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International

# IRRIGATION WATER RESERVOIRS PROJECT, ARMENIA

## RESETTLEMENT FRAMEWORK



*Source: Consultant's photos of the Artik, Astghadzor, Kasakh, Lichk, and Yelpin Reservoirs sites*

**July 2025**

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## RESETTLEMENT FRAMEWORK

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## LIST OF ABBREVIATIONS

AH	Affected Household
AP	Affected Person
EBRD	European Bank for Reconstruction and Development
EIA	Environmental Impact Assessment
ESIA	Environmental and Social Impact Assessment
ESP	Environmental and Social Policy
EU	European Union
FBS	Family benefit system
GoA	Government of Armenia
GRM	Grievance Redress Mechanism
IEMA	Independent External Monitoring Agency
MTAI	Ministry of Territorial Administration and Infrastructure of Armenia
PAH	Project Affected Household
PAP	Project Affected Person
PIU	Project Implementation Unit
PR	Performance Requirement (of EBRD)
RA	Republic of Armenia
RF	Resettlement Framework
RP	Resettlement Plan
SEP	Stakeholder Engagement Plan
SES	Socio-economic survey
WCRA	Water Committee of the Republic of Armenia

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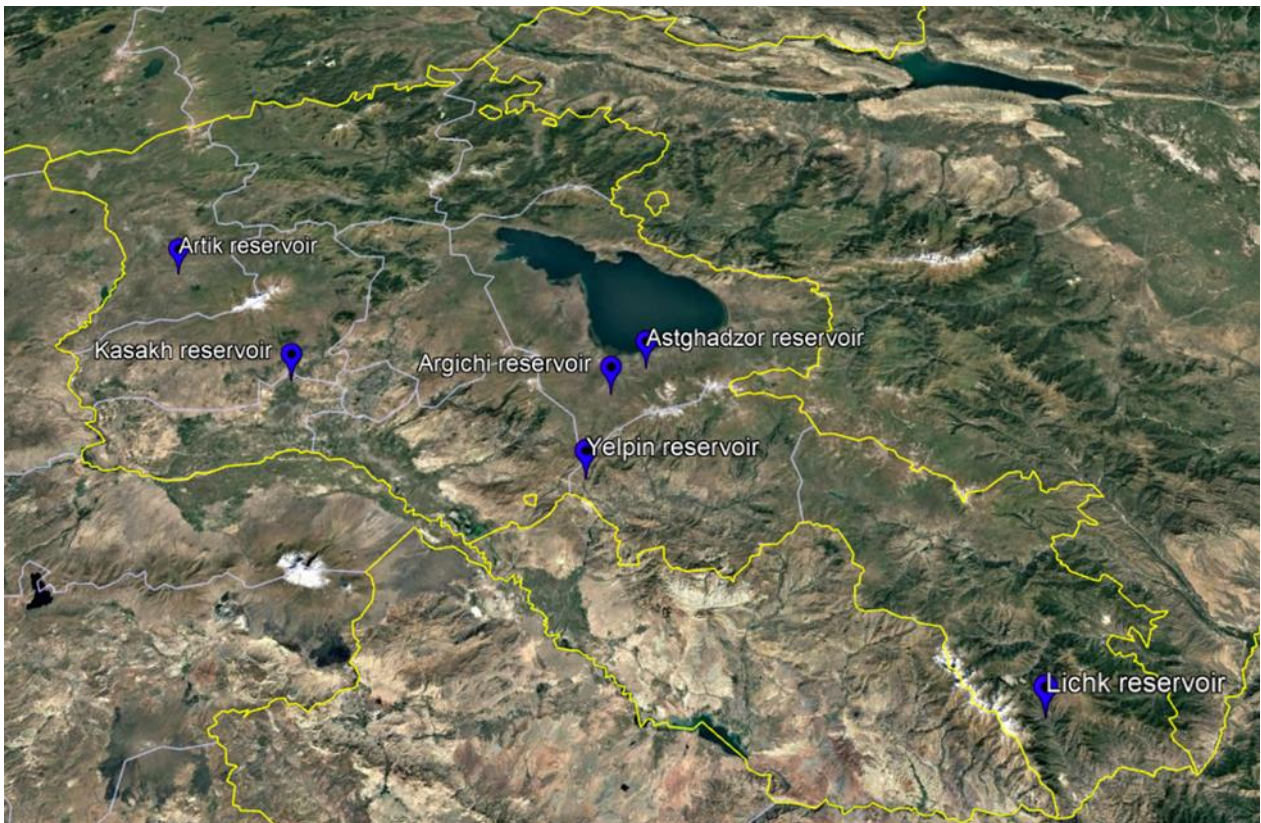
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## 1 INTRODUCTION

The Government of Armenia (GoA) has approached the European Bank for Reconstruction and Development (EBRD) with a request to provide a loan to finance the construction of six water reservoirs in different regions (marzes) of Armenia (the Project) (**Figure 1**):

- Artik reservoir in Shirak Marz,
- Astghadzor and Argichi reservoirs in Gegharkunik Marz,
- Kassakh reservoir in Aragatsotn Marz,
- Lichk reservoir in Syunik Marz, and
- Yelpin reservoir in Vayots Dzor Marz.

The Project's implementing agency is the Water Committee of the Republic of Armenia (the Client or 'WCRA') under the Ministry of Territorial Administration and Infrastructure of Armenia (MTAI) of the Republic of Armenia (RA).



Source: prepared by the Consultant based on the information from the Client

**Figure 1. Location of the Six Project Reservoirs, Armenia**

Armenia faces challenges related to water scarcity and water pollution, inadequate and aging water storage facilities, inefficient irrigation systems, and the impact of climate change on water availability (World Bank, 2023)<sup>1</sup>. Efficient management of water resources, including for agricultural use, and extension of water storage capacity are among the country's priorities. To address the water resource issues and enhance water and food security in the country,

<sup>1</sup> World Bank. 2023. Multidimensional assessment of surface water reservoirs in Armenia.

the GoA intends to construct 17 reservoirs in different regions of Armenia<sup>2</sup>. The Project encompasses six of these proposed reservoirs. The Project also fits in the European Union (EU) to Armenia support initiative *Additional B "Recovery, Resilience and Reform: post 2020 Eastern Partnership Priorities"*, as well as the *EU Multiannual Indicative Programme 2021-2027 for Armenia, Priority Area 1: Resilient, sustainable and integrated economy* that promotes "Green and sustainable agriculture and agro-processing, with rational water management systems and infrastructures"<sup>3</sup>.

Feasibility studies have been completed for all reservoirs. Design documents, either draft or detailed, have been prepared for Artik, Astghadzor, Kassakh, Lichk, and Yelpin Reservoirs; the design for Argichi Reservoir is planned to be developed later.

National environmental impact assessment (EIA) procedures were completed for Artik, Astghadzor, Kassakh, Lichk, and Yelpin Reservoirs, and the RA Ministry of Environment issued the positive environmental conclusions (permits) for them between September and December 2024. The EIA procedure for Argichi Reservoir will start once its design documents are progressed.

The Project's environmental and social assessment documents revealed that it would not trigger physical displacement, however will cause economic displacement due to loss of assets or access to assets and restricted land use. Thus, this document – *Resettlement Framework ("RF")* – has been prepared to outline principles and provide guidance for future land acquisition, compensation, and livelihood restoration activities related to the Project facilities (and the associated facilities, to the extent known). The RF is drawn in compliance with the applicable EBRD requirements and national regulations (**Section 2.2**). It sets a framework for development of individual Resettlement Plans (RPs) for each planned reservoir.

The RF relies on the information from:

- National EIA reports prepared by the Client's EIA Consultants in 2024;
- Design documentation for Artik, Astghadzor, Kassakh, Lichk and Yelpin reservoirs;
- Environmental and Social Gap Analysis (2025) commissioned by the EBRD and consultations with the EBRD's consultant in charge of the Gap analysis assignment;
- Draft Resettlement Framework (RF) for Artik Reservoir and preliminary draft RPs for Yelpin, Kassakh, Lichk and Astghadzor Reservoirs (all commissioned by the Client);
- Information collected from the municipalities (called "communities" in the Armenian administrative system) where the reservoirs are proposed to be located;
- Consultations with the Client and its consultants in charge of preparation of the RPs, design, and EIAs;
- Consultations and interviews held for the RF preparation purposes in the Project areas in July – September 2024 (see **Section 6**).

The EBRD has categorized this Project as 'A' in line with its Environmental and Social Policy ('ESP') (2019)<sup>4</sup> as it may cause significant environmental and social impacts. This means that an Environmental and Social Impact Assessment ('ESIA') report and associated

<sup>2</sup> 2021-2026 Action Plan of the Government of the Republic of Armenia, Annex 1 to Decision of the Government of the Republic of Armenia No 1902-L of 18 November 2021. [https://www.arlis.am/Annexes/6/2021\\_N1902hav1.eng.pdf](https://www.arlis.am/Annexes/6/2021_N1902hav1.eng.pdf) [as updated in 2023, see <https://www.gov.am/files/docs/4740.pdf> by Decision No 2300-L of 25 December 2023 <https://www.gov.am/files/docs/4902.pdf>]

<sup>3</sup> [https://neighbourhood-enlargement.ec.europa.eu/document/download/151aae61-d6b4-45cb-992b-38edce55b33f\\_en](https://neighbourhood-enlargement.ec.europa.eu/document/download/151aae61-d6b4-45cb-992b-38edce55b33f_en)

<sup>4</sup> <https://www.ebrd.com/news/publications/policies/environmental-and-social-policy-esp.html>.

environmental and social documents<sup>5</sup>, including this RF, must be prepared and publicly disclosed by the Client and EBRD for at least 120 days. The EBRD will take a decision about the provision of funding after the disclosure period.

## 2 PROPOSED PROJECT OVERVIEW AND TIMELINE

### 2.1 Project Facilities

*Unless indicated otherwise, the information in this section is based on the design documentation and EIA reports prepared for the reservoirs. As the design for Argichi Reservoir was not available at the time of this writing, it is not discussed in this section and only to the extent possible covered in other sections of the report.*

The designed reservoirs will consist of various components, including: i) dam and crest<sup>6</sup>, ii) spillway<sup>7</sup>, iii) irrigation outlet<sup>8</sup> and an irrigation canal to transport water from the reservoir to the irrigation network, iv) river diversion trench<sup>9</sup>; v) power unit to connect to power supply, vi), metal fencing with gates; vii) security cabin at the entrance to the reservoir area, viii) other necessary structures and control and measuring equipment. Some reservoirs will also require access roads and feeding or diversion channels (to transport water from a water source other than that on which the reservoir is proposed to be sited). Dimensions of various structures of the reservoirs vary depending on technical designs. Brief information is provided below.

#### 2.1.1 Artik Reservoir

Artik Reservoir is proposed to be constructed on the Artikjur tributary of the Karkachun River in Shirak Marz to irrigate the agricultural lands of Nor Kyank, Vardakar, Panik, Anushavan and Meghrashen villages. The original Artik reservoir began operating in 1992; in 1994 its dam was damaged by floods and the reservoir lost its water storage capacity. The new dam is proposed 400 m upstream of the old dam. The reservoir will be sited ca. 600m south-west of Nor Kyank village (Artik Community) and ca. 2.6 km north-west of Artik Town (**Figure 2**).

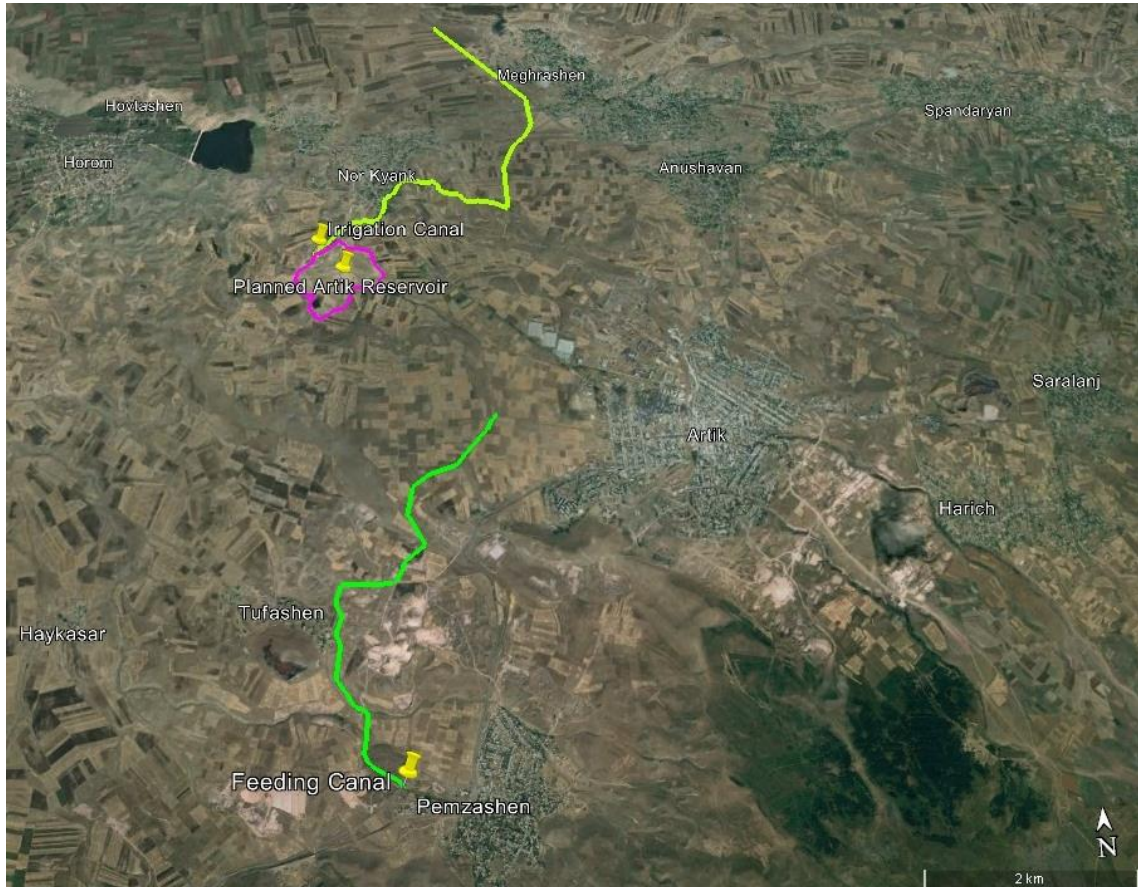
<sup>5</sup> At the time of this writing, the ESIA packages for five reservoirs were under preparation.

<sup>6</sup> Dam is a structure built across a stream, a river, or an estuary to retain water. Crest is the top strip of a dam; a crest can be several metres wide. Large dams are those with a height of 15 m or higher from the lowest foundation to crest or a dam between 5 and 15 m impounding more than 3 million m<sup>3</sup>.

<sup>7</sup> A spillway is a structure used to provide the controlled release of surplus water or flood water from the reservoir into the river downstream. Spillways are also called 'overflow channels'.

<sup>8</sup> This is a structure needed to control water release for irrigation purposes during the reservoir's regular operations. The outlet includes a relatively long steel pipe with valves at both ends.

<sup>9</sup> This is a temporary canal aimed at diverting the river flow during the construction to keep the construction site dry.



Source: prepared by the Consultant based on information from the Client

**Figure 2. Location of Artik Reservoir Relative to the Nearest Settlements**

Technical specifications of the proposed Artik Reservoir are presented in **Table 1**. This reservoir requires the construction of a 5.6km feeding canal from the Artik River in the south and a 6.7 km irrigation canal transporting water to Nor Kyank, Panik and further to the north (**Figure 2**).

