
MTAI	Ministry of Territorial Administration and Infrastructures
NRW	Non-Revenue water
O&M	Operations and maintenance
OHS	Occupational Health and Safety
PAP	Project Affected Person
PDO	Project Development Objective
PEA	Project Execution Agency
PCT	Project Coordination Team
RA	Republic of Armenia
PBC	Performance-Based Conditions
RF	Resettlement Framework
RP	Resettlement Policy
RWSS	Rural Water Supply and Sanitation Services

SCADA	Supervisory Control and Data Acquisition
SEF	Stakeholder Engagement Framework
SEP	Stakeholder Engagement Plan
SNCO	State Non-Commercial Organization
WB	World Bank
WUA	Water User Association
WC	Water Committee
WSA	Water Supply Agency

CHAPTER 1: INTRODUCTION

The purpose of this Resettlement Framework (RF) document is to establish terms of agreement between relevant authorities in the Government of the Republic of Armenia and the World Bank regarding principles and procedures to be used in subsequent preparation of Resettlement Plans (RPs)¹ for sub-project activities involving physical or economic displacement as a result of land acquisition and/or restrictions on land use. The World Bank's approval of RPs is required prior to initiation of a procurement process for any sub-projects where such potential impacts are envisaged.

The RPF is intended to avoid or minimize any adverse impacts associated with physical or economic displacement, and to ensure arrangements are in place to mitigate any adverse impacts that may occur. The Government of Armenia (GoA) hereby agrees to apply the principles, procedures, and standards incorporated in ESS5 of the World Bank ESF in obtaining any sites for the project where economic displacement² or physical displacement³ are envisaged.

This RPF is intended to utilize the existing legal and policy framework of Armenia, incorporating any supplementary measures necessary to achieve consistency with ESS5 principles and standards⁴.

Water and Irrigation Services Enhancement Project (or hereafter WISE Project) is being prepared to enhance climate resilient access, efficiency, and financial sustainability of irrigation and rural water supply and sanitation (RWSS) services in project affected areas. A Stakeholder Engagement Plan (SEP) has been prepared to guide relevant stakeholder engagement activities both during the project preparation and implementation.

1.1 Project Objectives and Description

The Project Development Objective (PDO) is to provide improved access to efficient and financially sustainable irrigation and rural WSS services in selected areas of Armenia. The project is part of a 10-year Multi-phase Development Approach (MPA) that aims to improve the delivery of irrigation and rural WSS services across Armenia. Phase 1 is designed to enhance climate-resilient irrigation and WSS services. It will equip six Water User WUAs with modern irrigation systems and enhance irrigation service efficiency through upgrades to primary, secondary and tertiary networks in selected schemes to boost climate resilience towards drought, floods and extreme heat. Phase 1 will also improve access to sustainable WSS services by developing rural WSS investment plans and upgrading water supply infrastructure. It will also prepare FSs, designs, and bidding documents for Phase 2 investments. Further, Phase 1 will also include Performance-based Conditions (PBCs) to support policy, legal and institutional reforms as well as a learning program that documents insights to guide implementation through research, data analysis and policy development. The project implementation period of Phase 1 will be six years.

Phase 1 of the project includes four components, including one component with PBCs, as follows:

- a. **Component 1. Water Sector Reform and Institutional Strengthening** supports MTAI and the Water Committee (WC) in key priority areas, including the development of national strategies for water, irrigation, and rural drinking water and sanitation; revision of irrigation tariffs based on land use and water consumption; establishment of an Asset Maintenance Fund and Plan for modernized irrigation schemes; creation of Rural Water Supply and Sanitation (RWSS) units with defined agreements, performance indicators, and monitoring systems; and the launch of a National Irrigation Water Accounting and Adaptation Center (IWAAC) to enhance water management and adaptation efforts.) with PBCs. This component will also include two PBCs that seek to support institutional capacity building within MTAI, WC and WUAs.

¹ To ensure that the relevant authority is aware of its obligations, it is recommended that the RPF be accompanied by a provision of a transmittal letter, signed by the chief executive (or similar relevant authority) of the implementing agency.

² As described in ESS5, Paras. 33–36.

³ As described in ESS5, Paras. 26–32.

⁴ The RPF does not supersede provisions of ESS5 or the ESF, and the World Bank remains solely responsible for determining what is required to achieve consistency with those requirements throughout the course of project implementation.

- b. **Component 2. Rural Water Supply and Sanitation Enhancement** will focus on providing improved access to efficient and financially sustainable rural WSS services in selected areas of Armenia. This includes a combination of institutional strengthening, capacity building as well as regulatory reforms, FS and infrastructure assessments. This subcomponent will support FSs and detailed engineering designs for high-priority Water Supply and Sanitation (WSS) investments to enhance resilience against climate-induced droughts, floods, and extreme heat under both phases of the MPA. Based on an agreed investment plan with the Government of Armenia (GoA), it will implement 'no-regret' infrastructure and service improvements in the most critical unserved settlements, considering technical, economic, socio-political, and institutional factors.
- c. **Component 3. Modernizing Irrigation Infrastructure & System Management** will finance rehabilitation and modernization of selected irrigation systems at main, secondary, and tertiary canal levels currently managed jointly by WSA at the large main canal and reservoirs level and by WUAs at the secondary and tertiary distributary level. The total command area of the irrigation systems under consideration is about 39,580 ha which will be selected based on hydrological, technical, economic, and agricultural parameters, under a Framework Approach⁵. Similarly, for Phase 2 a total of additional 4 irrigation schemes were short-listed for consideration under this phase.
- d. **Component 4: Project Management.** An interim WISE Project Coordination Team (PCT) will be housed within the Water Committee and will assume primary responsibility for project implementation, including implementation of civil works and related procurement and financial management (FM), compliance with agreed E&S management measures, and project monitoring and evaluation (M&E). This component will finance staff costs; coordination of the project-financed activities with other ongoing International Financial Institution (IFI) projects in the water sector; design, implementation, and reporting of baseline and project completion surveys; and the preparation of assessment studies (e.g., pre-feasibility and FSs), detailed engineering designs, and construction supervision. The component will also include capacity building support for the PCT, including citizen engagement training skills for the staff of the PCT.

Overall responsibilities for the project implementation will be located within the Ministry of Territorial Administration and Infrastructures (MTAI) and the Water Committee (WC). Day-to-day implementation will be supported by the Project Coordination Team (PCT) within the WC. Implementation of Components 1 - 3 will be conducted through the MTAI. A project Steering Committee will be established at the level of the Deputy Prime Minister's (DPM) office to oversee and monitor the overall progress of the project. The project director will likely report directly to the Steering Committee. The development of the National Water Strategy, the National Irrigation Strategy, and the National WSS Strategy will be carried out under the leadership of the DPM's Deputy Prime Minister's office and executed by the MTAI's and the WC with close involvement of all stakeholders engaged in the water sector in Armenia, as well as other entities involved in water sector development. The project's Environmental and Social specialists will be hosted under the PCT.

1.2 Objective and Rationale

At this stage of the Project preparation the project does not have clear information on the extent and scope of resettlement impacts that might occur as a result of the proposed project activities. Such information will only be available once detailed engineering designs for the sub-projects, particularly under Components 2 and 3 has been produced during the project implementation.

⁵ This is an indicative number based on the assumption that all short-listed schemes will qualify for project investment upon completion of the preliminary and detailed design studies. This number is considered as a 'high scenario' and the final project areas may be reduced after selection of I&D schemes for the project rehabilitation program, which also has implications for the total beneficiaries under the project.

Hence, a framework approach has been adopted for the project to guide relevant E&S assessments and preparation of the management plans at the sub-project level.

The Resettlement Framework (RF) is necessary to ensure that the project's social and environmental risks, particularly those related to displacement and livelihood impacts, are effectively identified, managed, and mitigated and to achieve the objective of the ESS5 on Land Acquisition, Restrictions on Land Use, and Involuntary Resettlement. The RF seeks to avoid displacement where possible and minimize adverse social and economic impacts. Specifically, the RF serves the following purposes:

- Guiding principles for land acquisition and management of resettlement impacts, including compensation and other forms of livelihood support. the RF provides a structured approach to addressing resettlement-related risks by establishing clear principles, rules, and guidelines. It ensures that all land acquisition, resettlement and management of restrictions on land use where applicable align with the ESS5 and RoA's legal framework. The framework provides guidance for the preparation of Resettlement Plans (RPs) for sub-projects where impacts envisaged under the ESS5 are anticipated.
- Integration with Environmental and Social Risk Management: since the broader Environmental and Social Management Framework (ESMF) assesses risks and impacts of project activities, the RF complements it by specifically focusing on resettlement-related risks. It ensures that screening criteria are applied to identify activities requiring resettlement interventions and that appropriate mitigation measures are in place.
- Comprehensive mitigation measures: the RPF provides a framework for implementing mitigation measures at all stages of the project, from identification and selection to design, implementation, monitoring, and evaluation. This proactive approach ensures that displacement and livelihood disruptions are minimized and that affected persons receive fair compensation and support.
- Institutional Responsibilities and Capacity Assessment: by outlining the roles and responsibilities of agencies involved in addressing social risks, the RF ensures that entities tasked with resettlement management have the necessary capacity to implement mitigation measures effectively, including relevant coordination with authorized agencies to execute land acquisition and resettlement activities under the RoA's legal framework. The framework also clarifies the government's commitments for the implementation of the RF during the project implementation.

1.3 Scope and Approach

The physical construction works financed under Components 2 and 3 may have potential negative impacts on communities due to involuntary land acquisition, restrictions on land use, and the permanent or temporary loss of land, assets, crops, or trees. Additionally, these works could disrupt access and affect businesses operating on or attached to the affected land or properties.

The project will invest in linear infrastructure, such as irrigation canals, where informal land use may exist along the canal banks. These areas could be affected by modernization, widening, or re-alignment works. Additionally, the project may support the establishment of small-scale regulating reservoirs, which could lead to land inundation. While the government will prioritize the use of state-owned land, the RF will apply wherever private land use, whether formal or informal, is impacted.

The project aims to prevent physical displacement and minimize any significant impact on the livelihoods and income of Project-Affected Persons (PAPs). The design process will ensure that detailed engineering plans incorporate measures to achieve this objective, including the exploration and implementation of alternative solutions.

In line with the ESS5, the RF applies to permanent or temporary physical and economic displacement resulting from the following types of land acquisition or restrictions on land use undertaken or imposed in connection

with the project's activities and/or Associated Facilities as further elaborated in the Environmental and Social Management Framework (ESMF):

- a. Land rights or land use rights acquired or restricted through expropriation or other compulsory procedures in accordance with national law.
- b. Land rights or land use rights acquired or restricted through negotiated settlements with property owners or those with legal rights to the land, if failure to reach settlement would have resulted in expropriation or other compulsory procedures.
- c. Restrictions on land use and access to natural resources that cause a community or groups within a community to lose access to resource usage where they have traditional or customary tenure, or recognizable usage rights. This may include situations where legally designated protected areas, forests, biodiversity areas, or buffer zones are established in connection with the project.
- d. Relocation of people without formal, traditional, or recognizable usage rights, who are occupying or utilizing land prior to a project-specific cut-off date.
- e. Displacement of people as a result of project impacts that render their land unusable or inaccessible;
- f. Restriction on access to land or use of other resources including communal property and natural resources such grazing and cropping areas.
- g. Land rights or claims to land or resources relinquished by individuals or communities without full payment of compensation.
- h. Land acquisition or land use restrictions occurring prior to the project, but which were undertaken or initiated in anticipation of, or in preparation for, the project.

In line with the project's approach to minimize livelihoods impacts, under the RF, the project will adopt the following approaches:

- a. **Prioritizing Negotiated Settlements** – the project will seek to engage property owners and individuals with legal rights to the land through negotiated agreements. Additionally, alternative engineering solutions will be explored to avoid involuntary land acquisition. Expropriation will only be considered as a last resort when no technically feasible design alternatives exist, or when such alternatives pose public safety concerns.
- b. **Handling Land Disputes and Compensation** – in cases of disputes over land claims or compensation payments, escrow arrangements may be considered. However, this will only be done if the project determines that such an approach will not cause significant livelihood impacts and if the property owners and/or claimants agree to allow construction works to proceed while disputes are resolved through the country's legal system.
- c. **Prohibition of Evictions**⁶ – No evictions will be permitted under this project, as further detailed in the principles outlined.
- d. **Mitigating Impacts on Informal Land Occupants** – in cases of informal land occupation, any expropriation of livelihood-generating assets or restrictions on land use will prioritize design solutions that minimize livelihood impacts. Additionally, the project will provide support to restore affected individuals' livelihoods and living standards to either their pre-displacement levels or the levels prevailing before project implementation—whichever is higher.

⁶ "Forced eviction" is defined as the permanent or temporary removal against the will of individuals, families, and/or communities from the homes and/or land which they occupy without the provision of, and access to, appropriate forms of legal and other protection, including all applicable procedures and principles in the ESS5. The exercise of eminent domain, compulsory acquisition or similar powers by a Borrower will not be considered to be forced eviction providing it complies with the requirements of national law and the provisions of this ESS, and is conducted in a manner consistent with basic principles of due process (including provision of adequate advance notice, meaningful opportunities to lodge grievances and appeals, and avoidance of the use of unnecessary, disproportionate, or excessive force).

The RF covers the following categories of displaced people:

- a. People who have formal legal rights to land or assets.
- b. People who do not have formal legal rights to land or assets, but have a claim to land or assets that is recognized or recognizable under national law or
- c. People who have no recognizable legal right or claim to the land or assets they occupy or use.

The term displaced people incorporates all potential categories of persons affected by land acquisition and associated impacts; all of those adversely affected are considered “displaced” under this definition regardless of whether any relocation is necessary.

The census for the development of RPs described in Chapter 3 will establish the status of the affected persons.

1.4 Key Principles

The project is required to take all feasible measures to avoid or minimize adverse impacts from land acquisition and restrictions on land use associated with project development. The fundamental objective of ESS5 is to ensure that, if physical or economic displacement cannot be avoided, displaced persons (as defined below) are compensated at the replacement cost for land and other assets, and otherwise assisted as necessary to improve or at least restore their incomes and living standards.

The other ESS5 objectives include:

- a) To avoid forced eviction⁷
- b) To improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure⁸
- c) To conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project warrants
- d) To ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.

Replacement cost (ESS5, Para. 2) is defined as a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement materials and labor for construction of structures or other fixed assets, plus all transaction costs associated with asset replacement. In all instances where physical displacement results in loss of substandard shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets minimum community standards of quality and safety.

ESS5 also establishes key principles to be followed in resettlement planning and implementation. These include:

- a) All displaced persons are entitled to compensation for land and attached assets, or to alternative but equivalent forms of assistance in lieu of compensation; lack of legal rights to the assets lost will not bar displaced persons from entitlement to such compensation or alternative forms of assistance.
- b) Compensation rates refer to amounts to be paid in full to the eligible owner(s) or user(s) of the lost asset, without depreciation or deduction for fees, taxes, or any other purpose.

⁷ Defined as the removal against the will of individuals, families, and/or communities from the homes and/or land which they occupy without the provision of, and access to, appropriate forms of legal and other protection, including all applicable procedures in ESS5.

⁸ Security of tenure means that displaced persons are resettled to a site that they can legally occupy, where they are protected from the risk of eviction and where the tenure rights provided to them are at least as robust as those they had prior to displacement.

- c) Compensation for land, structures, unharvested crops, and all other fixed assets should be paid prior to the time of impact or dispossession.
- d) When cultivated land is to be taken for project purposes, the [name of implementing agency] seeks to provide replacement land of equivalent productive value if that is the preference of the displaced persons.
- e) Community services and facilities will be repaired or restored if affected by the project.
- f) Displaced persons should be consulted during preparation of the RP, so that their preferences are solicited and considered.
- g) The RP (in draft and final versions) is publicly disclosed in a manner accessible to displaced persons.
- h) A grievance mechanism by which displaced persons can pursue grievances will be established and operated in a responsive manner.
- i) Negotiated settlement processes are acceptable as an alternative for legal expropriation if appropriately implemented and documented.⁹
- j) Land donation is acceptable only if conducted in a wholly voluntary manner and appropriately documented.¹⁰
- k) The Water Committee of the RA MTAI bears official responsibility for meeting all costs associated with obtaining project sites, including compensation and other considerations due displaced persons. The RP includes an estimated budget for all costs, including contingencies for price inflation and unforeseen costs, as well as organizational arrangements for meeting financial contingencies.
- l) Monitoring arrangements will be specified in the RP, to assess the status and effectiveness of RP implementation.