**Table 1. Technical specifications of Artik Reservoir**

Parameters	Unit	Value
<b>Reservoir</b>		
Total storage capacity	mln.m3	1.25
Reservoir surface area	ha	22.0
Feeding source		Artik River
<b>Dam</b>		
Type		embankment dam
Category of dam		II
Body material		pebble-gravel
Height of the dam	m	10.0
Upper elevation of the dam crest	masl	1670.0
Length of the dam crest	m	610
Width of the dam crest	m	6.0

### 2.1.2 Astghadzor Reservoir

Astghadzor Reservoir is proposed to be sited at the Astghadzor River, Gegharkunik Marz, to accumulate river floods and ensure sustainable irrigation during the low-water months for the agricultural lands of Astghadzor, Vaghashen, Martouni, and Zolakar settlements.

The reservoir site is about 1.3 km south and upstream of Astghadzor Town, south of Lake Sevan (Figure 3).



Source: prepared by the Consultant based on information from the Client

**Figure 3. Location of Astghadzor Reservoir Relative to the Nearest Settlements**

Technical specifications of Astghadzor reservoir are presented in Table 2.

**Table 2. Technical specifications of Astghadzor Reservoir**

Parameters	Unit	Value
<b>Reservoir</b>		
Total storage capacity	mln.m <sup>3</sup>	1.55
Reservoir surface area	ha	13.53
Feeding source		Astghadzor River
<b>Dam</b>		
Type		ground
Category of dam		II
Body material		pebble-gravel
Height of the dam	m	39.0
Upper elevation of the dam crest	masl	2157.0
Length of the dam crest	m	264.0
Width of the dam crest	m	10.0

### 2.1.3 Kasakh Reservoir

Kasakh Reservoir is planned to be constructed on the lands of Ashtarak and Khoy Communities in Aragatsotn and Armavir Marzes, at the confluence of the Kasakh and Amberd Rivers. The reservoir is designed to supply additional water to Stage 2 of Lower Hrazdan

canal<sup>10</sup>, which provides irrigation water to 21 settlements<sup>11</sup> in the area. The reservoir site is about 150-500m from the settlements that surround it (**Figure 4**).



Source: prepared by the Consultant based on information from the Client

**Figure 4. Location of Kasakh Reservoir Relative to the Nearest Settlements**

Technical specifications of Kasakh reservoir are presented in **Table 3**.

**Table 3. Technical specifications of Kasakh reservoir**

Parameters	Unit	Value
<b>Reservoir</b>		
Total storage capacity	mln.m <sup>3</sup>	10.0
Reservoir surface area	ha	89.7
Feeding source		Kasakh and Amberg Rivers
<b>Dam</b>		
Type		sand clay core, aerated concrete wall
Category of dam		II
Body material		sandy soil and rock
Height of the dam	m	31.0
Upper elevation of the dam crest	masl	980.0
Length of the dam crest	m	1830.0
Width of the dam crest	m	8.0

<sup>10</sup> an existing irrigation canal that is part of the larger network facing the lack of irrigation water.

<sup>11</sup> These 21 settlements are Amberg, Leramerdz, Aragats, Aghavnatun, Ferik, Tsaghkalanj, Arshaluys, Aknalich, Haytagh, Geghakert, Hovtamej, Tsiatsan, Doghs, Tsaghkunq, Aygeshat, Mrgastan, Shahumyan, Echmiadzin, Artimet, Khoronk, and Griboyedov.

**2.1.4 Lichk Reservoir**

Lichk Reservoir is proposed to be constructed 1.5 km south-east from Lichk settlement in Meghri Community, Syunik Marz (Figure 5). The reservoir is planned on the Meghri River to provide irrigation water to agricultural lands in the settlements of Meghri, Agarak, Alvank, Shvanidzor, Nrnadzor, Lehvaz, Vardanidzor, and Karchevan.



Source: prepared by the Consultant based on information from the Client

**Figure 5. Location of Lichk Reservoir Relative to the Nearest Settlement**

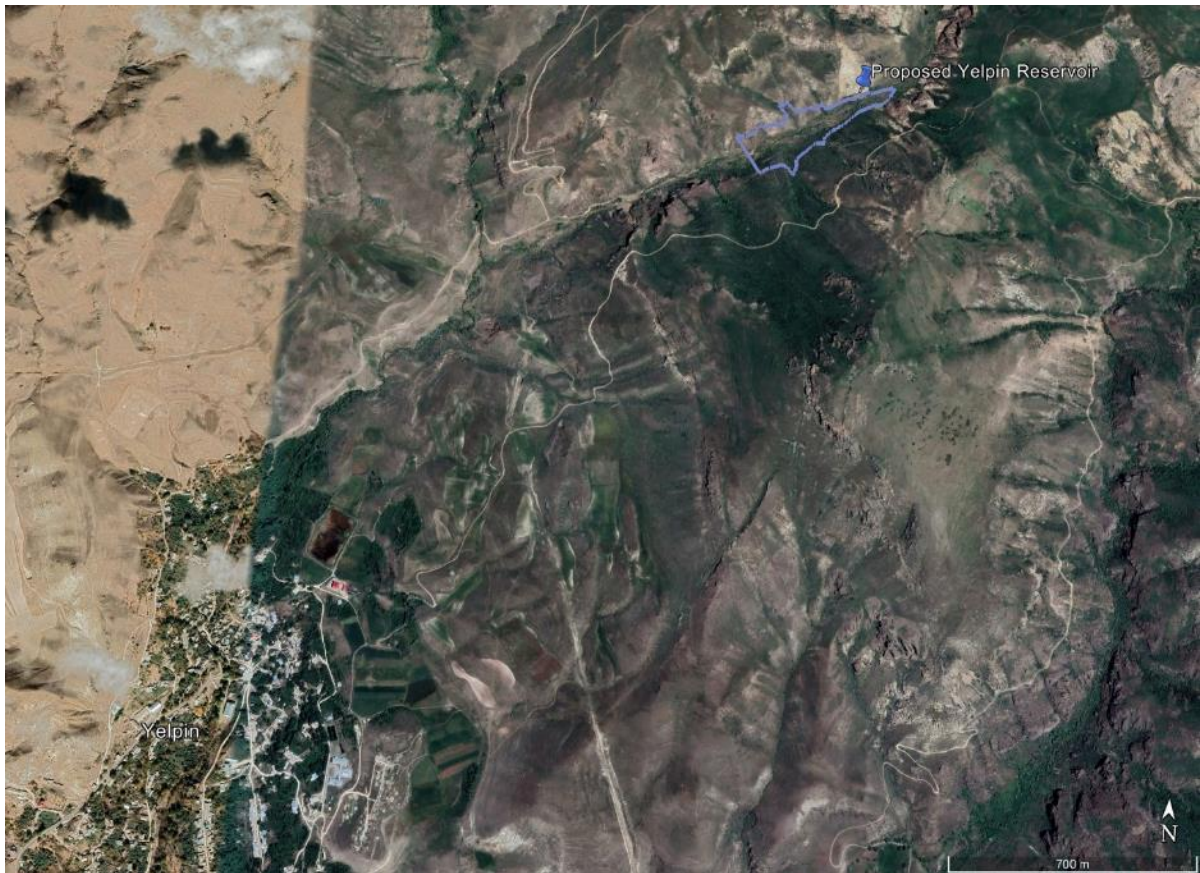
Technical specifications of Lichk reservoir are presented in Table 4.

**Table 4. Technical specifications of Lichk Reservoir**

Parameters	Unit	Value
<b>Reservoir</b>		
Total storage capacity	mln.m <sup>3</sup>	3.93
Reservoir surface area	ha	22.1
Feeding source		Meghri River
<b>Dam</b>		
Type		embankment dam
Category of dam		II
Body material		pebble-gravel
Height of the dam	m	64.0
Upper elevation of the dam crest	masl	1610.0
Length of the dam crest	m	365.6
Width of the dam crest	m	8.0

**2.1.5 Yelpin Reservoir**

Yelpin Reservoir is planned to be constructed at the Yelpin tributary of the Arpa River, 2 km north-east of Yelpin village, Areni Community, Vayots Dzor Marz (Figure 6). It is intended to provide irrigation water to Yelpin and Chiva villages (the latter is 6 m away from the proposed reservoir).



Source: prepared by the Consultant based on information from the Client

**Figure 6. Location of Yelpin Reservoir Relative to the Nearest Settlement**

Technical specifications of Yelpin reservoir are presented in **Table 5**. This reservoir includes the construction of a 1.8 km irrigation pipeline towards Chiva.

**Table 5. Technical specifications of Yelpin Reservoir**

Parameters	Unit	Value
<b>Reservoir</b>		
Total storage capacity	mln.m <sup>3</sup>	0.93
Reservoir surface area	ha	5.434
Feeding source		Yelpin tributary of the Arpa River
<b>Dam</b>		
Type		ground
Category of dam		II
Body material		pebble-gravel
Height of the dam	m	36.0
Upper elevation of the dam crest	masl	1697.0
Length of the dam crest	m	155.0
Width of the dam crest	m	8.0

## 2.2 Associated Facilities and Activities

No “associated facilities”<sup>12</sup>, apart from a power line, have been identified in relation to this Project at the time of this writing. According to the Client, access roads, on-site communications and other needed infrastructure will be part of the design and will be elaborated in the detailed designs (NB: ‘Design and build’ (otherwise, “engineering, procurement, and construction”) contracts are planned for this Project, which means that a single contractor will be responsible for both detailed design and construction). Currently, neither connection point to the power grid, nor the route of the proposed power line are determined.

Should associated facilities appear in the future, any involuntary land acquisition or land use restrictions caused by them should comply with the principles outlined in this RF.

## 2.3 Design Solutions to Minimise Physical and Economic Displacement

The Client and design teams reported that the site selection started over 20-30 years ago and avoidance of impact on residential areas (that is, physical displacement) was one of the criteria used for siting the reservoirs and their supporting infrastructure over years of considering these projects. This translated into the following:

- **Artik Reservoir** is planned within the existing 1992 boundaries (though the dam is planned to be placed 400 m away from the old facilities) with land acquisition required only for canals. Designers strived to route the feeding and irrigation canals through the state-owned land and, when this was impossible, to align the routes with borderlines or edges of land plots to avoid ‘orphaning’ land and minimise impact on crops.
- **Astghadzor, Kassakh, Lichk, and Yelpin Reservoir:** the respective national EIA reports explain that site selection for these reservoirs started in the mid-2000s and few options have been considered since then. The latest option proposed by the designers was selected based on geological, seismic, topographical (including features of land, terrain, elevation, etc.), economic, and hydrological considerations (including solutions for achieving optimal water storage capacity). More detailed analysis of location alternatives for each reservoir in terms of a set of environmental, social, technical and economic options is being currently conducted as part of the preparation of the respective ESIA reports. The results will be documented in the corresponding individual RPs.

## 2.4 Current Status of the Land Acquisition Process

In summer 2024, the Client launched the land acquisition planning process for Artik, Astghadzor, Kassakh, Lichk and Yelpin Reservoirs. As a result, the preliminary draft RPs were prepared for Yelpin, Kassakh, Lichk and Astghadzor Reservoirs, and a RF drafted for Artik by the end of 2024. These documents contain an initial inventory and cost estimate that will allow the Water Committee to prepare a draft Eminent Domain Decree covering all five proposed reservoirs and to secure the approximate budget for the implementation of the individual RPs.

Upon the adoption of the Eminent Domain Decree by the Government of Armenia, the Client will commission the censuses, socio-economic surveys, and the update/verification of the

<sup>12</sup> According to the EBRD ESP (2019), associated facilities are the facilities or activities that are not financed by EBRD as part of the project but which in the view of EBRD are significant in determining the success of the project or in producing agreed project outcomes. These are new facilities or activities: (i) without which the project would not be viable, and (ii) would not be constructed, expanded, carried out or planned to be constructed or carried out if the project did not exist.

inventories. Based on these studies, the comprehensive RPs will be prepared for all proposed reservoirs<sup>13</sup>.

After the PRs are finalised and disclosed, the land acquisition process will start.

No works on the reservoir sites will commence until the compensations are paid to the land users / owners.

## 2.5 Indicative Information about the Project Timeline

The tender process for design and build contracts for the reservoirs is expected to commence in late 2025.

Construction works will indicatively start in mid-2026 subject to successful procurement and following completion of detailed design and land acquisition (where relevant).

The construction period will be around 3-5 years for Kasakh and Lichk Reservoirs, and 3-4 years for the other reservoirs.

The reservoirs will operate for 50 years and perhaps even more.

## 3 LEGAL AND POLICY FRAMEWORK

### 3.1 Armenia's Legal Framework on Land Acquisition and Resettlement

#### 3.1.1 Land Ownership Rights and Land Classification in Armenia

In Armenia land can be owned by the State, municipalities (communities), or legal and natural persons<sup>14</sup>. The sub-forms of ownership right include co-ownership and joint ownership. Land tenure rights include the right of easement, right of lease and sub-lease, and else. By its intended purpose, land in Armenia is classified into nine categories<sup>15</sup>:

1. Agricultural lands (such land is intended for agricultural activities and is divided into arable land, perennial plantings, grasslands, pastures, and other soils).
2. Residential areas;
3. Lands of industrial, subsoil use and of other significance of production;
4. Facilities of energy, transport, communication, utility infrastructures;
5. Specially protected areas;
6. Lands of special significance;
7. Forest lands;
8. Aquatic lands;
9. Reserve lands.

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<sup>13</sup> The terms of reference for the PRs were developed in line with PR5 requirements and it was agreed with the Client that final RPs will be in line with this RF.

<sup>14</sup> Land Code of RA No HO-185, dated 02.05.2001. <https://www.arlis.am/DocumentView.aspx?docid=172330>

<sup>15</sup> Chapter 2 of the Land Code.

### 3.1.2 Key Laws and Regulations

According to paragraphs 4 and 5 of Article 60 of the RA Constitution<sup>16</sup> (hereafter “the Constitution”, adopted in 1995, last amended in 2020), private property may be alienated (expropriated) for the needs of the society only in exceptional cases of prevailing public interests, in the manner prescribed by the law and with prior equivalent compensation. No one may be deprived of property except by judicial process in cases provided by law.

The land acquisition, compensation and related procedures are regulated by a set of legal acts of the RA:

- Civil Code of RA No HO-239, dated 05.05.1998<sup>17</sup> (last amended in 2025);
- Land Code of RA No HO-185, dated 02.05.2001<sup>18</sup> (last amended in 2025);
- Civil Procedure Code of RA No HO-110-N, dated 09.02.2018<sup>19</sup> (last amended in 2025);
- Administrative Procedure Code of RA No HO-139-N, dated 05.12.2013<sup>20</sup> (last amended in 2025);
- Law of RA on Alienation of Property for the Purpose of Supremacy of the Public Interest No HO-185-N, dated 27.11.2006<sup>21</sup> (hereafter - Law on Alienation of Property) (last amended in 2021);
- Law of RA on the Appraisal Activities No HO-189-N, dated 04.10.2005<sup>22</sup> (last amended in 2024);
- Law of RA on State Registration of Property Rights No HO-295-N, dated 14.04.1999<sup>23</sup> (last amended in 2025);
- Decree of the RA Government on Approval of Real Estate Valuation Standards in the Republic of Armenia No 955-N, dated 08.06.2006<sup>24</sup> (last amended in 2012).

Articles 102 and 104 of the Land Code and Article 218 of the Civil Code prescribe property acquisition for the purpose of supremacy of the public interest, in exceptional cases of paramount public interest based on law and with prior and equivalent compensation. This was adopted in the Law on Alienation of Property following the requirements of the Constitution and the above-mentioned legal acts. The Law on Alienation of Property is the main legal act regulating land acquisition and compensation procedures in the country. It defines the basis and procedure for property acquisition for public interests, the procedure for giving compensation for the expropriated property, the goals, principles of property acquisition for public interests, and the procedure for recognizing the public interests.

Article 3 of the Law on Alienation of Property prescribes the Constitutional conditions for acquisition of property for overriding public interests as follows: a) Expropriation should be provided in exceptional cases and in the manner prescribed by the law; b) The equivalent compensation against expropriated property should be provided in advance.