⁹ Appropriate principles for negotiated settlement transactions include (a) intended project sites are screened to identify competing claims to ownership or use, or other encumbrances that would impede two-party negotiations; (b) if the site is collectively or communally owned or used, the negotiation process includes those individuals or households who directly occupy or use it; (c) prior to negotiations, owners or users are informed by project authorities of their intent to obtain relevant land (and other assets) for project use; (d) owners or users are informed of their rights and options to pursue legal remedies or other actions, and sign a declaration indicating willingness to negotiate; (e) at the onset of negotiations, project negotiators present the owner or user with a proposed package of compensation or other beneficial considerations, along with an explanation as to the basis of this initial offer; (f) owners or users are informed that they may make counterproposals as they may see fit; (g) negotiations are conducted without resort to coercion or intimidation in any form; (h) an agreement establishing payment amounts or other agreed considerations is written, signed, and recorded; (i) payment of compensation and provision of any other agreed considerations is completed prior to taking possession for project use; and (j) owners or users retain the right of access to the grievance mechanism if they have complaints regarding any aspect of the negotiated settlement process.

¹⁰ Any land or asset donation for project use will be consistent with these principles: (a) the potential donor is informed that refusal is an option, and that right of refusal is specified in the donation document the donor will sign; (b) donation occurs without coercion, manipulation, or other pressure on the part of public or traditional authorities; (c) the donor may negotiate for some form of payment, partial use rights, or alternative benefits as a condition for donation; (d) donation of land is unacceptable unless provision is made to mitigate any significant impacts on incomes or living standards of those involved; (e) donation of land cannot occur if it were to necessitate any household relocation; (f) for community or collective land, donation can only occur with the consent of individuals directly using or occupying the land; (g) the land to be donated is free of encumbrances or encroachment by others who may be adversely affected; (h) any donated land that is not used for its agreed purpose by the project is returned to the donor in a timely manner; and (i) each instance of land donation is documented, including a statement identifying the land or assets donated and terms of donation, which is signed by each owner or user. Persons donating land or assets for project use may use the project grievance mechanism to raise complaints regarding any aspect of the donation process.

CHAPTER 2: LEGAL AND REGULATORY FRAMEWORK

The RA legal framework for land takings and resettlement issues mainly consist of the following laws, regulations and legal acts:

- The Constitution of the Republic of Armenia (adopted in 1995, amended, last amended in 2015);
- The Civil Code of the Republic of Armenia (adopted on 05.05.1998, entered into force from 01.01.1999, last amended in 2023);
- The Land Code of the Republic of Armenia (adopted on 02.05.2001, entered into force from 15.06.2001, last amended in 2022);
- The Law # 185-N on Alienation of Property for Public Needs and State Purposes (adopted on 27.11.2006, entered into force from 30.12.2006, last amended in 2018 with the edited name "On Expropriation of Property for Public Interests";
- The Law on Real Estate Valuation Activity (adopted on 04.10.2005, entered into force from 26.11.2005, last amended in 2021);
- The RA Law on State Registration of Rights on Real Estate (adopted on 17.06.1998, entered into force on 01.01.1999, last updated in 2023).

2.1 Comparison of National Law with World Bank ESS5

The Table 1 compares the RA legislation and the WB ESS5, makes conclusions on the gaps and suggests actions to address the gaps.

Table 1: Comparison of RA Legislation and WB ESS5

Legislation of the Republic of Armenia	WB ESS5 – Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Conclusion on Gaps	Actions to Address Gaps
1. Eligibility			
<p>a) Persons having documented ownership over the property (land, buildings, etc.) are eligible to receive compensation for the land being alienated, damages/ demolition and lost crops caused by a project (the Law on Property Alienation for Public and State Needs), or in the cases their lands are not alienated but partially used for public projects (servitude) (the Civil Code (Articles 210-218), Land Code (Articles 50-and 100)),</p> <p>b) Persons who do not have formal legal rights to the assets are not entitled to compensation</p>	<p>a) Persons who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country) are provided compensation for the land they lose at replacement value.</p> <p>b) Persons who do not have formal legal rights to land but have a claim to such land or assets – provided that such claims are recognized under the laws of the country or become recognized through a process identified in the</p>	<p>The National Law only covers those with officially registered rights over the property. Under the Law, all real estate items (buildings and other property) and all the improvements on the land parcel need to be compensated for when alienated from legal owners. Informal users are not compensated. Only state-registered improvements are subject to compensation;</p>	<p>To address this gap, the RF will require that:</p> <p>1) WB ESS5 is followed,</p> <p>2) The GoA allows the application of WB ESS5 for WISE Project.</p>

c) Persons having built a construction or planted trees in areas belonging to others cannot receive compensation for loss of assets.	<p>resettlement plan – are provided compensation for the land they lose at replacement value;</p> <p>c) Persons who have no recognizable legal right or claim to the land they are occupying are provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance as necessary, if they occupy the project area prior to the cut-off date.</p>		
2. Entitlements			
<p>As per Armenian legislation</p> <p>1) the compensation is paid only to the owners and persons having the property rights over the assets if the ownership/property rights have been acquired before the project cut-off date (e.g. the date of filling in the protocol describing the alienated property),</p> <p>2) all the improvements done after the cut-off date in excess of the scope set by the law and all the encumbrances generated over the property after the cut-off date are not subject to compensation.</p>	<p>PAPs are provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives set out in this policy, if they occupy the project area prior to a cut-off date.</p>	<p>Armenian legislation aligns with World Bank Environmental and Social Standard 5 (ESS5) in terms of protections for title holders but does not provide equivalent protection and hence, entitlements for informal occupants.</p>	<p>ESS5 provisions and the RF's Entitlement Matrix shall be followed.</p>
<p>1) The adequate compensation should be paid to the owner in case of alienation, whereas the amount of compensation exceeding the market value by 15% will be considered as adequate ((the Law on Property Alienation for Public and State Needs, Article 11)</p> <p>2) Market value is determined as per RoA Law on Real Estate Valuation Activity (2005).</p>	<p>Compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.</p>	<p>Both Armenian legislation and WB ESS5 provide for compensation for lost land and assets. National legislation appears to be more beneficial for PAPs who are legal owners.</p>	<p>To address this gap, it is recommended to follow local legislation in case of compensation to legal owners and compensation for structures. However, for informal occupants, the provision of the RF will be followed to meet the ESS5 objective.</p>
<p>No provision for income/livelihood rehabilitation measures and/or allowances for affected PAPs and vulnerable groups, and/or resettlement expenses (see above mentioned RA laws)</p>	<p>The WB policy requires rehabilitation for income/livelihood, for severe losses, and for expenses incurred by any and all PAPs during the relocation process</p>	<p>Armenian legislation does not provide any provision for livelihood restoration.</p>	<p>To address this gap, the RF will require that:</p> <p>1) WB ESS5 is followed,</p> <p>2) The GoA allows the application of</p>

			WB ESS5 for WISE Project.
3. Information Requirements			
<p>The resolution of the Government on acknowledgment of exceptional superior public interest is to be properly communicated to the owners and persons having property rights over the assets within seven days after it enters into force. The owner and the persons having property rights over the property to be alienated are entitled to participate in completing the description of the property to be alienated. The copy of the protocol on description is to be sent to the owner and the persons having property rights over the property (the Law on Property Alienation for Public and State Needs, Article 7).</p> <p>Local municipalities are required to acknowledge the communities through mass media and public discussions on expected changes in their living environment (Government Resolution No 660 dated 28 October 1998).</p>	<p>Information related to quantification and costing of land, structures and other assets, entitlements, and amounts of compensation and financial assistance are to be disclosed in full to the affected persons.</p>	<p>Requirements of the WB ESS5 and ESS10 are broader than national legislation.</p>	<p>To address the gap, the RF will require that:</p> <p>1) WB ESS5 and ESS10 are applied, including all the mechanisms envisaged by the local legislation. Relevant measures include timely disclosure of information, and inclusive consultations and accessible FGRM.</p>
4. Meaningful Consultation			
<p>There is no specific legislative provision in the “the Law on Property Alienation for Public and State Needs” to ensure meaningful consultation with affected people and communities. Local authorities are obliged to acknowledge the communities through mass media and public discussions on expected changes in their living environment (Government Resolution No 660 dated 28 October 1998)</p>	<p>ESS5 and ESS10 requires the project to conduct meaningful consultation with PAPs along all the project cycle</p>	<p>Requirements of the Armenian legislation and the WB ESS10 are different.</p>	<p>To address this gap, the RF will require that:</p> <p>1) WB ESS10 is followed,</p> <p>2) The GoA allows the application of WB ESS10 for WISE Project.</p>

2.2 Identified Gaps and Proposed Approaches

In conclusion, both Armenian laws and regulations on land acquisition and resettlement, as well as World Bank Environmental and Social Standard 5 (ESS5), share the common objective of ensuring that affected parties receive fair and adequate compensation. Key gaps include: i) Lack of provisions for compensation and livelihood

support for informal land occupants and ii) absence of legal provisions on livelihood restoration and meaningful consultations under the current legal framework.

Livelihoods restoration: the current legal framework laws does not provided basis for how livelihood restoration should be implemented for affected persons.

- Project's approach: Activities with significant impacts on livelihoods as a result of involuntary land acquisition and restrictions on land use will not be funded under Phase 1. Project will aim to minimize adverse impacts by prioritizing the use of public land with no conflicting land use, thereby avoiding physical and economic displacement as much as possible.

Eligibility for Compensation: Armenian laws do not provide explicit compensation or rehabilitation for non-titled land users, potentially leaving them vulnerable.

- Project's approach: the RF's entitlement matrix covers all categories of project affected people under the ESS5 including informal occupants.

Meaningful consultations: Armenian legislation do explicitly outline public notification and information disclosure requirements, however does not require consultations in case of land acquisition and resettlement.

- Project's approach: the project will ensure the meaningful inclusion of PAPs and their representatives (e.g., civil society organizations), particularly vulnerable groups, in consultation and decision-making process before and during project implementation as guided by the project's Stakeholder Engagement Plan (SEP). Accessible GRM will be established for all project-affected parties.

Across all subprojects, no civil works will commence until all applicable compensation and livelihood restoration measures related to the project or its sub-components are fully implemented.

The Government of the RoA commits to taking all necessary actions to ensure the full and effective implementation of RPs prepared in accordance with the RF and to fulfilling all relevant provisions of ESS5.

CHAPTER 3: Resettlement Plan

Any project activities that require land and/or access to land, resulting in involuntary land acquisition or restrictions on land use, must prepare an RP for WB review and approval. MoTAI and WC will be responsible for the preparation and implementation of the RP, with technical support from the PCT. As necessary, MoTAI and WC will coordinate with relevant agencies, jurisdictions, and project contractors to ensure timely and effective planning and implementation.

The RP preparation process begins once the physical footprint of the proposed investment is determined, confirming that specific land parcels must be acquired for project use. MoTAI and WC will conduct an initial site screening to assess current land usage and tenure arrangements and will prioritize site selection that minimizes physical and economic displacement as part of feasibility studies and detailed design preparation.

If resettlement impacts are anticipated, MoTAI and WC will commission a census survey (through a consultant if needed) to i) identify and enumerate all displaced persons within the selected site(s), ii) develop a comprehensive inventory and value land and other assets to be acquired for project use, including tenurial status and claims.

Further elaboration of the process is presented in this chapter.

3.1 Land Acquisition Scenario

Potential implementation of the RF where RPs could be anticipated include the following types of impacts:

Table 2: Potential Resettlement Impacts under the Project

Scenarios	Probability ¹¹	Severity	Action
Acquisition of Private Land for Irrigation Infrastructure and Reservoir Development. This process involves the acquisition of private land to facilitate irrigation system alignment, including the establishment of small-scale regulating reservoirs and associated inundation areas.	Moderate (considering that the GoA will prioritize state-owned land)	>10% of the productive land is lost ¹²	GoA's decision on the expropriation for public interest (eminent domain), RP to be prepared, reviewed and approved by the WB
Impacts on land use for state-owned leased land, including but not limited to i) permanent and temporary structures, ii) mobile assets and equipment, and iii) agricultural activities, including crop cultivation.	Moderate	>10% income loss	Idem
Impacts affecting informal land use include the loss of permanent and temporary structures, displacement of mobile assets, and disruption of agricultural activities such as crop cultivation.	Moderate	>10% income loss	Idem

¹¹ Very unlikely, Unlikely, Moderate, Likely, Very Likely

¹² The owner may require alienation of the whole land plot if >10% of the productive land is lost

Temporary restrictions on land use for construction activities, with potential loss of income, such as loss of harvest and disruptions to business activities	Moderate	>10% income loss	RP prepared and reviewed and approved by the WB, compensation provided by local authorities
Contractors' leasehold for construction-related activities includes the establishment of base camps, storage of construction materials, and placement of equipment.	Likely	-	Leasehold shall be voluntary through bilateral agreement with the landowners, with prior review by the PCT and supervision engineer

The works to be implemented under the WISE Project will be carried out predominantly in areas owned by the state or local municipalities (community¹³) which do not pose significant resettlement risks. However, some use of private lands may be expected under the project and also there might be informal structures on state or municipal lands. Adequate mitigation of all impacts to either the property or the incomes and livelihoods of project-affected persons will necessitate compliance with the WB ESF, preparation and implementation of RPs.

The project implementation structure for WISE will be established within the MoTAI and WC, which is the main line agency responsible for the management of all WISE components, and/or will be established within a new water agency, which might be created after project effectiveness.

3.2 Preparation of RPs

The RF outlines the structured process for the preparation of Resettlement Plans (RPs) in compliance with the World Bank ESS5 and GoA's legal framework. This process ensures fair, transparent, and sustainable land acquisition, compensation, and resettlement measures for project-affected persons. The key steps in this process include

3.2.1 Sub-project Identification and Screening

Based on the feasibility and detailed design development and following GoA's decision on public interest, MoTAI and WC through technical support from the PCT shall:

- Identify land requirements for the project's activities including irrigation canals, regulating reservoirs (and inundation areas) as well as water and sanitation infrastructure.
- Assess project impacts on land ownership, potential displacement, and access to water resources.
- Classify the scale of displacement (minor land take, partial acquisition, or full displacement). Potential infrastructure with significant land acquisition and livelihood impacts shall be excluded from Phase 1.
- Engage with landowners, farmers, and stakeholders to gauge initial concerns and willingness to participate in negotiated settlements. This step could also assess presence of tenurial disputes.

3.2.2 Scoping & Baseline Studies

Where land acquisition is anticipated for specific sub-projects, the MoTAI and WC with technical support from the PCT and technical consultants shall:

¹³ Communities are local self-governing administrative territorial units in Armenia. Communities include one or more settlements. All settlements in Armenia are included in communities, either separately or together with other settlement(s). The cities of Yerevan and Gyumri are also communities.

- Provide initial notification of expropriation for public interest to the affected people under the project and announce a cut-off date (refer to sub-section 3.3).
- Conduct cadastral mapping to determine land ownership, boundaries, and tenure status, including presence of tenurial disputes and conflicts.
- Conduct a census to develop a comprehensive inventory affected land and assets, including farmlands, homes, businesses, trees, and crops, assets, including mobile assets on and/or attached to the land.
- Carry out a socioeconomic survey focusing on directly impacted people from land acquisition, including vulnerable household.
- Assess environmental and social impacts, especially regarding livelihoods, restrictions on land use and access to natural resources, including water due to land acquisition. This could be linked to site-specific ESIA.
- Where gaps exist with the national framework, discuss with the relevant authorities to address those gaps in line with the ESS5 as guided by this RF.

In the context of the project, vulnerable households include but not limited to:

- households headed by women, where there are no family members of working age (this does not include family members that undertake mandatory service in the armed forces of RA, hold 1st or 2nd degree of disability, or serve as full-time student of up to 23 years old);
- households, headed by people of the pension age (elderly), (this does not include family members that undertake mandatory service in the armed forces of RA, hold 1st or 2nd degree of disability, or serve as full-time student of up to 23 years old);
- poor households, which are registered in the Family Benefit System of the RA Ministry of Labor and Social Affairs (MLSA) and receive corresponding allowance according to the order, set forth under the RA legislation; if households are identified as poor based on the socio- economic survey, but is not registered in the Family Benefit System, PCT will assist the households to get registered. As soon as these households are registered in the Family Benefit System, they become eligible for the allowance.
- displaced families where all adult family members hold refugee status.

3.2.3 Stakeholder Engagement & Consultation

As part of the sub-project activity preparation, MoTAI and WC through technical support from the PCT shall:

- Develop a sub-project level SEP, identifying all affected people including vulnerable groups.
- Organize community meetings to explain land acquisition processes, compensation mechanisms, and livelihood support where applicable. This includes engagement with WUAs and relevant community representatives to ensure that such consultations are inclusive and accessible to diverse groups.
- Document feedback and grievances for incorporation into the RP.

3.2.4 Preparation of Resettlement Plans

Based on the socio-economic and census data and stakeholder consultation results, including concerns and grievances, MoTAI and WC through technical support from the PCT and technical consultants shall:

- Confirm land acquisition requirements, distinguishing between permanent acquisition (e.g., reservoir areas, canal re-alignment) and temporary use (e.g., construction easements) based on the final detailed designs.
- Commission a valuation by an independent appraiser. The affected lands and assets valuation is conducted in compliance with “The Law on Real Estate Valuation Activity” which defines the fundamentals of real estate assessment activities in Armenia.