<sup>16</sup> <https://www.arlis.am/documentview.aspx?docid=143723>

<sup>17</sup> <https://www.arlis.am/hy/acts/208933>

<sup>18</sup> <https://www.arlis.am/hy/acts/206785>

<sup>19</sup> <https://www.arlis.am/hy/acts/206786>

<sup>20</sup> <https://www.arlis.am/hy/acts/209493>

<sup>21</sup> <https://www.arlis.am/hy/acts/153844>

<sup>22</sup> <https://www.arlis.am/DocumentView.aspx?docid=198690>

<sup>23</sup> <https://www.arlis.am/DocumentView.aspx?docid=204832>

<sup>24</sup> <https://www.arlis.am/hy/acts/74961>

Article 4.1 of the Law lists the principles of determination of exceptional cases of prevailing public interest for the acquisition of property for public purposes, and Article 4.2 constitutes the possible purposes followed by exceptional prevailing public interest.

The Law on Alienation of Property defines the fundamental principle according to which a) public benefit must outweigh the expropriated property owner's loss, b) an efficient application of the public interest would not be ensured unless that property is acquired, c) the acquisition of the property must not unjustifiably harm the property owner, d) the public interest must be declared as prevailing by a Governmental Decree, e) a lawsuit may be filed on the exceptional public interest matters.

The exceptional prevailing public interest must support the following purposes:

- ensuring state protection, state, and public security,
- application of the obligations undertaken pursuant to the RA International Agreements,
- ensuring creation or protection of cultural and historic values or monuments of international and republican significance as well as specially protected areas of nature,
- ensuring the protection of the environment,
- ensuring the development of education, healthcare, transport, science, and culture,
- ensuring the implementation of programs of national or community or inter-community importance in the field of energy, telecommunication, water supply, drainage, heat supply, urban development, subsoil exploration, subsoil use, transport, communication routes, or settlement infrastructure,
- protection of the life, health, or property of persons,
- Prevention of emergencies, reduction of possible consequences of emergencies, elimination of consequences of emergencies.

The Law on Alienation of Property also contains requirements on acquisition of property, compensation and rules on decision making with regards to property alienation. In particular, its Article 5 defines that in the case of alienation of land, the real estate (buildings, building structures and other attached property, etc.) located on the land as well as all existing improvements on the land are also subject to alienation. In case of acquisition of land with a building or construction on it, the relevant servicing lands shall be subject to alienation as well.

The Law on Alienation of Property sets regulations for physical and legal entities, and community owned properties (hereafter 'owners') and all other properties (movable and immovable property, property rights, securities, etc.) located or registered in Armenia according to the RA legislation (hereafter 'property to be acquired') and regulations for property acquisition and compensation. In particular:

1. Upon enactment of the government decree on recognition of property (that is eminent Domain Decree) as an exclusive prevailing public interest, the relevant authority shall prepare a description protocol prescribing the acquired property according to the procedure and deadlines stated by the government; acquiring party, property owners and those possessing property rights on the acquired property may participate in preparing the description protocols if the latter was not prepared during the preliminary survey of the property. Within no later than three days after its preparation, one copy of the description protocol describing the acquired property shall be, duly submitted to the property owner and persons possessing property rights on such property, who are authorised to lodge claims with relevant authorities and/or court within ten days after the due receipt thereof.

2. An equivalent compensation is paid to the owner of the acquired property. An equivalent compensation shall be 15% (fifteen percents) more than the market price of the property. The market value of the property or the property rights of the real estate is determined according to the Law on Appraisal Activities (HO-189-N dated 04.10.2005).
3. The property shall be acquired upon the agreement between the acquirer and the owner of the property to be acquired. In this case, the provisions on the compensation price, form, procedure, deadlines, terms and obligations are defined only by mutual agreement of the parties.
4. If the acquisition contract is not signed within three months after its submission to Project Affected Persons (PAPs), the acquirer is required to transfer the property acquisition price to a court's or notary's deposit account within a month by submitting a duly notice to the property owner and to the persons known to have ownership rights for the property. The compensation price shall be calculated no later than a week before transferring it to the deposit account.
5. If the acquisition contract is not signed within three months after its submission to PAPs, then the acquirer is required to lodge an application with the court for claiming property acquisition within a month period. In this case there could only the amount of the compensation could be considered at the court.

The Law prescribes the rights and guarantees of the property owner during the process of acquisition of property for public interests, stating that the property owner prior to its acquisition or state registration of the rights resulted from its acquisition, has the right to own, use, dispose and make only such improvements, which ensure the property use according to its purpose.

The Law prescribes certain limitations for the property to be acquired, which is the acquiring property description protocol preparation day in accordance with the procedure stipulated by the government. No compensation is provided for improvements other than those recorded as well as any encumbrance or rights on the property to be acquired given or obtained by third parties if they were applied after the above-mentioned day.

### 3.1.3 Legislation about Protection Zones around Reservoirs

According to the Land Code (Art. 26.3), to protect natural and artificial water bodies that require special sanitary protection, zones of sanitary protection are established as per the legislation; within these zones special land use restrictions are established as set out in land management and urban planning documentation. Such restrictions include construction, excavation, drilling, blasting and other activities.

According to the Water Code (2002, Art.1)<sup>25</sup>, protection zones for aquatic ecosystems are to be established. To operationalise the Water Code requirements, the RA Government Decree No 64-N<sup>26</sup> (20.01.2005) determined standards for defining the areas for sanitary protection of water ecosystems, flow formation, groundwater protection, water protection, ecotone<sup>27</sup> and unalienable zones<sup>28</sup>.

The criteria for defining areas of water protection zones are as follows:

<sup>25</sup> [http://www.parliament.am/law\\_docs/290602HO373eng.pdf](http://www.parliament.am/law_docs/290602HO373eng.pdf)

<sup>26</sup> <https://www.arlis.am/DocumentView.aspx?DocID=13388>

<sup>27</sup> As per the Water Code, an ecotone is an interconnected transition zone of water and land ecosystems, which includes coastal and water adjacent territories.

<sup>28</sup> As per the Water Code, a non-alienated zone is a separated territory having certain regime for operation, restoration and maintenance of water supply, water discharge system and hydrotechnical structures, which is not a subject to privatization and confiscation.

- a) areas where the prevention of littering, pollution, and depletion of water resources, as well as favourable conditions for the water regime, are ensured,
- b) the areas of water protection zones include all areas intended for the conservation of water resources,
- c) the areas of water protection zones are defined in the form of a strip up to 32 m.

The criteria for defining ecotone areas are as follows:

- a) the most vulnerable riparian and coastal areas, which are protected due to their vulnerability to human disturbance;
- b) ecotone areas include vulnerable waterside and coastal areas of rivers, lakes, ponds, and natural water bodies;
- c) Ecotone areas are defined within a radius of up to 150 m.

The criteria for defining the inalienable zones are as follows:

- a) areas where the operation, restoration and maintenance of water supply, drainage, as well as hydraulic structures are ensured;
- b) areas include areas immediately adjacent to water supply, drainage and hydraulic structures;
- c) The areas of inalienable zones are defined in the form of a strip up to 10 m.

The EIA Conclusions issued by the Ministry of Environment on the EIA reports of five reservoirs require the Water Committee to determine and establish the water protection regimes according to the RA Government Decree No 64-N, 20.01.2005.

#### 3.1.4 Absentee Owners

Absentee owners (e.g., people with legal rights to the land but who live elsewhere) will still be eligible for compensation. Armenian laws provide for a mechanism to acquire private property in cases where the owners cannot be present or found. To address the issue of absentee landowners, who cannot make themselves available, the following procedure will be initiated:

- Contact details and other possible information about absentee owners will be collected from the community authority, relatives and/or friends, where possible.
- PAPs will be informed/notified about the acquisition of their land/property and measures undertaken and be informed about the importance of their participation.
- If a PAP still expresses her/his inability to be present, s/he will be advised to send a power of attorney in the name of a representative, who will act on her/his behalf in signing the contract.
- In case of non-signature of the contract, the acquiring body will initiate the expropriation process, the compensation amount shall be deposited with the court. The owner can claim the compensation amount from court by presenting the relevant legal documents.

They also could be able to submit a claim for compensation after completion of asset inventories through the Project grievance mechanism (see [Section 7](#)).

## 3.2 EBRD Requirements

The EBRD requires this Project to comply with the EBRD Environmental and Social Policy (2019) and a set of specific Performance Requirement (PRs) covering key environmental and social issues. The RF considers the requirements of the following EBRD PRs:

- PR1: Assessment and Management of Environmental and Social Risks and Impacts;
- PR5: Land Acquisition, Involuntary Resettlement and Economic Displacement; and
- PR10: Information Disclosure and Stakeholder Engagement.

The EBRD PR1 requires assessing social, including land acquisition-related, risks and impact and developing and delivering the relevant mitigation measures.

The key requirements of the EBRD's PR5 are to:

- avoid or, when unavoidable, minimise, involuntary resettlement by exploring alternative project designs;
- mitigate adverse social and economic impacts from land acquisition or restrictions on affected persons' use of and access to assets and 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;
- restore or, where possible, improve the livelihoods and standards of living of displaced persons to pre-displacement levels; and
- improve living conditions among physically displaced persons through the provision of adequate housing, including security of tenure at resettlement sites.

PR5 is applied when resettlement is considered *involuntary*, that is when affected individuals or communities do not have the right to refuse land acquisition resulting in displacement. EBRD interprets *involuntary resettlement* as referring to both physical displacement (relocation or loss of shelter) and economic displacement (loss of assets or access to assets that leads to loss of income sources or means of livelihood) as a result of project-related land acquisition or restriction on land use / access to natural resources. PR5 also requires identifying informal occupiers / users of land or asset (persons who have no recognisable legal right or claim to the land or assets they occupy or use), and, if there are any, providing relevant compensation and support as per PR5.

Key PR10 requirements pertaining to stakeholder engagement in the context of land acquisition / resettlement are as follows:

- give affected persons an opportunity to participate in the eligibility requirements, negotiation of the compensation packages, resettlement assistance, suitability of proposed resettlement sites and proposed timing;
- continue consultation during the implementation, monitoring and evaluation of compensation payment and resettlement so as to achieve outcomes that are consistent with the objectives of PR5; and
- ensure that grievances from affected communities and other stakeholders are responded to and managed appropriately.

### 3.3 Gap Analysis

This section reviews the national legislation, which regulates land acquisition for public needs (expropriation legislation) and livelihood restoration issues against the relevant EBRD requirements. The analysis as well as measures suggested to address the gaps are provided in **Table 6** below.

**Table 6. Resettlement Gap Analysis: Armenian Legislation vs. EBRD Land Acquisition Requirements**

Issue	Legal requirements of Armenia	EBRD Requirements	Proposed measures to bridge the gap
<b>Avoidance or Minimisation of Displacement</b> <b>Avoidance of Forced Eviction</b>	There is no explicit reference to exploring all viable alternatives to avoid or minimize land acquisition or restrictions on land use in the Law of Alienation of Property. However, the EIA national legislation requires considering alternatives including siting options within the EIA procedure to avoid or minimize land-take impacts.	The client shall consider feasible alternative project designs and locations to avoid or at least minimise physical and/or economic displacement.	Compliance, so no additional actions proposed.
<b>Forced eviction</b>	<p>The Law on Alienation of Property does not use the term 'involuntary resettlement' or 'forced eviction', it uses the term "alienation" which is based on the Government's eminent domain power.</p> <p>The Armenian regulations require that an expropriation decree be disclosed individually to affected owners, and draft acquisition contracts be provided for review. This is followed by individual discussions with PAPs and may end with a settlement agreement. Compulsory expropriation is used as a last resort: if the acquisition contracts are not signed by PAPs for some reasons (such as disagreement of PAPs, unresolved legalization issues, etc.) within three months from the date of notification of the PAPs about the draft contracts, the expropriation procedure will be initiated via the court.</p>	<p>The client shall not resort to forced eviction<sup>29</sup>.</p> <p>The exercise of eminent domain, expropriation, or similar powers by a client is not considered to be forced eviction if it complies with the national law and the provisions of this PR5 and is conducted in a manner consistent with basic principles of due process (e.g., provision of advance notice, meaningful opportunities to lodge grievances and appeals, and avoidance of the use of unnecessary, disproportionate or excessive force).</p>	Compliance, so no additional actions proposed.
<b>Negotiated Settlements</b>	<p>Land ownership rights or land use rights may be acquired or restricted through negotiated settlements with property owners / right-holders.</p> <p>Negotiated settlements are required by the RA Law on Alienation of Property and the last instance in which they can be concluded is after the draft Compensation</p>	<p>The client shall seek to acquire land rights through negotiated settlements even if it has the legal means to gain access to the land without the consent of the seller.</p> <p>Negotiated settlements help avoiding or minimising expropriation and</p>	Compliance, so no additional actions proposed.

<sup>29</sup> As per the EBRD PR5, forced eviction refers to the acts and/or omissions involving the coerced or permanent or temporary involuntary displacement of individuals, groups and communities from homes and/or lands and common property resources which they occupy or depend on, thus eliminating or limiting the ability of an individual, group or community to reside or work in a particular dwelling, residence or location, without the provision of, and access to, appropriate forms of legal or other protection.

Issue	Legal requirements of Armenia	EBRD Requirements	Proposed measures to bridge the gap
	Agreement has been issued. The affected property owners are individually invited to discuss a compensation proposal for the assets and are beforehand provided with the Compensation Agreement, including the proposed amount of compensation. The expropriation authorities are obliged to facilitate negotiations and to encourage the conclusion of a compensation agreement. Negotiations of land compensation rely on the asset valuation results.	administrative or judicial delays associated with formal expropriation, and to the extent possible to reduce the impacts on affected persons associated with formal expropriation. Negotiated settlements can usually be achieved by providing fair and appropriate compensation to affected persons or communities.	
<b>Consideration of Vulnerable Groups</b>	The national laws do not call for specific consideration of vulnerable groups or provision of specific support to them during the land acquisition process.	<p>The client shall identify, assess and address impacts on vulnerable groups and specifically:</p> <ul style="list-style-type: none"> <li>• carry out, at the time of the socio-economic surveys (SES), an analysis to determine pertinent vulnerability factors in the context of the project area</li> <li>• identify vulnerable groups based on the results of this vulnerability analysis;</li> <li>• conduct specific consultations with vulnerable groups; and</li> <li>• plan assistance measures tailored to the different needs of vulnerable groups.</li> </ul>	<p>Incompliance. When developing the reservoir-specific RPs:</p> <ul style="list-style-type: none"> <li>• determine vulnerability factors valid for the project area and based on these factors, identify affected groups / persons that can be considered vulnerable in the context of Project activities;</li> <li>• conduct specific consultations with these groups / people;</li> <li>• develop specific actions to support the affected vulnerable groups and include them into the Restoration Plans (RPs).</li> </ul>
<b>Consideration of Gender Aspects</b>	<p>Armenia has adopted a set of legislation regulating economic and proprietary relations and housing, as well as ownership rights and entitlements for men and women equally, regardless of gender (e.g., the Constitution, RoA Law No HO-57-N dated 20.05.2013 “On ensuring of equal rights and equal opportunities for men and women”, and others).</p> <p>The national laws do not call for specific consideration of gender issues during the EIA procedure or land acquisition processes.</p>	<p>Gender dimensions shall be considered throughout the baseline surveys, impact assessment, mitigation and monitoring processes.</p> <p>The Project proponent shall ensure meaningful participation of women and men in any consultations about land acquisition and displacement.</p>	<p>Non-compliance. When developing the reservoir-specific RPs,</p> <ul style="list-style-type: none"> <li>• use the outcomes of specific SES based on gender disaggregated data;</li> <li>• consider the gender dimensions of land acquisition-related impacts;</li> <li>• ensure compensation entitlement and delivery take account of gender aspects.</li> </ul>
<b>Socio-economic Surveys, Census, Inventory of</b>	The Armenia’s law requires to prepare alienation documents (Eminent Domain Decrees) that contains the list of land plots (properties), for which the eminent domain is recognized, data on cadastral codes of the alienated	The client shall carry out SESs to describe the baseline circumstances of PAPs. Such surveys will use a combination of	Partial compliance. When developing the reservoir-specific RPs,

Issue	Legal requirements of Armenia	EBRD Requirements	Proposed measures to bridge the gap
<b>Affected Assets and Cut-off Date</b>	<p>property and names of property rights holders, so that they can be identified and compensated. Such studies do not cover informal users.</p> <p>The national legislation does not require a SES as part of the land acquisition process.</p> <p>After the preparation day of the property description protocol no compensation is provided for additional improvements (except such improvements, which ensure the property use according to its purpose) as well as any encumbrance or rights on the property to be acquired given or obtained by third parties if they were applied after the above-mentioned day.</p>	<p>quantitative and qualitative methods.</p> <p>The client shall carry out a census of PAPs and an inventory of affected assets, including land, structures, crops, communal amenities and natural resources.</p> <p>The client shall establish a cut-off date for eligibility (the date after which assets are not eligible to compensation). It is determined either by law or the end date of the census or inventory (whichever is the latest).</p>	<ul style="list-style-type: none"> <li>the day when Description Protocols on the property to be acquired are signed by all parties is considered a cut-off date and should be documented in the RPs to be disclosed.</li> <li>Disclose a definition of the cut-off date prior to / as part of the census/SES consultations (to be available to informal users as well);</li> <li>Develop methodologies for the SES and census per the EBRD requirements;</li> <li>Organise and conduct reservoir-specific SESs and censuses to inform the development of individual RPs.</li> </ul>
<b>Eligibility Classification</b>	<p>The law applies to natural and legal entities, as well as to the community (hereafter 'owners') owned properties and all other properties (movable and immovable property, property rights, securities, etc.) (hereinafter: 'property to be acquired') located, registered or recorded in Armenia according to the RA legislation and regulations.</p>	<p>Lack of title should not prevent a compensation. Non-titled landowners shall also receive compensation for lost assets other than land (such as crops, plantings, structures and other improvements made to the land, loss of income sources and other means of livelihood).</p> <p>Displaced persons may be classified as persons: (i) who have formal legal rights to the land; (ii) who do not have formal legal rights to land at the time of the census, but who have a claim to land that is recognised or recognisable under national laws; or (iii) who have no recognisable legal right or claim to the land they occupy (also called informal users).</p> <p>The involuntary resettlement requirements apply to all three types of displaced persons.</p>	<p>Partial compliance. The RF provides additional measures (as noted in the Entitlement Matrix) to bridge the gap related to the non-titled land users and to meet the EBRD requirements.</p> <p>In particular, each reservoir-specific RP will ensure that:</p> <ul style="list-style-type: none"> <li>Affected persons not having formal legal rights to the acquired land plots are considered in the specific RPs.</li> <li>These people should be identified, their land acquisition-related losses valued and appropriate compensations / solutions developed and implemented.</li> </ul>
<b>Compensation and Benefits for Affected Persons</b>	<p>Compensation is provided only for state registered property: building, structures.</p> <p>No compensation is provided for illegal buildings, structures. No separate compensation is calculated for the</p>	<p>The client shall offer all displaced persons and communities' compensation for loss of assets at full replacement cost and other assistance to restore, and potentially improve, their standards of living and/or</p>	<p>Partial compliance. The RF provides additional measures to bridge the gap related to the non-titled land users and to meet the EBRD requirements. In particular,</p>

Issue	Legal requirements of Armenia	EBRD Requirements	Proposed measures to bridge the gap
	<p>crop losses.</p> <p>Property owners are entitled to an equivalent compensation for the acquired property plus 15% of its market value. The market value is the most probable market price of property, which could be determined by an independent qualified property evaluator.</p> <p>If there is no open or competitive market for the expropriated property, the market value for the property is determined by a method, which would be assessed fair by court.</p>	<p>livelihoods of displaced persons to pre-displacement levels.</p> <p>Land-for-land to be preferred in land-based economies, unless proven unfeasible or unacceptable to affected persons. Cash compensation is acceptable if land-for-land is not feasible, if cash is preferred by the PAPs, if livelihoods are land-based but the land taken for the project is a small fraction of the affected asset and the residual land is economically viable; or if active markets for land, housing and labour exist, displaced persons use such markets, and there is sufficient supply of land and housing.</p> <p>The client should compensate economically displaced persons for loss of assets or access to assets (or provide an alternative access) prior to displacement.</p> <p>Crop losses compensation provided to landowners, share-crop/lease tenants, and informal users whether registered or not.</p>	<ul style="list-style-type: none"> <li>• appropriate compensation measures in line with the EBRD PR5 are set into the RF and will be further detailed in the reservoir-specific RPs;</li> <li>• alternative compensation and alternative access options should be considered and discussed with PAPs.</li> </ul> <p>The RPs should envision that:</p> <ul style="list-style-type: none"> <li>• Land is compensated at full replacement cost which is equivalent to the calculated market value plus 15%;</li> <li>• Buildings and Structures (except illegal structures) are compensated at full replacement cost + 15%, free of depreciation/ transaction costs and salvaged materials.</li> <li>• monetary compensation to be provided at full replacement cost (for immovable assets and crops), as proposed in this RF;</li> <li>• Illegal structures are compensated in accordance with this RF;</li> <li>• compensation for assets required to be transferred to the Project prior to construction to be agreed and paid prior to handover of assets and commencement of construction works on site;</li> <li>• crop loss compensations to be provided to land users irrespective of the land tenure status.</li> </ul>
<b>Consultations</b>	<p>The government decree on recognition of property as exclusive prevailing public interest, a copy of the description protocol of the property to be acquired, draft contract of the property to be acquired is sent to the property owner and persons possessing property rights. The property acquirer shall provide information on transferring the compensation into the court or notary deposit account.</p>	<p>The client shall conduct meaningful and continuous consultations with affected people and communities throughout resettlement planning and implementation in line with EBRD PR5 and PR10 requirements. Consultations shall be supported by the disclosure of resettlement documentation.</p>	<p>Partial compliance. This RF provides for the following additional measures:</p> <ul style="list-style-type: none"> <li>• Conduct consultations with the PAPs per the EBRD PR 5 and PR 10 requirements during the preparation and implementation of the reservoir-specific RPs (see <a href="#">Section 6</a>).</li> </ul>

Issue	Legal requirements of Armenia	EBRD Requirements	Proposed measures to bridge the gap
	<p>If the acquirer is conducting a preliminary survey on the property to be acquired, adequate information shall be provided to the property owner, the possessor and user on the nature and matter, legal consequences of those proceedings prior to its initiation.</p>	<p>From earliest stages and through all activities the client shall involve affected men and women, host communities and vulnerable groups.</p>	<ul style="list-style-type: none"> <li>• Implement the framework Stakeholder Engagement Plan (SEP) prepared for the Project (and, where relevant - reservoir-specific SEPs), which envision continuous engagement with affected stakeholder groups, including vulnerable groups, and with PAPs within the RP preparation, implementation and monitoring.</li> <li>• Disclose the Project's RF for 120 days together with the ESIA package for the Project, disclose a Land Acquisition and Livelihood Restoration Leaflet.</li> <li>• Disclose the reservoir-specific RPs upon their preparation and approval by EBRD and WCRA/MTAI, as well as their non-technical summaries.</li> </ul>
<p><b>Land acquisition and resettlement planning and implementation and livelihood restoration</b></p> <p><i>Resettlement and livelihood restoration plan and framework</i></p>	<p>According to the Armenian law, the Eminent Domain Decree should reflect all affected people and affected assets, but no planning documentation is required that might correspond to the concept of a resettlement plan or framework.</p> <p>Restoration measures for lost income and altered livelihood and support to significantly affected and vulnerable PAPs are not considered in the national legislation.</p> <p>The national legislation does not envisage additional compensation to displaced persons such as transitional assistance, moving allowance etc.</p>	<p>The client shall prepare a RP proportionate to the risks and impacts associated with the project and is responsible for implementing this plan. In the early stages of project development, when project details are not (fully) known yet, a RF shall be prepared, as a first step towards developing a RP.</p> <p>Resettlement planning documents shall be integrated in the environmental and social management system required by PR 1 and, for Category A projects, they will be disclosed according to the same review and engagement process and timeline as established in PR 10.</p> <p>The client will provide resettlement assistance to all physically displaced persons and livelihood improvement or restoration assistance to economically displaced persons, regardless of the categories of eligibility referred to above.</p>	<p>Non-compliance.</p> <ul style="list-style-type: none"> <li>• It is expected that the Project will not trigger physical displacement but result in economic displacement. For this reason, the current Project RF is prepared to address the gap.</li> <li>• The Project RF should be disclosed as part of the ESIA package. It will be subject to approval by the RA Government.</li> <li>• Reservoir-specific RPs will be developed as well based on principles and requirements stipulated in the Project RF, agreed with the EBRD, approved by the RA Government and implemented; RPs will rely on data of the forthcoming SESs, consultations with the PAPs, inventories and censuses.</li> </ul>

Issue	Legal requirements of Armenia	EBRD Requirements	Proposed measures to bridge the gap
<b>Grievance mechanism</b>	<p>According to Article 63 of the RA Constitution, every person has a right to an effective remedy before courts and before state authorities.</p> <p>Affected population, communities or legal entities have the right to appeal on the Government's Eminent Domain Decree as well as the draft contract for alienation of the property in the administrative court. Meanwhile, the protocol of the preliminary survey of the property to be alienated can be appealed within the administrative proceedings through submission of a grievance to the respective authorized body. Submission of applications, complaints, objections and suggestions to the acquirer and to the relevant authorities as well as filing a complaint to the court, is possible during every stage of the acquisition process.</p>	<p>A free, independent, and widely publicised grievance mechanism, which consists of both formal and informal channels, should be developed per the relevant PR10 requirements and made accessible to the PAPs.</p> <p>The mechanism should be established as early as possible in the land acquisition and resettlement process, and at the latest prior to the census taking place in order to address specific concerns about compensation, resettlement or livelihood restoration measures raised by the affected persons/other parties.</p>	<p>Partial compliance. The RF provides additional measures to meet the EBRD requirements, that is: Develop and implement a Project-specific grievance mechanism for resettlement- affected and external stakeholders per the EBRD PR5 and PR10 (including systematic monitoring/evaluation of grievances, options for reviewing anonymous grievances and a recourse mechanism), as detailed in <a href="#">Section 7</a>.</p> <p>This grievance mechanism will be disclosed as part of this RF. It is aligned with the general grievance mechanism to be disclosed as part of the reservoirs' SEPs. The grievance mechanism will not preclude access to the court.</p>
<b>Loss of Community Facilities, Utilities and Public Amenities</b>	<p>The public utility operators (both, state-owned and private) will need to relocate their infrastructure at their own expense in case it interferes with the project of public interest.</p>	<p>All measures conducted to mitigate the Project's negative impact on PAPs'/ Project Affected Households' (PAHs') property and livelihood including support, relocation and restoration of damaged demolished infrastructures, buildings, structures are considered as resettlement.</p>	<p>Non-compliance. To meet the EBRD requirements, the RF envisions that the utilities will be relocated using the Project budget and lost structures will be reconstructed and their functions restored in consultation with community/state authorities.</p>
<b>Monitoring and Evaluation</b>	<p>The National legislation provides no provisions for RP implementation monitoring and evaluation, and for the external completion audit.</p>	<p>The Client shall establish procedures to monitor and evaluate the implementation of the resettlement plan. Monitoring shall involve the participation of key stakeholders, including affected communities.</p> <p>For projects with significant displacement impacts the client may decide to commission competent resettlement professionals to monitor the implementation of resettlement plans, design corrective actions and produce periodic internal monitoring reports. For such projects the EBRD may require: i) periodic external compliance reviews and/or ii) an external</p>	<p>Non-compliance. This RF envisions the following additional measures:</p> <ul style="list-style-type: none"> <li>• Incorporate monitoring and evaluation provisions in the Project RF and forthcoming reservoir-specific RPs (see <a href="#">Section 9</a>);</li> <li>• Monitor and evaluate implementation of reservoir-specific RPs during the Project implementation via internal monitoring and evaluation procedures; engage external land consultants where necessary;</li> <li>• Provide the EBRD with monitoring reports on RPs' implementation;</li> </ul>

Issue	Legal requirements of Armenia	EBRD Requirements	Proposed measures to bridge the gap
		completion audit by independent experts.	<ul style="list-style-type: none"> <li>Commission external Resettlement Completion Audits for Kassakh, Lichk, Artik, and Astghadzor reservoirs (NB: agree the ToRs for the independent experts (organisations) with the EBRD).</li> </ul>
<b>Organisational Capacity and Commitment</b>	No specific requirement on special organisation structure, personnel and resources to tackle land acquisition-related impacts of the planned activities and monitor implementation.	<p>The client shall designate specific personnel, including management representative(s), with a clear allocation of responsibility and authority to plan and implement land acquisition and resettlement activities.</p> <p>The client shall provide adequate support and human and financial resources to achieve effective and continuous delivery of land acquisition and resettlement commitments.</p>	See <a href="#">Section 8.4 Capacity Building for the RF and RP Delivery</a> .

## 4 PROJECT LAND NEEDS AND POTENTIAL DISPLACEMENT IMPACTS

### 4.1 Land Needs for Construction and Operation

**Table 7** summarises the estimated land needs for the individual Project components and indicates its ownership status. The land needs will be determined precisely during the detailed design stage and the preparation of the RP (during detailed inventories).

**Table 7. Estimated Land Needs and Land Ownership by Project Components**

Project Reservoir	Estimated Land Needs (m <sup>2</sup> )	Private (m <sup>2</sup> )	Community (m <sup>2</sup> )	State (m <sup>2</sup> )
Artik	96,065 <i>NB: only for canals, as ca. 23 ha for the reservoir were allocated in the 1980s-1990s.</i>	6,090	71,171	18,804
Astghadzor	420,111	66,601	353,510	0
Kasakh	1,452,605	726,241	716,206	10,158
Lichk	582,502	17,491	531,849	33,162
Yelpin	315,725	0	315,725	0
<b>Total</b>	<b>2,867,008</b>	<b>816,423</b>	<b>1,988,461</b>	<b>62,124</b>

Source: Compiled based on preliminary PRs for Astghadzor, Kasakh, Lichk, and Yelpin Reservoirs and draft RF for Artik Reservoir (all dated 2024).

The above land need estimates include the water protection, ecotone and inalienable zones as follows:

- Design documents for Astghadzor, Kasakh and Lichk were updated in July 2024 to include water protection, ecotone, and inalienable zones. These three zones were determined based on the specifics of the hydrological structures, their construction, operation and maintenance needs, local terrains, the available roads necessary for laying communications, and other factors listed among the above zone-defining criteria. The zones range from 10 m to 150 m at various locations around the reservoirs.
- For Yelpin Reservoir, the design defined a 100 m water protection zone (that included both the ecotone and inalienable zones).
- For Artik Reservoir, the design envisioned a 10 m inalienable zone around the reservoir and a 4m-to-10m wide strip along the canals for constructing and maintaining them. No justification documents for the water protection and ecotone zones for the reservoir are available yet.

The total areas of the reservoir sites (**Table 7**) are thus considered to be inclusive of the legally required protection zones and these will be fully acquired by the Project.

The Water Committee has taken a decision to avoid any easement arrangements for the Project components such as underground channels/pipes, access roads, underground communications<sup>30</sup> and so on. Although this approach may not be a good practice from the perspective of impact minimisation, the Client has two reasons for this:

<sup>30</sup> As per communication with the environmental and social specialists of the Water Committee on 29 May 2025.

- One is that the reservoirs, once constructed, will be handed over to their operators and the transfer of easement rights is complicated and is associated with some resistance from the PAPs.
- Second, the Water Committee's experience with other projects reveals that the enforcement of easement rights over time is hindered by changes in ownerships over the eased land and the facility operators have issues with access to facilities for maintenance.