- Determine compensation structures, including land-for-land, cash payments, and alternative livelihood programs in line with the entitlement matrix (Annex 1) and affected people's preferences based on the consultations.
- Establish a site-level FGRM to handle disputes related to land valuation, compensation, and alternative arrangements in line with the requirements on FGRM under the RF.
- Prepare an Implementation Budget detailing costs for compensation, land purchase, relocation, and livelihood restoration.

3.2.5 Approval & Disclosure

Once the RPs have been drafted, MoTAI and WC shall:

- Submit the RP to the WB and relevant government agencies for approval.
- Disclose the RP publicly in local languages, providing clear explanations and entitlements for the affected people.
- Address stakeholder feedback, including concerns such as siting and compensation amounts, as they are submitted through the FGRM.
- Ensure that all affected persons understand their rights and entitlements before implementation.

3.3 Cut-off Date

Compensation eligibility will be determined by a cut-off date, after which individuals occupying project-affected areas will no longer be entitled to compensation, in accordance with ESS5. This cut-off date, set at the commencement of the census survey of Project-Affected Persons (PAPs), will be communicated to affected communities during preliminary public consultations. Affected assets will be documented through a detailed inventory conducted in the presence of affected individuals and local authorities or their legal representatives if the asset owners are unavailable. Every effort will be made to ensure affected individuals can review and sign asset documentation at a convenient time, with any absences duly recorded.

Individuals or entities moving into the project area or undertaking construction or planting activities after the cut-off date will not be eligible for compensation. However, they will receive advance notice to vacate and dismantle structures before project implementation. While no fines or sanctions will be imposed, they will be allowed to retain materials from dismantled structures, and the Project will provide necessary transportation assistance for their relocation. In cases where project activities are significantly delayed after the cut-off date is announced, the process will be revisited, and the RPs will be updated accordingly.

3.4 Implementation of RPs

MoTAI and WC will designate an entity to serve as the implementation unit for the RPs, including any necessary updates. This role may be assigned to a function within the PCT or another authorized unit. Operating under the supervision of MoTAI and WC, the unit will collaborate with relevant agencies to facilitate expropriation processes, provide legal assistance, and implement livelihood support measures in accordance with the RPs. Compensation payments for expropriated land and assets will be financed through the state budget and must be completed before the commencement of civil works.

The implementation unit will be responsible for the following actions:

- Conducting close consultations with PAPs and local authorities, ensuring transparent, timely, and inclusive communication on resettlement issues with all affected people.
- Verifying RP census data and asset inventory records.

- Conducting cadastral and topographic surveys and updating measurements and inventory data as needed due to design modifications.
- Preparing, negotiating, and finalizing contracts or agreements with the affected people.
- Preparing documentation for the registration of new land plots or cadastral registration of servitude rights as required.
- Delivering compensation, with cash payments made via bank transfer; if a project affected person does not have a bank account, one will be opened for them at no cost.
- Monitoring and ensuring adherence to grievance procedures.
- Handling court proceedings in cases where agreements cannot be reached.
- Overseeing the construction of necessary infrastructure and any modification that could impact the scope of the RPs as part of the Monitoring and Evaluation process (refer to Section 3.6)
- Preparing the RP Completion Report.

The acquisition of land and related assets will proceed only after compensation, in accordance with ESS requirements, has been provided and, where applicable, displaced persons have been received moving allowances in addition to their compensation. Furthermore, livelihood restoration support will be initiated in a timely manner to ensure affected persons are adequately prepared to transition to alternative livelihood opportunities as needed.

3.5 Disclosure and Consultations

The RP summarizes results of measures taken to consult with displaced persons regarding the project, its likely impacts, and proposed resettlement measures. It also summarizes the meetings held with displaced persons (dates, locations, number of participants), including comments, questions, and concerns expressed by displaced persons during these meetings as well as responses provided to them. The PCT discloses a draft RP to the displaced persons (and the public) after Bank review and solicits comments from displaced persons regarding the proposed plan. Disclosure of the final RP occurs following consideration of comments received and following Bank acceptance.

Stakeholder Engagement activities, described in a separately prepared SEP for WISE project, will start with the commencement of the project.

Mechanisms for stakeholder engagement across different groups are expected to include but not limited to public consultations, interviews and focus groups discussions, including outreach to enable safe platforms to raise concerns.

Prior disclosure of relevant information in a format and language accessible to target groups will be performed in advance of any public consultations, interviews and/or focus group discussions. This will also include disclosure of available Feedback and Grievance Redress Mechanism (FGRM) channels.

During the screening process the vulnerable segments of the affected community should be identified, for instance large number of women headed households, ethnic minorities, persons with disabilities, extremely poor households, etc. These groups need meaningful consultation. Meaningful stakeholder engagement should focus on consultations, collaboration and empowerment of stakeholders, and two-way communication. Special information and communication materials can be prepared and disseminated among these groups, focus group or round table discussions, separate meetings can be held with the representatives of those groups or separate people to reveal their opinion about the project, their concerns and needs for inclusion in the Project. The concerns and suggestions should be considered during the elaboration of detailed designs as much as possible and feedback should be provided to the parties concerned.

3.6 Monitoring and Evaluation

MoTAI and WC, through the PCT, will oversee the monitoring of RP implementation and provide periodic progress reports to the WB on the status of land acquisition and RP execution. Institutional arrangements will be established for internal monitoring of resettlement activities, with external monitoring agencies engaged when necessary to ensure independent oversight, particularly for compliance reviews and reporting. The RPs will be updated based on the findings of the final RP audit. Internal monitoring reports will be prepared by the PCT and incorporated into all regular Project Progress Reports, with a final RP Completion Report submitted to the WB upon completion of each RP.

Internal monitoring and supervision will:

- Verify that a complete census of all PAPs has been conducted.
- Ensure that the RP and baseline survey (if required) have been prepared.
- Confirm that property valuation and resettlement activities align with the provisions outlined in the RF and respective RPs.
- Oversee the proper implementation of all resettlement measures as approved.
- Ensure timely allocation of sufficient funds for resettlement activities and verify their proper use in accordance with the RPF and respective RP.

If external monitoring is deemed necessary due to significance of impacts and/or grievances, an independent entity will be engaged to perform the following:

- Assess the social and economic impacts of land and asset expropriation on the affected people
- Verify whether the objective of the ESS5 is achieved, especially with regards to impact avoidance and mitigation and livelihoods restoration.
- Identify remedial measures if necessary
- Provide recommendations for improving resettlement implementation to ensure alignment with the principles and objectives outlined in the RF

The responsibility for the final audit will be defined within the RP, considering the significance of the impact. This role may be assigned to a supervising company or an external monitoring agency. Upon the completion of expropriation and the implementation of all required activities, particularly those related to livelihoods, an RP Completion Report will be prepared by the PCT.

CHAPTER 4: INSTITUTIONAL ARRANGEMENT

The preparation and implementation of the RP require close collaboration among multiple stakeholders, led and coordinated by the MoTAI and WC. Effective planning and execution are essential to ensure compliance with applicable policies and protect the rights and well-being of project affected people.

The PCT will play a key role in facilitating the RP process by ensuring the availability of relevant experts to support both the preparation and supervision of RP implementation. This includes overseeing stakeholder engagement, addressing grievances, and ensuring that all resettlement measures are carried out in line with the ESS5. Through coordinated efforts, the RP aims to minimize disruption, promote fair compensation, and support livelihood restoration for affected communities.

Specific roles and responsibilities are outlined as follows:

4.1 Water Committee of Ministry of Territorial Administration and Infrastructures

The Water Committee of the RA MoTAI bears overall responsibility for oversight and monitoring of all activities under this RF. The WC will guide, supervise and report on progress in preparation and implementation of RPs, and will handle resettlement issues requiring action and coordination with all stakeholders, including national and local government authorities, communities, civil society, etc.

The responsibility for the assessment of social risks associated with the resettlement, provision of the respective conclusions and preparation of any RPs required will reside with a group of specialists from the PCT. The group will include the project coordinator, legal, environmental and social specialists. Day-to-day responsibility will reside with the social specialist who will receive baseline information with the help of civil engineers of the Project, carry out visual inspection of the site, screening and prepare the above-mentioned documents.

Final responsibility for initiation and implementation of all activities relating to resettlement policy will be borne by the WC/MTAI.

4.2 Ministry of Finance

The Ministry of Finance will provide the budget for the implementation of the RPs to the MTAI/WC following the official approval of the final RPs by the GoA.

4.3 Cadaster Committee

The Cadaster Committee is an executive authority which elaborates and implements the policies of the RA Government in the area of maintaining the unified national cadaster of real estate. The Cadaster Committee is responsible for providing information about the status of real estate ownership and is in charge of the state registration of ownership.