The total estimated areas of the reservoir sites (**Table 7**) do not consider the operation and maintenance strips required for all linear facilities of the reservoirs (apart from Artik). So, additionally, the land will be required for canals, access roads, and communications, and the exact land needs will be determined in the individual RPs based on the detailed design.

## 4.2 Physical Displacement Impacts

No residential houses are located on land required for the Project sites. There are partly constructed summer house and an uninhabited summer building in Lichk that are not used for dwelling. Thus, the Project is not anticipated to result in physical displacement of PAPs (that is, relocation or loss of housing).

## 4.3 Economic Displacement Impacts

### 4.3.1 Pre-construction

Preliminarily, the Project requires around 286.7 ha of land (**Table 7**), of which:

- community-owned land is 69.4% (ca. 198.8 ha),
- state land is 2.1% (ca. 6.2 ha), and
- privately-owned land is 28.5% (81.6 ha).

Artik, Kasakh and Lichk Reservoirs will affect land and assets owned by the state, private persons, and the communities.

Astghadzor will affect the community land and privately owned land.

Yelpin Reservoir will affect only community land.

All this land is to be acquired before construction starts and thus will trigger economic displacement impacts of various scale and extent, as described in the below subsections.

#### 4.3.1.1 Artik Reservoir: Basic Information about Land Use and Potential Impacts

The Artik Reservoir is expected to acquire 96,065 m<sup>2</sup> for its channel infrastructure affecting around 130 land plots, of which:

- 71,171 m<sup>2</sup> are on about 80-85 community-owned land plots in Nor Kyank, Anushavan, Panik, Artik, Tufashen, and Pemzashen Communities;
- 18,804 m<sup>2</sup> are at ca. 15-17 state land plots in Panik, Artik and Tufashen Communities, and
- 6,090 m<sup>2</sup> are at ca. 27-28 private land plots in Artik, Panik and Nor Kyank Communities.

The affected private land plots are mainly agricultural lands. Most private land owners are engaged in agriculture activities; during the EIA consultations they complained about the shortage of water and thus limited crops. Yet, impact on crops is expected. Some project affected households will need support in legalizing their rights to land. According to the secretary of Artik Community, the construction of the reservoir will positively affect the agricultural development of the community, especially during the summer season when there is a lack of irrigation water in the region.

There is also one tuff mine in the project area (about 4.0-4.5km from the Artik Reservoir’s site), which is currently not in operation due to the exhausted reserves, however the owner of the mine can still retain the mining rights and thus the area is to be either avoided by infrastructure of Artik Reservoir or compensated in line with this RF.

The land earlier allocated for the reservoir site host a small water reservoir and old concrete canals and structures (Figure 7). Some locations are used as pasture land. If the water protection zone is extended to 90-100 m, some old (most likely unused) structures will fall within it (currently, the design envisions a 10-m inalienable strip around the reservoir).





Source: Prepared by the Consultant based on the site visit (photos) and design documents.

**Figure 7. Artik Reservoir: schematic map and photographs illustrating the site**

**4.3.1.2 Astghadzor Reservoir: Basic Information about Land Use and Potential Impacts**

The Astghadzor is expected to affect 54 land plots with the area of 420,111.30 m<sup>2</sup> in Astghadzor and Zolakar settlements. Of these, 19 are community-owned and 35 are privately owned. The 19 community-owned plots are agricultural arable lands, totalling 353,510.10 m<sup>2</sup>. The 35 private plots cover 66,601.20 m<sup>2</sup>, with 27 plots (52,875.10 m<sup>2</sup>) classified as agricultural arable lands and 8 plots (13,726.10 m<sup>2</sup>) as agricultural grasslands. The pasture lands within the reservoir area constitute approximately 1.5% of the total pastureland in the village's administrative territory. No impact is expected on buildings / structures and trees.

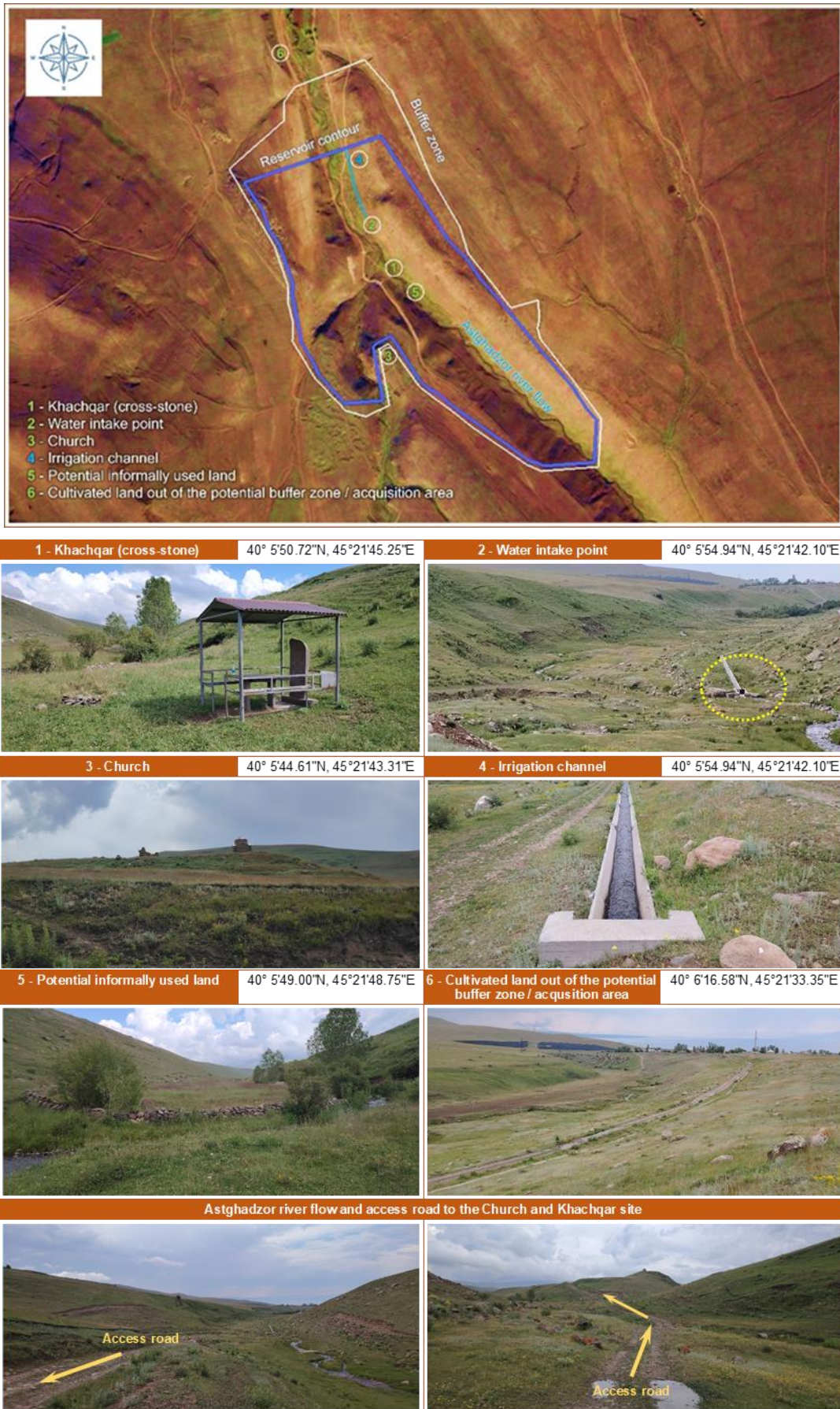
According to the interview with the Administrative Head of Astghadzor rural settlement, there are approximately 17 ha of communal land used as pasture within the area allocated for the reservoir construction. Additionally, there are about 4 ha of private lands, which are also used as pasture. However, the terrain is not entirely suitable for grazing, and the land allocated for crop production remains uncultivated.

The reservoir area is crossed by cattle routes leading to high mountain pastures; according to the interviews with local residents, alternative routes are also available in the vicinities.

The Consultant did not observe any extensive signs of the land being cultivated. There are no orchards on the land to be acquired. Yet, according to the interviews with land users, there are formal and informal users of the land, for instance a consulted resident of Astghadzor mentioned that he cultivates cattle feed crops and raspberry on the community land to be acquired; another consulted resident of Astghadzor owns a private land plot and practices ploughing and haymaking. Overall, during the preparation of the RP, specific attention is to be paid to informal land users at this reservoir site.

There is a commemorative rest area with a khachkar (cross-stone) and a water intake point with an irrigation channel, located within the planned reservoir area (Figure 8). The impact related to khachkar and public / private infrastructure has been considered in the Entitlement Matrix.

Vanki Berd Church, that is situated on a hill outside the reservoir area (Figure 8), will remain unaffected; however, the existing earth road leading to the church will be submerged. Thus, an alternative route will be required to be arranged by the Project.



Source: Prepared by the Consultant based on the site visit (photos) and design documents for the buffer zone.

**Figure 8. Astghadzor Reservoir: schematic map and photographs illustrating the site**

#### 4.3.1.3 Kasakh Reservoir: Basic Information about Land Use and Potential Impacts

In total, 280 land plots are expected to be affected by Kasakh Reservoir with the area of 1,452,605.40m<sup>2</sup> in five settlements (Amberd, Aygeshat, Voskehat, Voskevaz, and Oshakan). Out of 280:

- 172 are private land plots totalling 726,241.40 m<sup>2</sup>; of these, 171 are agricultural land plots and 1 is commercial. There are no illegal users or leaseholders identified on these lands;
- 106 are community owned land plots making 716,205.80 m<sup>2</sup>; of these, 103 are agricultural (predominantly arable) and 3 are special use water lands (6,521.00m<sup>2</sup>); and
- 2 land plots are state-owned (10,158.20 m<sup>2</sup>), with no illegal users on them.

The Project is expected to affect eight structures with the total area of 793.64m<sup>2</sup> on six land plots, out of which one is a 156m<sup>2</sup> residential lodge (not used for residence, so no residential loss); the others are non-residential. The Project is also expected to affect 640 fruit/berry bushes and 15,928 fruit trees (of which about 14% are not yet productive/are seedlings) on the community- and privately-owned land plots. Some crops will be affected as well.

According to the Administrative Head of the Khoy Community, the community consists entirely of rural settlements, with well-developed viticulture, winemaking, horticulture, and animal husbandry. Cattle grazing is mostly carried out on high mountain pastures. The administrative territories of Amberd and Aygeshat Villages partly fall within the reservoir area; however, approximately 90% of the reservoir is to be located within the administrative boundaries of another community - Ashtarak.

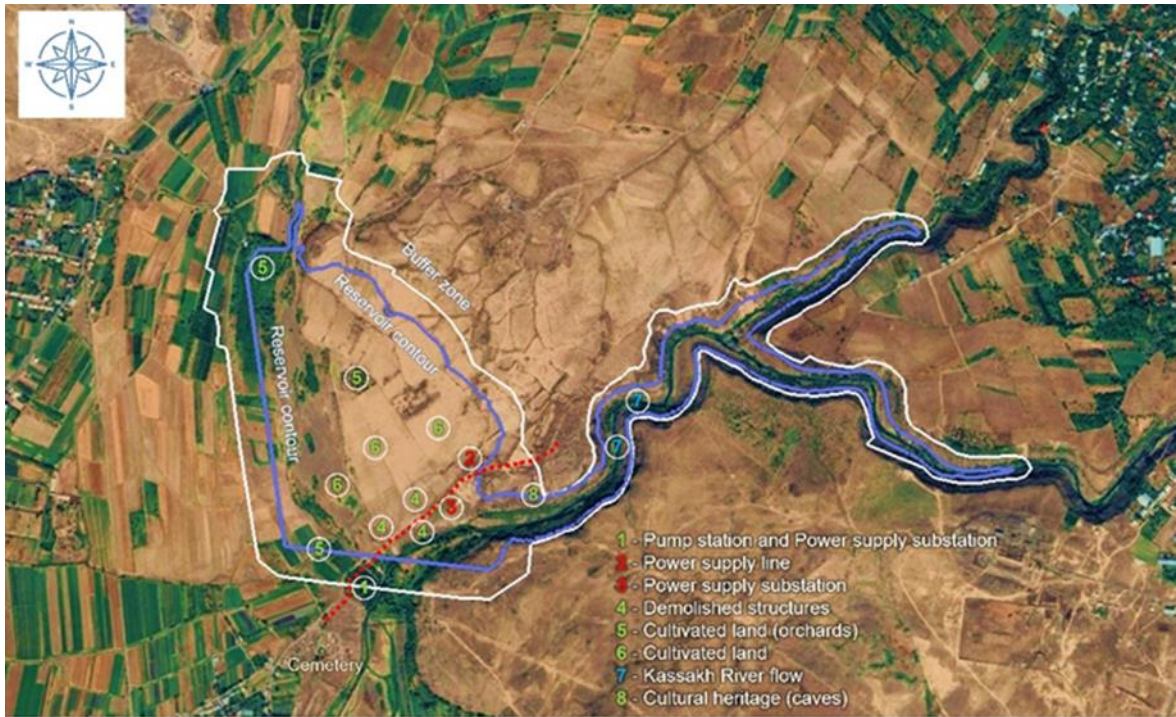
The villages of Oshakan, Voskevaz, and Voskehat of Ashtarak Community have historically focused on agriculture, particularly gardening and land cultivation. Viticulture is also practiced, although its volume has been declining. Animal husbandry is developed as well, but cattle grazing primarily takes place in high mountain pastures located outside the administrative boundaries of the villages.

According to the Administrative Head of Voskevaz Village, the lands within the planned reservoir area are mainly used as pastures. The surrounding areas are primarily occupied by agricultural crops and orchards. The pastures are used by three households. Since 1997, most of the land has become desertified. Water from the river is used for irrigation through pumps. There is no fishing, fish farming, or restaurants in the reservoir footprint's area.

The Administrative Head of Oshakan Village noted that the local population is interested in the construction of the reservoir. Around 20% of the village residents are engaged in agriculture. In the area of the planned reservoir and adjacent territories, people are mainly involved in land cultivation and orchard farming (**Figure 9**). The same patterns are observed in Voskehat Village.

According to interviews with local residents, apricot, peach, pear, plum, and apple trees are planted within the planned reservoir area. Some residents also have hazelnut orchards and vineyards there. During the site visit, a fisherman was observed near the Kasakh River.

A power supply line and substation were observed within the planned reservoir area (see **Figure 9**). Another power substation serving the pumping station is located outside the reservoir area (**Figure 9**), near the buffer zone.



<p><b>1 - Pump station and Power supply substation</b></p>	<p>40°14'55.76"N, 44°16'38.71"E</p>	<p><b>2 - Power supply line</b></p>	<p>40°15'8.84"N, 44°16'51.98"E</p>
			
<p><b>3 - Power supply substation</b></p>	<p>40°15'6.78"N, 44°16'52.90"E</p>	<p><b>4 - Demolished structures</b></p>	<p>40°15'2.26"N, 44°16'44.34"E</p>
<p><b>5 - Cultivated land</b></p>	<p>40°15'17.59"N, 44°16'36.35"E</p>	<p><b>6 - Potentially cultivated land</b></p>	<p>40°15'12.38"N, 44°16'40.87"E</p>
			



Source: Prepared by the Consultant based on the site visit (photos) and design documents for the buffer zone.

**Figure 9. Kasakh Reservoir: schematic map and photographs illustrating the site**

#### 4.3.1.4 Lichk Reservoir: Basic Information about Land Use and Potential Impacts

Land acquisition for Lichk Reservoir is expected to affect 75 land plots (582,501.60m<sup>2</sup>) in Lichk Community. Out of which:

- 7 are privately owned land plots (2 agricultural and 5 non-agricultural) - 17,490.50m<sup>2</sup>. All agricultural lands are arable lands (14,084.40m<sup>2</sup>). 5 non-agricultural land plots include 1 power land plot (1,499.10m<sup>2</sup>), and 4 residential land plots (1,907.0m<sup>2</sup>).
- 58 are community owned land plots (531,848.70m<sup>2</sup>); all the lands are agricultural, including 50 arable (115,387.60m<sup>2</sup>), and 8 are other lands.
- 10 are state land plots (5 agricultural and 5 non-agricultural) with the area of 33,162.40m<sup>2</sup>. From 5 agricultural land plots 1 is arable (1,496.90m<sup>2</sup>), 3 are pasture lands and 1 is for other use. 5 non-agricultural lands are for mining purposes (29,528.40m<sup>2</sup>). There are no illegal users identified on state lands.

The Project is expected to affect three structures with the area of 128.10m<sup>2</sup> on three land plots, out of which one is a 53m<sup>2</sup> residential lodge (not used for residence, so no residential loss); two others are non-residential structures. There is also one 27m<sup>2</sup> movable metal structure that can be transported to another location. The Project is also expected to affect 6 fruit bushes and 2,358 fruit trees on the community- and privately-owned land plots.

The Project is expected and welcomed by the Head of Meghri Community, as was expressed during the meeting with the consultant. According to the Administrative Head of Lichk rural settlement, the main source of income in the area is agriculture, including the cultivation of beans, potatoes, and orchards. A hazelnut garden is potentially located within the reservoir area and its buffer zone.

There are both privately and community-owned land plots within the reservoir area that are used for haymaking and cattle grazing. However, this use is not significant compared to the total land area that remain for alternative use. There are no rented land plots within the planned reservoir area.


The diversion pipes of a hydropower plant pass through the planned reservoir area. Within the buffer zone of the reservoir, there are land plots allocated for mining activities.

Interviews with residents of Lichk village indicate that one household is engaged in cattle farming, while approximately 20 households are involved in agriculture. Fruit trees such as hazelnut, pear, and apricot are cultivated in the planned reservoir area. Irrigation water is sourced from the river.

There are no legally rented land plots, as per the consultations with the local residents. Two households are engaged in ploughing and haymaking at their land plots falling within the planned reservoir site (**Figure 10**). Fishing is not practiced by the local population.

There are semi-constructed and abandoned summer cottages within the planned reservoir area, as well as a picnic area and a bridge leading to one of the cottages (Figure 10). Two overhead transmission lines (110 kV and 6/10 kV) cross the site and several towers are within the Lichk reservoir area (Figure 10).



<p>1 - View to the Lichk site from M2 road</p>	<p>39° 2'49.22"N, 46°11'57.24"E</p>	<p>2 - Towers of 110 kV OTL</p>	<p>39° 2'45.78"N, 46°11'41.55"E</p>
			
<p>2 - Towers of 110 kV OTL</p>	<p>39° 2'50.87"N, 46°11'30.72"E</p>	<p>3 - Pillars of 06/10 kV OTL</p>	<p>39 ° 2'42.00"N, 46°11'39.51"E</p>
			
<p>3 - Pillars of 06/10 kV OTL</p>	<p>39° 2'46.43"N, 46°11'37.20"E</p>	<p>4 - Uninhabited summer cottage and picnic place</p>	<p>39° 2'53.52"N, 46°11'33.57"E</p>
			



Source: Prepared by the Consultant based on the site visit (photos) and design documents for the buffer zone.

**Figure 10. Lichk Reservoir: schematic map and photographs illustrating the site**

#### 4.3.1.5 Yelpin Reservoir: Basic Information about Land Use and Potential Impacts

Yelpin Reservoir will affect only one community land plot in Areni Community. This is an agricultural pasture land with the total size of 4,017,142.4 m<sup>2</sup>, of which 315,724.9 m<sup>2</sup> are expected to be acquired by the Project. It is expected that the reservoir’s infrastructure (outlet main / channels, roads, etc) will also be located mostly on the community land. No impact is expected on buildings / structures and trees.

According to the Head of Areni Community, no socio-economic development interventions are planned in the Project area.

During the interview, the Administrative Head of Yelpin Village communicated to the Consultant that the territory designated for the reservoir is not currently used as pasture due to the lack of suitable vegetation. During the visit to the site, the Consultant did not observe any cattle there; nor any signs of informal land usage (to be re-confirmed during the RP preparation). It was also noted by the Head of Yelpin Village that the village has around 4,000 ha of designated pasture land, so the withdrawal of unused pasture lands is seen as an insignificant impact.

There is a small water intake on the site and a water pipeline transporting water to a land plot for irrigation (**Figure 11**). Any private or public infrastructure that will be affected by the Project will be relocated and/or compensated as per the Entitlement Matrix (**Table 8**).

According to the Administrative Head of Yelpin Village, fishing downstream from the reservoir is not practiced due to the low water level in the Yelpin River.



Source: Prepared by the Consultant based on the site visit (photos) and design documents for the buffer zone.

**Figure 11. Yeplin Reservoir: schematic map and photographs illustrating the site**

### 4.3.2 Construction

Some additional land will be needed during the construction stage, such as for construction camps and laydown areas, and it will be leased for the temporary construction purposes based on voluntary agreements with the communities or land owners. It is expected that all works related to roads, communications and pipelines will be held within the areas to be acquired by the Project.

Temporary land needs during the construction period are not fully determined yet. It was noted by the designers that some parts of areas around Astghadzor Reservoir that will be potentially used as borrow pits (ca. 1-1.5 ha) can be recultivated after the construction is completed and returned to Astghadzor village for agricultural use. Overall, any temporarily needed land should be secured in line with the EBRD requirements before construction works commence and will be negotiated between the construction contractor and land owner(s). Temporary land needs for the associated facility (the power line) will also be expected to be ensured via voluntary agreements.

Any accidental damage to the land, crops or other assets due to construction works or machinery will be evaluated and compensated as per the national and EBRD requirements.

As noted above, earth excavation and related activities to lay the feeding, irrigation or other channels will occur within the acquired areas. After underground pipelines are laid, the ground will be filled back and the area will be recultivated. Such areas can be used by the local residents for grazing, if suitable.

During the construction, a disruption of access can be expected at some locations i) to private owned land plots (including, agricultural ones), ii) to communities' common resources (e.g., pastures, rivers, forests, and irrigation channels), and iii) social infrastructure and public amenities. The Traffic Management Plan is envisioned to be developed for all Project sites prior to construction to ensure the accessibility of the local residents to the land plots, common resources and public infrastructure.

Public utilities (gas, water, electricity, etc.) and infrastructure structures owned by private organizations, as well as state organisations that may be affected will be relocated as per the individual relocation plans. Such relocation plans will be agreed with the relevant authorities and will ensure that the provision of services to the users is not interrupted.

### 4.3.3 Operations

No additional land acquisition and resettlement impacts are predicted to take place during operations and maintenance.

Given that the water protection, ecotone and unalienable zones will be acquired by the Client, the land use restrictions that are to be respected within these areas will not affect the activities of local residents.

## 5 COMPENSATION AND LIVELIHOOD RESTORATION STRATEGY

### 5.1 Key Principles

The following principles of land acquisition, compensation and livelihood restoration will be applied by the Client and adhered to during the Project implementation:

- Displacement will be avoided, minimised, mitigated, and compensated.
- All impacts shall be addressed, including within the direct footprint of the Project facilities and land use restriction zones along the pipelines.
- Where land acquisition is unavoidable, transfer of unused State land is preferred.

- Any involuntary acquisition of assets or restriction of access to assets, as well as compensation of assets and losses of PAPs and businesses shall comply with the applicable Armenian regulations and EBRD requirements (refer to **Section 2.5**). In case of differences between national legislation and EBRD requirements, the most favourable to PAPs will be adopted.
- Any compensation shall be at full replacement cost as defined in the EBRD PR5. This cost is to be determined by independent, qualified and certified valuation experts.
- PAPs will be provided with full and accurate information about the Project and meaningful opportunities for participation in design, implementation and monitoring of the land acquisition and livelihood restoration process, with particular attention to the needs of vulnerable households and women.
- People whose livelihoods are adversely affected will be assisted in re-establishing affected activities, livelihoods, standard of living, and income.

Any additional land acquisition that is not covered in the land needs **Section 4** of this RF and that may become required for the Project in the future, should follow the same principles, and a specific RP should be prepared for it.

### 5.2 **Eligibility and Cut-off Date**

A cut-off date for eligibility for compensation and livelihood restoration will be individually established for each Project reservoir. In line with the EBRD PR5 and the national regulations, it will be the **date of the bilateral signing of the affected property/assets description protocols**.

The concept of the cut-off date will be explained at the first public consultation meetings in each location, at the outset of the preparation of the RPs (and documented in the minutes of meetings), as well as via the individual meetings. Any person who owns / uses land and assets within the acquired area and restriction zones at or before the cut-off date are eligible for being categorized as PAPs and receiving compensation/resettlement support.

Those who have been found to occupy the Project area after the cut-off date are not eligible for Project compensation or other resettlement benefits. However, they, will be given a sufficient advance notice, requested to vacate premises and dismantle affected structures (if any) prior to Project implementation. Fixed assets (such as built structures or crops) appeared on acquired land plots after the cut-off date, as well as any other investments into improvements of the acquired land plots will not be compensated.

The eligibility for compensation and livelihood restoration support will be refined based on the census of the PAPs, asset inventories and SESs.

### 5.3 **Entitlement Matrix**

An Entitlement Matrix sets the principles of compensation and livelihood restoration for the different groups of PAPs depending on the assets, properties, and livelihoods they may lose due to the Project. In accordance with the EBRD requirements, it outlines the entitlement policies for each type of the potential impacts. An indicative Entitlements Matrix is given in **Table 8** below. The matrix will be verified and adjusted based on the detailed design, SESs, inventories, censuses, and consultations with PAPs.

Table 8. Preliminary Entitlement Matrix

Type of Loss	Application	Eligibility	Compensation and Livelihood Restoration Entitlements
<b>Compensation Entitlements</b>			
<b>1. Land Loss</b>	PAPs losing their land (any category) or a part of it	Owners	Cash compensation at full replacement cost assessed at market or cadastral <sup>31</sup> value (whichever is higher) plus 15%. OR if PAH's livelihood is land-based, land of equal and adequate quality <sup>32</sup> is available in the community and is requested by the owner; and the community agrees to provide it to the Affected Household (AH), then provision of an equivalent replacement land of equal characteristics (within the calculated compensation, as provided above). In this case, the acquirer will ensure the state registration of the PAP's ownership right to replacement land and will provide legal support, as needed. AND All transaction expenses including taxes, fees and other payments to be paid by PAPs will be covered by the acquirer.
		Legalizable PAPs	In cases defined by legislation, the legalizable PAPs will be compensated as owners in case of registration the ownership right towards the land. AND All transaction expenses including land registration fees and taxes to be paid by PAPs will be covered by the acquirer.
		Leaseholder (lease and sublease of community or state land)	In legally defined cases, leaseholders may acquire ownership right and become owners of the affected land. In such cases they will be compensated as owners after registration of the ownership right. In this case, the ownership right registration fees will be covered by the leaseholder. OR The leaseholders may be given an opportunity to hold a new replacement lease. If this is not possible, they (lease or/and sublease holders) will receive compensation equal to the market value of affected land +15% in proportion to the remaining years of lease as follows: 1) < 1 year – 5% of land compensation cost, 2) <15 years – 14% of land compensation cost; 3) < 25 years – 20% of land compensation cost; 4) >25 years – 25% of land compensation cost. AND Information about the acquisition of the land given at least three months in advance of land acquisition, to enable the leaseholder to find another land for lease.
		Leaseholder (leasing and subleasing private land)	Cash compensation for already paid but unused lease and for integral improvements made with the lessor's consent. AND Information about the acquisition of the land given at least three months in advance of land acquisition, to enable the leaseholder to find other land for lease.

<sup>31</sup> Property cadastral value is defined by the RA Cadastral Committee.

<sup>32</sup> 'Land of equal and adequate quality' means a land plot a) of similar agricultural potential, b) located at the same or closer distance to the residence of the AH owning/using the affected plot or with reliable transport links whereto, and c) of similar size (on a square meter per square meter basis). Provision of a replacement land will also include preparation of this land for its use by PAHs.

Type of Loss	Application	Eligibility	Compensation and Livelihood Restoration Entitlements
		Non legalizable PAPs	These PAPs will receive compensations only for crops/harvest and the improvements made on the land according to the RF.
	Land use restrictions in the buffer / water protection zones which are not acquired. The buffer zone is defined by design.	Owners and legalizable PAPs	Compensation for a difference between the existing and the other type of land into which the affected land will be re-categorised. OR Portion(s) of the land plot that cannot be used per its designated purpose due to the utilities, buffer zones or other protection / safety zones will be compensated based on the terms of the land use / easement agreement at market price. If a land plot cannot be used per its designated purpose as it becomes economically unviable or inaccessible, then the whole land plot is acquired at full replacement cost.
	Community land	Community (local self-government body)	Compensation of the community owned land at market or cadastral price (whichever is higher) + 15% AND All transaction expenses including taxes, fees and other payments to be paid will be covered by the acquirer.
<b>2. Loss of residential buildings, structures</b>	Residential buildings and structures	Owners, legalizable and non-legalizable PAPs	Cash compensation cost + 15% for loss of building at full replacement cost free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus repairs, in case further use and maintenance of the non-affected portion of the building is technically possible. AND Written notification about the acquisition of the house given at least six months in advance of demolition to enable the tenant to find other accommodation, if relocation is unavoidable. AND All transaction expenses including taxes, fees and other payments to be paid by PAPs will be covered by the acquirer.
		Relocated tenants	Cash refund of the unused rent already paid and for integral improvements made with the lessor's consent. Written notification about the acquisition of the house given at least six months in advance of demolition to enable the tenant to find other accommodation.
<b>3. Loss of non-residential buildings and structures (including fences, barns, sheds, etc.)</b>	Buildings and structures with state registration owned by PAPs	Owners	Cash compensation + 15% for loss of building at full replacement cost free of depreciation/transaction costs and salvaged materials. Partial impacts will entail the compensation of the affected portion of the building plus the cost for building repair if the maintenance and use of the non – affected portion of the buildings is technically possible. AND All transaction expenses including taxes, fees and other payments to be paid by PAPs will be covered by the acquirer.
	Illegal buildings and structures on the land belonging to PAPs with ownership right over the affected land	PAPs who constructed or use the illegal building or structure and own the affected land.	As above but after building is legalized/registered, if legally possible. If not possible, Rehabilitation Allowance at full replacement cost of the illegal building or structure without 15% extra payment. AND All transaction expenses including taxes, fees and other payments to be paid by PAPs will be covered by the acquirer.
	Illegal buildings and structures on the land owned by the state or	PAPs who constructed or use the illegal building or structure	Rehabilitation allowance will be provided to the PAP who constructed the illegal building or structure on the land owned by the state or community, with the amount equal to full replacement cost of the building or structure without 15% extra payment. AND

Type of Loss	Application	Eligibility	Compensation and Livelihood Restoration Entitlements
	community		All transaction expenses including taxes, fees and other payments to be paid by PAPs will be covered by the acquirer.
	Any used buildings	Leaseholders	Cash compensation for the unused lease already paid.
<b>4. Public Building/structures Loss</b>	Community /State property	Community /State	Reconstruction of lost structure and restoration of their functions in consultation with community/state authorities, OR, If this is impossible or proven not to be necessary, then cash compensation of the community owned buildings/structures + 15% for loss of building at full replacement cost free of depreciation/transaction costs and salvaged materials.
<b>5. Public Utilities (Gas, water, electricity and etc.) and infrastructure structures owned by private organizations</b>	Private Property	Owners or operator of the utility or infrastructure structure	Reconstruction of lost structure and restoration of their functions in consultation with community/state authorities and the utility owner or operator (if applicable).  All such infrastructures will be reflected in the detailed design and in the scope of works of the General Contractor and will be relocated within the Project budget. Impacts to any assets caused by relocation of the affected utilities will be compensated and treated in accordance with this RF entitlements.
<b>6. Harvest and Crop Loss</b>	Standing crops affected	All PAHs who planted crops and made improvements regardless of their land ownership rights	Crop compensation at replacement cost equal to the current average market price for the 1 year's average yield (Annual Crops). <i>NB: If the crop owner is able to harvest the crop before the land is actually taken for the Project, no compensation is due.</i>
<b>7. Trees/orchards and harvest Loss</b>	Trees affected and expected harvest	All PAHs who cultivate the trees/garden as of the cut-off date regardless of their land ownership rights	Cash compensation at market value based on type, planting age and productive value of the trees. Tenants or actual users of communal or state lands will receive full compensation for trees with the consent of the owner.
<b>8. Business (entrepreneurship) interruption</b>	Businesses (entrepreneurship) on the affected land	All PAPs (business operator/owner) regardless of their tax report/calculation and legal status of business	<b>1) Businesses with a tax report/calculation<sup>33</sup></b> a) In case of permanent impact (interruption of business activity for a period of 1 year or more): cash compensation of 1-year net profit/income. b) in case of temporary impact (interruption of business activity for a period of up to 1 year): cash indemnity of net profit/income for months of business suspension up to 1 year <sup>34</sup> . AND

<sup>33</sup> Either net profit or income will be applicable depending on the taxation model valid for a certain business.