4.4 Regional and Local Authorities

The regional and local authorities will support social impact assessment related surveys, consultations with PAPs and complaints resolution.

The following figure describes the roles and responsibilities for the implementation of the RF.

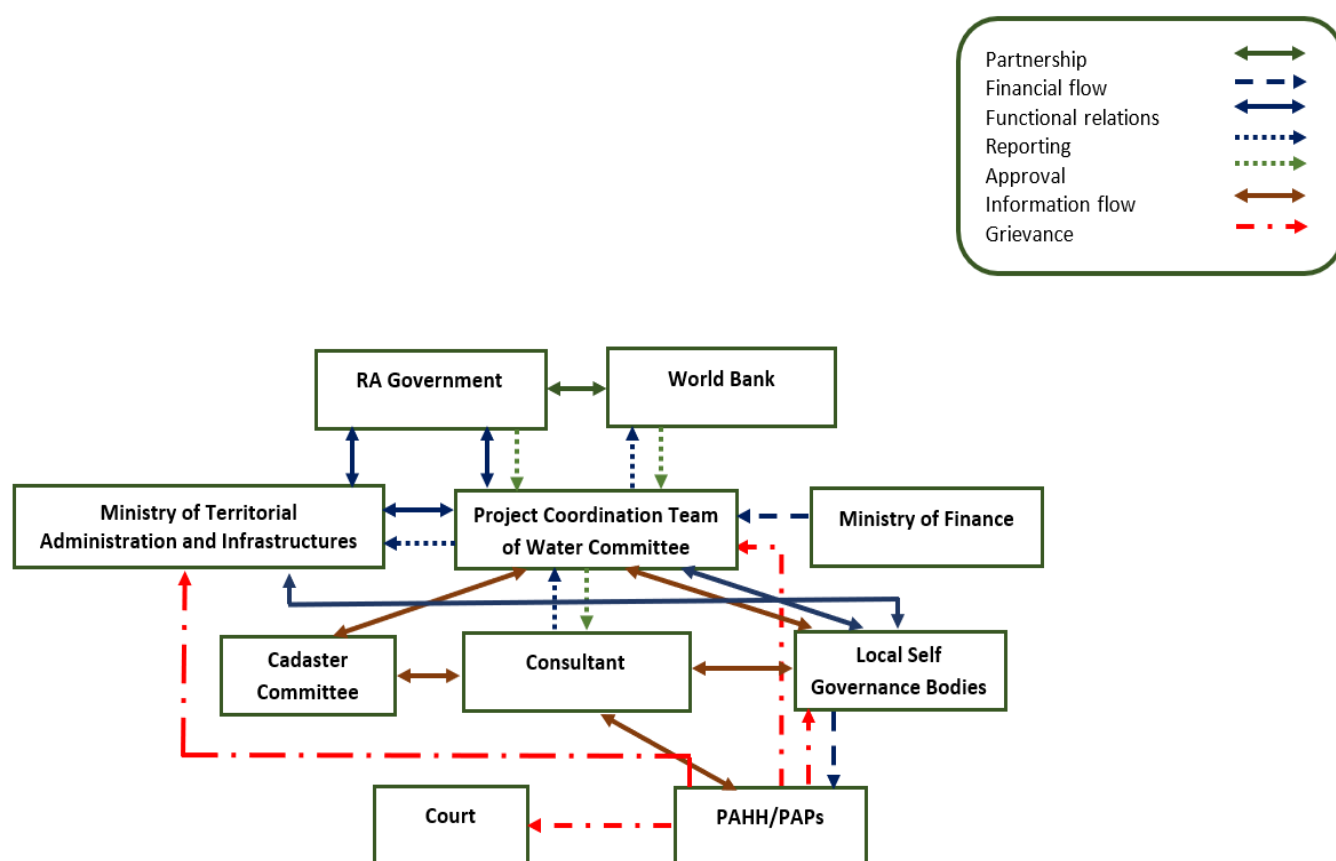


Figure 1 - Overview of key actors in implementing resettlement strategy and plans

Responsibility for preparation and implementation of the RP rests with the PCT. As necessary, the PCT will exercise its authority to coordinate actions with any other involved agencies, jurisdictions, or project contractors to promote timely and effective planning and implementation.

The RPs must be approved by the RA Government before their implementation can begin. The WC will be responsible for coordination with the WB for the purpose of review and approval of RPs.

RP preparation will begin once the physical footprint of a proposed investment has been determined, establishing that a particular site (or sites) must be acquired for project use. The PCT initially screens proposed sites to identify current usage and tenorial arrangements and identifies the site (or sites) that will minimize physical and economic displacement. The PCT subsequently carries out, or causes to be carried out, a census survey to identify and enumerate all displaced persons on the selected site (or sites) and to inventory and value land and other assets that are to be acquired for project use.

The WC may engage various consultants to support resettlement-related tasks and activities, ensuring compliance with the RF and other relevant regulations. These consultants will play a crucial role in minimizing project impacts, collecting essential data, and facilitating the resettlement process. Key roles include:

- **Design Consultant (DC)** – Responsible for preparing project designs while ensuring alignment with RPF principles to avoid or minimize project impacts. The DC will collect data on affected land plots, assets, and project affected people for the census and socio-economic survey, as needed. Additionally, the DC will disseminate project-related information during the design phase.

- Supervision Consultant – Appointed to oversee construction works, ensuring compliance with project designs as well as social and environmental requirements. The Supervision Consultant will provide social safeguards monitoring data to the PCT and WC.
- Licensed Valuator – Contracted to assess affected assets and calculate compensation amounts in accordance with the RA Valuation Law, relevant standards, ESS5, and the RF.
- Survey Consultant – Responsible for conducting the census and socio-economic survey (SES) among Project-Affected Households (PAHs) and preparing a comprehensive report on the findings.

These consultants will collectively contribute to an effective and transparent resettlement process, ensuring that affected individuals receive fair compensation and support in accordance with project policies.

In cases of small-scale land acquisition with minimal livelihood impacts, the WC may integrate the task of RP preparation into the DC Terms of Reference (TOR), ensuring measures are in place to prevent conflicts of interest. Under this arrangement, the WC/ PCT will not separately contract a licensed valuator or survey consultant, as the DC will engage a subcontractor to prepare the required RP.

For large-scale land acquisition, the WC will appoint a specialized consultant to oversee the preparation and implementation of the RP. Additionally, an External Monitoring Agency (EMA) will be contracted to ensure independent oversight and compliance with resettlement policies.

Specific responsibilities for each phase of the RF implementation are summarized as follows:

Table 3: Roles and Responsibilities

NO	ROLES	RESPONSIBILITY
	Preparation of Resettlement Plan	
1	Preparation of the survey instruments for census and detailed inventory of losses, timeline for RP preparation	PCT, Consultant
2	Acquiring of cadastral information and maps	PCT, Consultant
3	Notification of expropriation, site-visit, initial assessment	PCT
4	Approval of the government decree for preliminary studies, if needed	MTAI, WC
5	Establishment of Cut-off date	WC, PCT
6	Conducting of Public Consultation with affected people	PCT, Consultant
7	Conducting of the Census	PCT, Consultant
8	Verification of land ownership and identification of non-entitled land users, legalization of land where applicable	PCT, Consultant
9	Conducting of detailed measurement survey	Consultant
10	Conducting of the assets inventory	PCT, Consultant
11	Decree for Eminent Domain, if needed	RoA Government
12	Conducting of the Valuation of the Affected Assets	Consultant
13	Signing of the asset description protocols	PCT, Consultant
14	RP report preparation	PCT, Consultant
15	Obtaining World Bank's approval to the RP	WB
16	Disclosure of the RP	PCT, WC
17	Revision of the RP based on the comments of the stakeholders	PCT, Consultant
18	WB final review and approval	WB
19	Submission of RP to Government of RA if needed or to the Local Authorities	PCT, WC
30	RP implementation preparatory actions	PCT
31	Establishment of RP implementation unit if needed	WC, MTAI
32	Establishment of Grievance redress mechanism, including grievance redress committee	WC, MTAI

33	Identification of the payment method as well as Commercial Banks, if any, for compensation disbursement/ transfer	PCT
	RP implementation	
34	Legal provisions/ signing of Land acquisition contracts	PCT, WC
35	Compensation payments	RoA Ministry of Finance, LSGBs
36	Handling of disputes and grievances	PCT, WC, MTAI
37	Preparation of the Completion Report	PCT
38	Approval of Completion report	WB
39	Commencement of civil works	PCT
40	Post-RP social impact assessment and audit (as applicable)	PC, Consultant
	Continuous tasks	
41	Internal Monitoring of RP implementation	PCT
42	External monitoring and preparation of Compliance Report by an External Monitoring Agency (EMA) (as applicable)	Consultant
43	Grievance Redress	PCT

CHAPTER 5: FEEDBACK AND GRIEVANCE REDRESS MECHANISM FOR RESETTLEMENT ISSUES

To ensure that project affected people can voice concerns regarding the land acquisition process, compensation calculations and payments, provision of assistance, or other relevant matters, the Resettlement Plan (RP) will establish an accessible and responsive feedback and grievance redress mechanism (FGRM) at a site-level. The RP will outline submission procedures, organizational arrangements, and performance standards for handling grievances, along with measures to inform affected persons and communities about the grievance process and response expectations.