<sup>34</sup> If this impact lasts for more than 1 year, it is considered permanent.

Type of Loss	Application	Eligibility	Compensation and Livelihood Restoration Entitlements
			State registration and license fees will also be compensated, if any, as well as the taxes related to the property acquisition and the receipt of compensation will be compensated by the acquirer.  <b>2) Businesses without a tax report/calculation</b> a) In case of permanent impact (interruption of business activity for a period of 1 year or more): rehabilitation allowance based on the minimum monthly salary of the RA (defined by RA law as of the cut-off date) for 1 year; b) In case of temporary impact (interruption of business activity for a period of up to 1 year): rehabilitation allowance based on the minimum monthly salary of the RA (defined by RA law as of the cut-off date) for the number of months of business stoppage up to a maximum of 1 year.
<b>9. Employment Loss</b>	Permanent employment loss or compulsory downtime not by the employee's fault	Employees who have worked for affected business (company or Individual Entrepreneurship) based on employment contract or individual legal act on hiring	Cash compensation: a) <b>Permanent job loss:</b> the employee will receive cash indemnity for 6 months average monthly salary (in accordance with Labour Code of RA) without taxes; b) <b>Temporary loss:</b> the employee will receive cash indemnity for all months of business stoppage based on the average monthly salary (in accordance with Labour Code of RA) without taxes up to 6 months.  Taxes related to the receipt of compensation will be compensated by the acquirer
<b>10. Temporary impacts</b>		All temporarily affected (caused by project-related land use restrictions) PAPs / PAHs	Compensation for losses/damages will be provided in cases of temporary impacts at full replacement cost in accordance with the provisions of the established entitlements of RF.
<b>11. Unforeseen resettlement impacts, if any</b>		Eligible PAPs / PAHs	Water Committee consider the unforeseen resettlement impacts during project and will compensate and will provide rehabilitation allowance based on the provisions of RF. The damage caused by Contractor (or subcontractor) during the construction works will be compensated as per this RF.
<b>12. Compensations for improvement</b>	Improvements that are not included in this Entitlement Matrix but exist on the affected land (except the moveable property)	PAPs who made Improvements	Cash compensation at replacement cost.
<b>13. Transportation allowance</b>	Allowance for transportation	All PAPs having movables on the affected land / building to be relocated regardless of ownership rights	Cash allowance to cover transportation, loading/unloading costs (will be determined based on the market research in the area and provided as a single payment).
<b>14. Khachkars (memorials for deceased)</b>	Kharkhars falling within the acquired area	Those who constructed and take care of a khachkar	Relocation of affected khachkars at the Project expense in consultation with the families (custodians of the khachkar) and local authorities.

Type of Loss	Application	Eligibility	Compensation and Livelihood Restoration Entitlements
persons)			
<b>Livelihood Restoration Entitlements</b>			
<b>1. Allowances for significant Impacts / livelihood restoration</b>	PAHs to be relocated (physically displaced AH)	All significantly affected PAHs including informal settlers, as defined to the left	A restoration allowance of 6 months at minimum monthly salary (this monthly salary is defined by the RA legislation).
	PAHs losing agricultural harvest		Additional cash payment in the amount of 1-year yield (from affected land part).
	PAHs losing income generating assets and PAHs losing commercial / business establishments		A restoration allowance of 6 months at minimum monthly salary (this monthly salary is defined by the RA legislation).
<b>2. Allowances for vulnerable PAPs / PAHs</b>		PAHs headed by women, or elderly, or disabled persons and PAHs living below the poverty line	<p>Cash allowance equivalent to 6 months of minimum monthly salary (this salary is defined by RA Legislation) and priority in access to the Project-related employment.</p> <p>AND</p> <p>Assistance to vulnerable people, such as:</p> <ul style="list-style-type: none"> <li>• Access to legal information and legal assistance during the land acquisition and negotiation process, including, at the stage of land plot and landowner identification,</li> <li>• Specific individual meetings to explain eligibility criteria and entitlements, clauses in compensation agreements, and grievance avenues;</li> <li>• For those physically displaced, specific assistance to securing an alternative residence, and if there are disabled individuals in the AH making sure that this residence is adequate from an accessibility perspective, and organising and funding works to improve accessibility if required, based on a case-by-case review;</li> <li>• Assistance in the payment process (provision of transport to the bank effecting compensation payment, support in the payment procedure and/or to open a bank account if necessary, money management awareness and training, awareness of available State support and pensions, etc.);</li> <li>• Prioritisation for livelihood restoration activities, including training courses to enhance employability and prioritization for employment by contractors where possible and subject to contractors' operational needs;</li> <li>• Linkage with existing State and municipal agencies in charge of social welfare, to make sure that vulnerable people obtain the benefits they are entitled to per existing government support schemes.</li> </ul>
<b>3. Livelihood Restoration support</b>	Livelihood impacts that are not included in this Entitlement Matrix but will be identified during the SES	PAPs who experience impacts to their livelihoods	Provision of livelihood restoration measures in line with this RF and EBRD policies as detailed in <b>Section 2.2 below</b> .

## 5.4 Compensation and Livelihood Restoration Entitlements

Entitlements for PAPs affected either by project-related land acquisition or by land use restrictions will include provisions for permanent or temporary land losses, buildings/structures' losses, harvest yields/ crops and trees losses, a relocation subsidy, and a compensation for the stoppage of business (entrepreneurship) based on tax report/calculations or lump sums.

Entitlements for economic displacement include support for livelihood restoration and are defined separately from compensation for physical displacement and loss of assets. Project impacts leading to economic displacement may include Project activities that affect the means that PAPs/PAHs (including businesses) use to make a living, such as employment wages, provision of services, production of goods, rents from land or premises, income from crop harvests or animal husbandry, self-consumed goods or food, and various government allowances<sup>35</sup>.

The extent to which PAHs/PAPs may be affected by such economic displacement impacts, as well as changes to their standard of living, will be determined based on the SES results during the RP preparation. The PAHs/PAPs found to be affected by economic displacement impacts and changes in their standard of living, will be eligible for livelihood restoration support, as envisioned in this RF. The Entitlement Matrix (**Table 8**) also envisions avoidance and minimization of some livelihood impacts, such as allowing the harvest of crops before land take. The entitlements are as follows:

### 5.4.1 Compensation Entitlements

#### 5.4.1.1 Land loss

1) The land impact will be compensated either: (i) in cash at full replacement cost assessed at market value plus 15%, or (ii) if PAH's livelihood is land-based, land of equal and adequate quality is available in the community and is requested by the owner; and the community agrees to provide it to the PAH, then provision of an equivalent replacement land of equal characteristics (within the calculated compensation, as provided above). In this case, the acquirer will ensure the state registration of the AP's ownership right to replacement land. 'Land of equal and adequate quality' means a land plot a) of similar agricultural potential, b) located at the same or closer distance to the residence of the AH owning/using the affected plot or with reliable transport links whereto, and c) of similar size (on a square meter per square meter basis). Provision of a replacement land will also include preparation by the acquire of this land for its use by PAHs. The final decisions should be taken based on a participatory approach and documented.

Non-alienable parts of the land which lose the economic or functional significance for the owner that it had before the separation of the alienable part or the non-alienable part of the property is insignificant compared to the alienable part, will be alienated if the request of alienation by the PAP was submitted within the timeframe and order defined by the law and accepted by the acquirer according to the procedure established by the law. When a cultivated agricultural plot is affected, its PAP (owners, leaseholder and land users) will get an additional livelihood support (transition) allowance for significant impacts equal to the market cost of a year's gross yield of the land lost;

2) PAPs whose ownership rights toward the affected land are eligible for formalization and state registration (hereinafter: legalization) are entitled to be legalized/registered and after their losses must be compensated as owners. Security of tenure should be ensured for the legalized PAPs. PAPs who cannot be legalized or who use the affected land without the formal

<sup>35</sup> For instance, PAHs / PAPs can be deprived of state unemployment allowances or utilities subsidies if they received income.

legal rights (unregistered user) will be compensated only for crops (harvest) and the improvements existing on the land.

3) *Leaseholders (including sub-leaseholders) on the community or state land* may acquire ownership right in cases provided for by law and compensated as full owners and the ownership right registration fees will be covered by the leaseholder and the livelihood restoration support will be as noted below (for legalizable PAPs).

Or if this is not the case, they (lease and sublease holders) will be given a new replacement lease subject to availability of the land and consent of the owner (lessor). If these mitigation measures are not possible, they will be compensated in cash at market value of the affected land plus a 15% allowance in proportion to the remaining years of lease as follows: a) < 1 year - 5% of land compensation cost; 2) < 15 years - 14% of land compensation cost; 3) < 25 years - 20% of land compensation cost; 4) 25 years and more- 25% of land compensation cost.

4) *Leaseholders (leasing and subleasing private land)* will be given cash compensation for the unused lease already paid and for the improvements made in consent with the landlord.

5) Users of land (formal and informal) will also receive compensation for any existing crops.

6) Users of land (formal and informal) will be provided information about the acquisition of the land at least three months in advance of land take to enable the latter to find other land for use.

7) All transaction expenses including taxes, fees and other payments to be paid by PAPs will be covered by the acquirer.

8) In case of restriction on land use, owners and legalizable PAPs will be compensated based on the terms of the land use / easement agreement at market price for portion(s) of the land plot that cannot be used per its designated purpose due to the utilities, buffer zones or other protection / safety zones. If a land plot cannot be used per its designated purpose as it becomes economically unviable or inaccessible, then the whole land plot is acquired at full replacement cost. Otherwise, compensation value can be based on the difference between the existing and the other type of land into which the affected land will be re-categorised.

9) Community owned land will be compensated at market price + 15%.

#### 5.4.1.2 Loss of residential buildings

1) The PAPs losing their residential houses will be compensated regardless of the formal legal rights towards the building/structure or legal status of the building/structure in cash at replacement cost plus a 15% allowance. Compensation will be free of deductions for depreciation, transaction costs and salvageable materials regardless of the fact of state record and registration status of the building. In case of partial impacts, compensation will cover only the affected portion of a building, if further use and exploitation of the non-affected part of the building is technically possible. In this case, the costs of repairing the building are also subject to compensation.

2) Relocated leaseholders will be given cash compensation of the unused rent already paid and for integral improvements made with the lessor's consent. Relocated PAHs will also be given all transportation and significant impacts allowances defined by this RF.

3) Relocated households will be informed in written form about the acquisition of the house at least six months in advance of demolition to enable the latter to find other accommodation.

4) All transaction expenses including taxes, fees and other payments to be paid by PAPs will be covered by the acquirer.

#### 5.4.1.3 Loss of Non-Residential Buildings and Structures

1) *Non-residential buildings or structures* (excluding illegal structure) will be compensated in cash at replacement cost plus 15%. Partial impacts will entail the compensation of the affected portion of the building plus the cost for building repair if the maintenance and use of the non – affected portion of the buildings is technically possible.

2) *Illegal buildings and structures* on the land belonging to PAPs with ownership right over the affected land will be compensated to the PAPs (who constructed or use the building) as above but after the building or structure is legalized/registered, if legally possible. If not possible, the PAP who constructed or use the illegal building (which could be the landowner) will be provided Rehabilitation Allowance at full replacement cost of the building, structure (not less than the market price) without 15% extra allowance.

3) For the Illegal buildings and structures on the land owned by the state or community the PAPs who constructed or use the illegal building or structure will be provided Rehabilitation Allowance with the amount equal to replacement cost of the building or structure (not less than the market price) without 15% extra allowance.

4) *Leaseholders* of the relocated non-residential structures will be given cash compensation for the unused portion of the already paid rent.

5) The legalization of the illegal buildings is not mandatory for the cases defined in point 2 of this sub-section.

6) All transaction expenses including taxes, fees and other payments to be paid by PAPs will be covered by the acquirer.

#### 5.4.1.4 Loss of Public Property

The community and state buildings and public utilities which are public property will be reconstructed and their functions will be restored in consultation with community/state authorities or, if impossible or proved unnecessary, cash compensation of the community owned buildings/structures for loss of building at full replacement cost + 15% free of depreciation/transaction costs and salvaged materials.

#### 5.4.1.5 Public Utilities (Gas, water, electricity, etc.) and infrastructure structures owned by private organizations

Public Utilities (Gas, water, electricity, etc.) and infrastructure structures owned by private organizations will be restored in consultation with community/state authorities and the utility owner or operator (if applicable).

All such infrastructures will be reflected in the detailed design and in the scope of works of the General Contractor and will be relocated within the Project budget.

Any new impacts to any assets caused by relocation of the affected utilities will be compensated in accordance with this RF entitlements.

#### 5.4.1.6 Loss of Crops and Harvests

For the loss of crops and harvest cash compensation will be provided at current average market prices for the 1 year's average yield (Annual Crops) to those PAPs/PAHs (owners, leaseholders, factual land users) who have been using and cultivating the land at the cut-off date for claiming compensation. The above-mentioned compensation provisions are not applied to compensation for the losses of trees and their yield (refer to the section sub-section). If the crop owner is able to harvest the crop before the land is actually taken for the Project, no compensation is due, unless the client decides to compensate in any case.

#### 5.4.1.7 Loss of Trees, orchards, and yield

Cash compensation will be given to the PAPs/PAHs (landowners, the leaseholders and the actual land users) for the trees and harvest losses at market value based on type, age and productivity of trees as follows:

1. The community or state landowners will receive the entire compensation for the trees: if the existing leaseholders are not entitled to compensation according to the subpoint 2 of this paragraph or; if the existing actual users are not entitled to compensation according to the subpoint 3.

2. If the lands are held by lease, the compensation for trees will be given to the leaseholder, if trees were cultivated by the leaseholder (with the consent of the landowner).
3. If the community or state lands are actually used without formal legal rights of PAPs, the entire compensation for trees will be provided to such land users.
4. All PAPs losing trees regardless of the land ownership/use status will be compensated in accordance with **Section 5.4.3** below).

#### 5.4.1.8 Interruption of business (entrepreneurship)

- 1) Compensation for loss of business, with tax report/calculation, will be provided in cases of permanent and temporary stoppage (caused by project-related land acquisition or restrictions on land use) of business (entrepreneurship), as follows:
  - a) Permanent (1 year and more) loss of business (entrepreneurship) will be compensated in cash equal to a 1-year net profit/income based on tax report/calculation;
  - b) Temporary impact (less than 1 year) i.e. stoppage of business (entrepreneurship) will be compensated in cash equal to the monthly net profit/income based on tax report/calculation for the months of stoppage.
  - c) State registration and license fees will also be compensated, if any, as well as the taxes related to property acquisition and the receipt of compensation will be paid by the acquirer.
- 2) In absence of tax report/calculation permanent and temporary losses business (entrepreneurship) the compensation will be made in the above mentioned way based on the minimum monthly salary of the Republic of Armenia (as of the cut-off date).
- 3) The number of months of temporary stoppage of business activity and the date of permanent termination are determined based on the duration of construction works that will affect business activity.