The FGRM will provide a transparent, credible, and fair process for resolving grievances effectively, fostering trust and cooperation as part of a broader community consultation approach. It will facilitate corrective actions where necessary and serve as an integral tool for managing disputes related to resettlement.

The FGRM will specifically address grievances arising under Project Components 2 and 3 due to the implementation of the Resettlement Framework (RF) for relevant sub-projects. The PCT will be responsible for managing the FGRM and overseeing its implementation at a site-level. The PCT, in collaboration with the project's technical supervision consultant, will define roles and responsibilities for grievance resolution and determine appropriate courses of action. Additionally, the consultant will support the PCT in monitoring grievance resolution handled by relevant parties.

The project FGRM will address a range of resettlement-related issues, including land and asset acquisition, compensation disputes (e.g., amount of compensation, suitability of remaining land plots), restrictions on land use, business disruptions, and damages caused by construction or rehabilitation works. Given its importance, the FGRM is also comprehensively detailed within the Resettlement Framework (RF) to ensure consistency and effectiveness in addressing concerns in line with the project's SEP.

5.1 Objective

The project's FGRM serves as a key instrument to:

- Enable affected individuals to submit complaints and resolve disputes that may arise during project implementation.
- Ensure that the PCT identifies and implements appropriate, mutually acceptable redress measures to the satisfaction of complainants.
- Promote accessibility and transparency in the handling of complaints and grievances.
- Manage dispute resolution efficiently, minimizing delays and reducing the need for judicial proceedings as an initial course of action.

5.2 Steps

The project's FGRM will include the following steps:

- Step 1 recording of grievances either in writing or verbally via telephone hotline/mobile, mail, social media (FB etc.), website, and grievance logbook via a Focal Point / Liaison officer and directed to the PCT within 24 hours. The FGRM will also allow anonymous grievances to be raised and addressed.
- Step 2 grievance processing: classifying the grievances based on the typology of complaints and the complainants in order to provide more efficient response, and providing the initial response immediately as possible. The typology will be based on the characteristics of the complainant (e.g., vulnerable groups, persons with disabilities, etc.) and also the nature of the complaint.

- A Grievance Redress Committee (GRC)¹⁴ at Project level will be established to address complaints and grievances pertaining to resettlement and to pre-empt all disagreements being referred to the court.

Step 1 of the FGRM involves recording the complaint (whether written or oral) in the FGRM log which will be prepared and provided to the communities and contractors. The grievances will be recorded by focal points at community level or PCT for issues concerning compensation amounts, technical errors, delayed payments, etc.

The standard timeframe for resolving the stage 1 grievance is 7 days.

Once a standing grievance has been logged, it will follow the following processing tracks to determine course of action (Step 2):

- Technical errors (i.e., cadastral measurement, valuation, omission of assets, etc.): the technical team will verify the correctness of measurement and valuation of affected assets. If the team reveals errors in measurement and valuation of all assets, a Corrective Action Plan (CAP) will be developed and sent to the WB for review and approval. A feedback will be sent to the Complainant within a month (Step 2). After the approval of the CAP by the WB, it will be shortly implemented. In case the grievance raised is incorrect, the Complainant will be informed of the reason for rejecting the grievance.
- Legal disputes: may occur if the Complainant is dissatisfied with the solution of the grievance. He can turn to court. The trial at court may take several months, a year or more. In cases of disputes over land claims or compensation payments, escrow arrangements may be considered if such an approach will not cause significant livelihood impacts and if the property owners and/or claimants agree to allow construction works to proceed while disputes are resolved through the country's legal system.
- Implementation of RPs (i.e., compensation amounts, delayed payments, wrong payments, etc.): grievances will be resolved at the local level, where possible. Where this is not possible, they will be forwarded to the GRC established at the Project level. The GRC will review the information and will identify the reason for misconduct. Grievances and their resolution will be recorded and redressed in an appropriate time frame of no more than 1 month.

The standard timeframe for resolving the stage 2 grievance is 30 days (1 month).

5.3 Appeal

At this stage, the grievance will be reviewed at the PCT/WC level. Unsolved grievances, with the complainant's consent, will be sent to the PCS/WC in a written form. Similarly, aggrieved complainants dissatisfied with the resolutions presented and/or offered, can escalate and appeal their grievances to the PCT/WC. The focal point from the community will assist him/her in lodging an official complaint. The PCT's GM coordinator will review the written complaints of the complainants who were not satisfied and send them internally to the appropriate departments for redress. The timeframe for referral is 10 days. The complainant shall be informed of the decision within a maximum of 30 days.

5.4 Closure of Grievances

A grievance will be considered "resolved" or "closed" when a resolution satisfactory to both parties has been reached, and after corrective measures has been successfully implemented. When a proposed solution is agreed between the Project and the complainant, the time needed to implement it will depend on the nature of the solution. However, the actions to implement this solution will be undertaken within one month of the grievance being logged and will be tracked until completion. Once the solution is being implemented or is implemented to the satisfaction of the complainant, the status of the complaint in the FGRM log will be marked as "Closed". The FGRM log will be submitted to the World Bank team.

In certain situations, however, the Project may "close" a grievance even if the complainant is not satisfied with the outcome. This could be the case, for example, if the complaint refers to the technical solutions of the design

¹⁴ The tasks and composition of the GRC are presented in Annex 3.

and it cannot be modified or the grievance has no justification and contains incorrect information or data. In such situations, the Project's efforts to investigate the grievance and to arrive at a conclusion to reject the complaint. The status of the grievance in this case will be "Rejected". The complainant will be notified about the decision within a month from the date of the grievance record.

5.5 Grievance Records and Documentation

The PCT will nominate a GM Focal Point to manage a grievance log to keep a record of all grievances received. The log will contain the name of the individual or organization lodging a grievance; the date and nature of the grievance; any follow-up actions taken; the solutions and corrective actions implemented by the Contractor or other relevant party; the final result or status of the grievance.

The PCT as part of the E&S reports and project's progress reports shall present the status of grievance resolution.

5.6 FGRM Focal Point Contact Information

The FGRM focal point and the GRM coordinator's contact information can be referenced as follows:

Description	Contact Details
GRM focal point at community level	
GRM Coordinator	
To:	
Address:	
E-mail:	
Website:	
Telephone:	

Information on the Project will be available on the PCT/WC's website and will be posted on information boards in affected communities in the Project area. Information can also be obtained from the GM Focal Point.

The FGRM mechanism will not impede access to the Country's judicial or administrative remedies.

CHAPTER 6: Cost and Budget

Table 4 below presents the estimated budget for the implementation of resettlement activities under the WISE Project. The budget is for preparation of RP(s) (if any) and it will be sourced from loan funds under Component 4 on the Project's Management..

The resettlement compensations will be covered from the RoA state budget if the scale of resettlement impact is large and expropriation is required for rehabilitation of main and secondary canals or construction of DRRs. In case of small-scale resettlement impacts for tertiary (on-farm) canals rehabilitation, the resettlement compensation will be covered through municipal budgets, pending discussion and agreement with local municipalities.

Table 4. Resettlement Preparation and Implementation Cost and Budget (US dollars)

Activity	Piece/Unit Cost (USD)	Number	Total
Resettlement plan preparation and implementation consultancy	1000	5	5000

Annex 1: RP Entitlements Matrix

Type of loss	Application	Definition of PAPs	Compensation Entitlements
Land			
Permanent loss of land (agricultural, commercial, residential, or other)	PAPs losing land regardless of impact severity	Owner with full registration	Cash compensation at full replacement cost or replacement land of the same value at location acceptable to PAPs, as feasible. If residual plots become unusable the Project will acquire it in full if the PAP desires so. Technical, financial, and/or material assistance provided to ensure full restoration of livelihood.
		Legalizable owner	PAPs will be legalized and provided with cash compensation at full replacement cost and, if needed, assistance in acquiring replacement land at a location acceptable to the PAP, as feasible. Measures provided to ensure full restoration of livelihood according to individual plan.
		Renter/Leaseholder	Rental allowance in cash for 3 months and measures provided to ensure full restoration of livelihood according to individual plan. If renters had paid rent in advance, any unused portion should be returned to them by the owner or as compensation from the Project.
		Informal settler/PAPs with no registration or valid documentation/ non-legalizable owner	*One-time rehabilitation allowance equal to market value of one net harvest (in addition to crop compensation) for land use loss; additional rehabilitation assistance as appropriate to achieve restoration of existing income / livelihood (to be determined in the RP.

		PAPs occupying or using land that is owned by private investors	*One-time rehabilitation allowance equal to market value of one net harvest (in addition to crop compensation) for land use loss; additional rehabilitation assistance as appropriate to achieve restoration of existing income / livelihood (to be determined in the RP.
Buildings and Structures			
Residential and non-residential structures/assets	PAPs losing their place of residence, property, and/or incomes related to buildings and structures.	All PAPs regardless of legal ownership (legal and legalizable owners, informal settlers/ non-legalizable owners)	All impacts will be considered as full impacts disregarding the actual impact percentage. Impacts to the property and other assets will be compensated in cash at full replacement cost free of depreciation or transaction cost.
		PAPs occupying or using land that is owned by private investors.	Compensation at full replacement cost for any assets owned and structures built by PAPs. One-time self-relocation allowance in cash equal to 12 months at minimum subsistence income of family of 5 as defined in national legislation. Measures provided to ensure full restoration of livelihood according to individual plan. The costs of this compensation will be spent by the private investor.
Loss of Community Infrastructure/Common Property Resources			
Loss of common property resources	Community / Public Assets	Community/ Government	Reconstruction of the lost structure in consultation with the community and restoration of their main functions.
Loss of Income and Livelihood			
Crops	Standing crops affected or loss of planned crop incomes	All PAPs regardless of legal status	Crop compensation in cash at gross market value of actual or expected harvest. Compensation will be provided regardless of the expected harvest time.
Trees	Trees affected	All PAPs regardless of legal status	Cash compensation at market rate on the basis of type, age, and productive value of the trees.

Business/Employment	Losses from business or loss of employment	All PAPs regardless of legal status	Owner: (i) permanent impact: cash indemnity of 1 year net income; (ii) temporary impact: cash indemnity of net income for the months of business stoppage. Assessment to be based on tax declaration or in its absence, on minimum subsistence income for a five-person household (adjusted accordingly for larger households) Permanent workers/employees: indemnity for lost wages equal to 3 months of regular salaries of 3 months of minimum subsistence income for a five-person household (adjusted accordingly for larger households). For both business owners and employees: Measures provided to ensure full livelihood restoration.
Restriction to public space	The involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of affected persons.	All PAPs regardless of legal status	Measures to assist PAPs in their efforts to restore livelihoods in accordance with individual plans. WC and respective contractor will collaborate with PAPs to address and resolve any potential conflicts.
Allowances			
Severe impacts	>10% income loss Or loss of >10% of productive land	All severely affected PAPs, including informal settlers and business owners who are losing more than 10% of their income as a result of Project activities.	Agricultural income: 2 additional crop compensations each covering 1 year's worth of yield from affected land. Other income: 1 additional compensation for 3 months' worth of minimum subsistence income for 5-person household.
Relocation / Shifting	Transport / transition costs	All PAPs who require relocation of residence, or business/economic activity	Provision of allowance covering transport expenses. If the PAP left residential house but over a certain period of time due to objective reasons cannot move into a new one, s/he will receive relevant rental allowance.
Vulnerable People Allowances (below the poverty line, single-parent households, disabled, elderly persons living alone)	To be identified in PAP census	PAPs below poverty line, single-parent households, disabled, elderly persons living alone	Allowance equivalent to 3 months of minimum subsistence income for a family of five and employment priority in project-related jobs. This is an additional allowance to all other entitlements presented in this matrix.

Temporary impact during construction		All affected persons.	Due compensation will be assessed and paid based on this RPF during construction or before if priority identified.
Unforeseen resettlement impacts		PAP below poverty line, women headed, pensioner headed households, AHH with disabled persons ¹⁵	WC and construction contractors will address and mitigate / compensate unforeseen resettlement impacts during the project.

¹⁵ Households including family(s) who are registered in the family benefit system (vulnerability assessment system) and receive family allowances; headed by women, where there is no other adult of working age, except for elderly persons (people of old pension age), persons doing compulsory military service in the Armed Forces of RA, persons having disability of 1st or 2nd groups, and students up to 23 years full-time studying at educational institutions; headed by elderly persons (people of old pension age), where there is no other person of working age, except for persons doing compulsory military service in the Armed Forces of RA, persons having disability of 1st or 2nd groups, and students up to 23 years studying full-time at educational institutions; Households headed by persons with disability of 1st and 2nd group, where there is no other person of working age, except for persons doing compulsory military service in the Armed Forces of RA, persons having disability of 1st or 2nd groups, and students up to 23 years studying full-time at educational institutions.

Annex 2: RP Content

Suggested content should include

- a. Description of the project (with appropriate maps and illustrations), including explanation for the necessity of acquiring particular sites for project use and efforts undertaken to avoid or minimize the amount of land acquisition or other potential impacts deemed necessary
- b. Results of a census survey of displaced persons and inventory and valuation of affected land and assets The census survey of the Project affected households (PAHH) and inventory can be conducted by the social specialist of the PCT if the scope of the resettlement impact is small. However, provided large scale of impacts are expected, a Resettlement Consultant can be contracted to develop and to implement RP. The survey will be conducted with separate interviews with all project affected people. It will allow to assess their vulnerability and will plan assistance in compliance with the Entitlement Matrix presented in Annex 1. The personal data of project affected people should not be publicized.
- c. Description of any project-related restrictions on resource use or land use where applicable.
- d. Description of tenure arrangements, including collective, communal, or customary use or ownership claims
- e. Review of relevant laws and regulations pertaining to acquisition, compensation, and other assistance to displaced persons, and identification of gap-filling measures needed to achieve ESS5 requirements
- f. Description of land and asset valuation procedures and compensation standards for all categories of affected assets. The valuation of affected lands and assets can be done only by a licensed valuator that can be separately contracted by the PT if the RP should be developed by the PT. The affected lands and assets valuation is conducted in compliance with “The Law on Real Estate Valuation Activity” which defines the fundamentals of real estate assessment activities in Armenia.
- g. Eligibility criteria for compensation and all other forms of assistance, including a cutoff date for eligibility
- h. Organizational arrangements and responsibilities for RP implementation
- i. Implementation timetable
- j. Estimated budget and financial contingency arrangements
- k. Consultation and disclosure arrangements
- l. Special attention should be paid to the rights of vulnerable groups including ethnic minorities, women, migrants/refugees, the very young and the very old, people with disabilities. The livelihoods of vulnerable groups are especially sensitive to changes in the socio-economic context and are dependent on access to essential services.
- m. Description of grievance mechanism
- n. Arrangements for monitoring implementation progress.
- o. The RP should be complemented by a separate set of individual compensation files for each displaced household or persons. These files are to be handled confidentially by the borrower to avoid any prejudice to displaced persons. Eligibility criteria for compensation and all other forms of assistance should be clearly summarized in a table that can be used for consultation with displaced persons (see “Entitlement Matrix” provided in Annex 1).

- p. Additional planning measures must be incorporated into RPs for projects causing physical displacement, or significant economic displacement, as described below.

Annex 3. Grievance Redress Committee: Tasks and Composition

GRC will include:

- Representative of the Water Committee,
- Deputy director of PCT,
- Representative of Local self-government bodies,
- Representatives of the relevant state authorities and/or Marzpetaran in the project area,

The composition of the GRC will be shared with the WB team prior to commencement of RP preparation. A GRC will be headed and convened by the WC to resolve particularly complicated cases addressing complaints and grievances pertaining to resettlement.

Key responsibilities and functions of the GRC is as follows:

- Have meetings as needed;
- Ensure that handling of grievances is in accordance with the GM procedure;
- Ensure that follow-up actions in response to grievances are taken within an agreed timeframe;
- Maintain a database of all registered grievances, along with details on the nature of the issues raised, the case history, and actions taken;
- Report on outstanding/resolved grievances to the Committee members;
- Coordinate with responsible state/local or other bodies for resolving the grievances;
- Ensure the availability of GM information in the project area;
- Coordinate with community representatives on the efficacy and usefulness of the GM; and recommend changes if any required;
- Undertake site visits to assess issues raised by those who lodge grievances, if necessary.