#### 5.4.1.9 Employment Loss

- a) Cash compensation based on the average monthly salary (calculated in accordance with the Labour Code) without taxes for 6 months will be provided to the workers permanently losing their job, working at least for 2 months before the Cut-off date, at the moment of the permanent stoppage still working at the affected organization and provided a relevant document, established by RA legislation, documenting the termination of the employment relationship, if the employment contract (labour relation) is terminated as a result of the stoppage of business on the affected land.
- b) In case of temporary job loss (compulsory downtime) cash compensation will be given by the same principles based on the forced stoppage (downtime) of the working months (up to 6 months).
- c) Taxes related to the receipt of compensation will be compensated by the acquirer
- d) The number of months of temporary stoppage of business activity and the date of permanent termination are determined based on the duration of construction works that will affect business activity.

#### 5.4.1.10 Temporary impacts

Temporary affected (caused by project-related restrictions on land use) PAPs/PAHs will be given compensation for losses/damages (at full replacement cost) defined by the RA legislation and in accordance with the provisions of the RF entitlement matrix. The compensation given to the temporary affected PAPs/PAHs will not include the rehabilitation allowances defined by the RF.

#### 5.4.1.11 Unforeseen resettlement impacts if any

Water Committee will consider unforeseen resettlement impacts during the project implementation and will compensate and/or will provide rehabilitation allowance based on the provisions of this RF.

In cases of unforeseen impacts, all the procedures defined by the RF will be applied (social impact assessment and other necessary surveys and legal procedures, including the preparation of an updated RP or RP addendum (if necessary)).

The damage caused by Contractor (or subcontractor) during the construction works will be compensated in accordance with this RF.

#### 5.4.1.12 Compensations for Improvements:

The improvements which are not included in the entitlement matrix but exist on the affected land (excluding the movable assets), will be compensated at full replacement cost.

#### 5.4.1.13 Transportation Allowances

1) *Relocation expenses*: PAHs to be relocated (including leaseholders) from their affected residences will receive a relocation allowance equal to cover transport costs (this will be determined based on the market research in the area and provided as a single payment).

2) *Expenses related to moving the movable assets*. All PAHs having movable assets on the affected land or building, regardless of their rights towards the affected land or building, will receive cash allowance to cover all transport costs for movable assets to be relocated.

#### 5.4.1.14 Khachkars (memorials for deceased persons)

If Khachkars are identified to be falling within the acquired area, the Project will relocate them at project expenses in close consultation with the families (custodians of the khachkar, who constructed and take care of a khachkar) and local authorities. Typically such Khachkars are installed at the community land, thus an allocation of an alternative community land for use is to be negotiated with the local authorities. No compensation or livelihood restoration entitlements are due for such type of impact.

### 5.4.2 Livelihood Restoration Entitlements

The livelihood restoration entitlements presented below is subject to clarification in the RP, based on the results of the SES and inventory.

#### 5.4.2.1 Loss of income and/or of livelihood sources due to land loss

The following livelihood restoration support will be provided to the PAPs (land owners and legalizable users/ leaseholders who may acquire ownership right) engaged in agriculture:

- Provision of consultations by agricultural expert on efficient / improved agricultural techniques;
- Opportunity (to be the first in the list) to lease or to buy the land from the community
- Facilitation of access to inputs and markets;
- Assistance to identify alternative land for purchase;

The following livelihood restoration support will be provided to leaseholders using the land for agriculture (having land-based livelihoods):

- Assistance to identify alternative land for use;
- Provision of consultations by agricultural expert on efficient / improved agricultural techniques.

Livelihood restoration measures for non-legalizable PAPs will take the form of:

- Support in registering non-legalizable PAPs so that they have an opportunity (to be the first in the list) to lease or to buy the land from the community.
- Provision of consultations by agricultural expert on efficient / improved agricultural techniques

#### 5.4.2.2 Loss of income and/or livelihood sources due to loss of residential buildings and structures

Relocated households will also receive the following livelihood restoration support:

- Support in the registration of place or residence and utility registration at new residential places;
- Support in access to social infrastructure if the area of residence is changed (e.g., registration at new school, kindergarten or policlinics);
- Support in access to employment induced by the Project (during the construction);

Relocated leaseholders will also receive the following livelihood restoration support:

- Assistance in finding a new lease to reside.

#### 5.4.2.3 Loss of income and/or livelihood sources due to loss of non- residential buildings and structures and infrastructure

The owners of the affected non-residential building will be provided with the following livelihood restoration support:

- Support in securing the due asset relocation permits and provision of consultations if new construction permits / power or water re-connections are required.

Leaseholders of the relocated non-residential structures will be given livelihood restoration support in the form of assistance in finding a new lease.

#### 5.4.2.4 Loss of income and/or livelihood sources due to crop loss

All PAHs who planted crops and made improvements regardless of their legal status will also receive the following livelihood restoration support:

- Opportunity to harvest crops before land take
- Assistance to identify alternative land for use (where applicable)
- Provision of consultations by agricultural expert on efficient / improved agricultural techniques
- Support in access to employment induced by the Project (during the construction).

#### 5.4.2.5 Loss of income and/or livelihood sources due to lost trees/ orchards and harvest

All PAHs who had trees/ orchards and made improvements (regardless of their land ownership and property rights) will receive the following livelihood restoration support:

- Provision of consultations about the markets where saplings of fruit bearing trees can be bought and advice on selection and care
- Provision of consultations by agricultural expert on efficient / improved agricultural techniques
- Support in access to employment induced by the Project (during the construction).

#### 5.4.2.6 Loss of income and/or livelihood sources due to lost Employment or Business

PAPs who lost business or have worked for affected business (company or Individual entrepreneurs) based on employment contract (or individual legal act on hiring) will be provided with:

a) Livelihood restoration support in case of permanent job/business loss:

- support access to employment induced by the Project
  - support access to the vocational training, agricultural training, computer courses or else.
- b) Livelihood restoration support in case of temporary job/business loss:
- support access to the vocational training, agricultural training, computer courses or else.

#### 5.4.2.7 Allowances for Significant Impacts

1) This livelihood restoration allowance is given for the Project's significant impacts to the PAHs (including the PAHs as leaseholders and actual land users) if their owned and/or cultivated agriculture land is affected and they receive benefits such as fruits, yield and crops as a result of land-use.

The basis for calculating the above-mentioned allowance is the actual usage purpose of these lands, regardless of the usage purpose (significance) of the land defined in the cadastral data, certificates of ownership rights and other documents confirming the property right. If the non-agricultural land is impacted but is used as productive agricultural land and there actually are crops and yields from the land, then the latter is subject to compensation in accordance with the above-mentioned principles without the provision of legalization requirement.

2) PAHs to be relocated (including the relocated leaseholders) will receive livelihood restoration allowance for significant impacts equal to minimum monthly salary (which is defined by the RA Legislation) for 6 months.

3) PAHs losing income generating assets and PAHs losing commercial/business establishments will receive livelihood restoration allowance for significant impacts equal to minimum monthly salary (which is defined by the RA Legislation) for 6 months.

#### 5.4.2.8 Allowance to the Vulnerable People/AHs

Vulnerable people will be given a rehabilitation allowance equal to 6 (six) months of minimum monthly salary (defined by the RA Legislation) and priority in access to the Project-related employment.

*Socially Vulnerable people are:*

- 1) Households, which includes family (families) who are registered in the family benefit system (FBS) and receive allowance.
- 2) Households, headed by a single parent, where there is no other adult of working age, except for elderly persons (people of pension age), persons doing compulsory military service in the Armed Forces of the RA, persons having disability of 1st or 2nd groups, and students up to 23 years studying full-time at educational institutions, if the PAH is not a beneficiary as per above subparagraph 1.
- 3) Households, headed by elderly persons (people of pension age), where there is no other person of working age, except for persons doing compulsory military service in the Armed Forces of the RA, persons having disability of 1st or 2nd groups, and students up to 23 years studying full-time at educational institutions, if the PAH is not a beneficiary as per above subparagraph 1.
- 4) 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 the RA, persons having disability of 1st or 2nd groups, and students up to 23 years studying full-time at educational institutions, if the PAH is not a beneficiary as per above subparagraph 1.
- 5) Households headed by women, where there is no other person of working age, except for elderly persons (people of pension age), persons doing compulsory military service in the Armed Forces

of the RA, persons having disability of 1st or 2nd groups, and students up to 23 years studying full-time at educational institutions, if the PAH is not a beneficiary as per above subparagraph 1.

#### 5.4.2.9 Livelihood Restoration Support

PAPs who are identified during the SES (when preparing the RP) as experiencing livelihood impacts that are not included in the Entitlement Matrix of this RF are to be provided with livelihood restoration measures in line with this RF and EBRD's policies.

#### 5.4.3 Assessment of Compensation Unit Values

Assessment of the real estate values will be based on the procedure defined in the Law of the Republic of Armenia on Assessment of Real Estate, RA National Standard on Real Estate Valuation, Applicable Standards and on this RF requirements, in terms of which the agreed valuation methodology between the EBRD and the RA Government for compensation unit rates of different impacts is as follows:

1. **Agricultural and Non- Agricultural Land** will be valued at replacement cost, i. e. market or cadastral value (whichever is higher) plus 15%.
2. **Houses/Buildings** will be valued at replacement cost based on construction type, materials cost, labour, transport/other construction costs and legalization costs where applicable. 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, as well as for repairs of the affected part, if this option is economically justified. The legalization costs of the illegal buildings on the affected land will be calculated by the independent evaluator based on the rates defined by the RA Government Decree 912 dated May 18, 2006.
3. **Annual Crops** will be valued based on average farm gate prices and average yields for the previous 3 years. In the eventuality that more than one-year of compensation is due to the PAPs the crops after the first year will be compensated at average market price.
4. **Trees (bushes)** will be valued according to different methodologies depending on whether the tree (bush) lost is a fruit-bearing or a non-fruit-bearing tree (bush).
  - Non-fruit-bearing trees: wood and decorative trees (bushes) will be valued based on following groups (a. small trees; b. medium trees and c. big trees) based on the type of tree (bush) and the following valuation indicators such as: timber (firewood or construction wood) volume, height of the tree (bush), as well as other applicable indicators for the given tree (bush) to be determined by RP.
  - Fruit-bearing trees (bushes, vineyards) will be valued based on the planting age. The compensation for fruit-bearing trees (bushes, orchards, vineyards) will be paid based on the investment value and the market value of the given tree (bush) for 1 year multiplied by the number of years calculated from the planting date, but no more than the number of years needed to grow a new fully productive tree (bush).

The unit compensation rates will be assessed by a certified independent evaluator based on clear and transparent methodologies acceptable to the EBRD. The certified independent evaluator prepares valuation/calculation reports for all types of properties, where all the sources of baseline data and valuation period should be mentioned regardless of the type of property being valued.

## 6 PUBLIC CONSULTATION, STAKEHOLDER ENGAGEMENT AND PARTICIPATION, AND DOCUMENTS DISCLOSURE

### 6.1 Introduction

According to the EBRD's PR5, the PAPs must be consulted and provided with opportunities to participate in the planning and implementation of land acquisition and resettlement. They also must be informed in an appropriate and timely manner of the outcomes of the planning process, as well as the schedules and procedures for implementation of the RP. Public information and consultation events must be carried out by the Client (with its consultants) during all stages of the land acquisition and resettlement process. In addition, the Client (with its consultants) must also organize: public information meetings, participation of the PAPs in the inventory and SES, disclosure of the RPs, and informing the PAPs about the procedures for payments of compensation and relocation.

### 6.2 Consultations that Informed the Preparation of this RF

Consultation meetings and interviews were held in the project-affected communities and settlements between July and September 2024 to inform the preparation of this RF (**Table 9**). Before initiating the consultations, official letters were sent to the heads of Areni, Artik, Ashtarak, Khoy, Meghri, and Martuni Communities (Municipalities), where the reservoirs are proposed to be located in order to present the Project and its components, and explain a need for developing the RF and conducting brief interviews and consultations about the socio-economic baseline, current land use on the Project sites, and existing practice of imposing land use restrictions in buffer zones, such as Water Protection Zones or Sanitary Protection Zones, and other topics.

All community administrations, except Artik, expressed their readiness to participate in the brief socio-economic interviews / consultations. Consequently, the site visits were undertaken to all five locations and the interviews and consultation meetings held with different stakeholder groups, as listed in **Table 9**. Additionally, a site tour to Artik Reservoir took place, though with no interviews with state bodies (who did not confirm the availability to meet despite several requests) and residents (as such were not met on the site and its environs).

The information and issues that are specific to different reservoir sites and relate to land use are summarized in the short descriptions of each reservoir in **Section 4.3.1**. Key messages voiced by the state bodies that appear to be generic for (almost) all sites are as follows:

- According to the community administrations, the Project is highly awaited by the population in all communities, as the shortage of irrigation water is a significant issue.
- The community administrations expressed their eagerness to support the Project both during the preparatory / design study and implementation.
- Some community administrations noted that the constructing the reservoirs has been discussed for many years and it would good to finally materialize this; they also noted the importance of switching from mechanical to gravity water supply.
- The Project is expected to bring significant benefits for the agricultural development and well-being of the communities downstream of the reservoirs and beyond; some respondents also noted that the reservoirs could be a tourist attraction.

**Table 9. Stakeholders consulted in the Project area to inform this RF**

№	Date	Location	Type of engagement	Interviewees / consultees / respondents	
				Position / Occupation	
<b>LICHK RESERVOIR</b>					
1	31.07.2024	Meghri Community	Consultation meeting	Head of Meghri community	
				1st Deputy Head of Meghri community	
				Deputy Head of Meghri community	
				Press secretary	
2	31.07.2024		Interview	Chief specialist of the Urban development, land use and property management division	

№	Date	Location	Type of engagement	Interviewees / consultees / respondents
				Position / Occupation
3	16.08.2024	Lichk village	Interview	Administrative head of Lichk village
4	28.08.2024		Interview	Lichk village resident (land owner of a hazelnut orchard within the land area to be acquired)
5	28.08.2024		Interview	Lichk village resident (farmer using the land within the area to be acquired for ploughing and haymaking)
6	28.08.2024		Interview	Lichk village resident (farmer using the land within the area to be acquired for ploughing and haymaking)
<b>ASTGHADZOR RESERVOIR</b>				
7	07.08.2024	Martuni Community	Consultation meeting	Head of Martuni community
				Deputy Head of Martuni community
				Secretary of Staff
				Head of agricultural and nature protection division
8	07.08.2024		Interview	Head of agricultural and nature protection division
9	07.08.2024	Astghadzor village	Interview	Administrative head of Astghadzor village
10	26.08.2024		Interview	Resident of Astghadzor (informal user of community land within the area to be acquired, cultivates cattle feed crops and raspberry)
11	26.08.2024		Interview	Resident of Astghadzor (owner of land located within area to be acquired; practices ploughing and haymaking)
12	26.08.2024		Interview	Resident of Astghadzor (cattle-breeder who often crosses the reservoir site with cattle on the way to the pasture lands)
<b>KASAKH RESERVOIR</b>				
13	09.08.2024	Khoy Community	Consultation meeting	Head of Khoy community
				Deputy Head of Khoy community
				Expert
				Administrative head of Aygeshat village
				Administrative head of Amberd village
14	06.09.2024	Ashtarak Community	Consultation meeting	Head of staff of Ashtarak community
				Deputy head of Ashtarak community
				Deputy head of Ashtarak community
15	13.09.2024		Interview	Administrative head of Voskevaz village
16	13.09.2024		Interview	Administrative head of Voskehat village
17	13.09.2024		Interview	Administrative head of Oshakan village
18	13.09.2024	Voskevaz village	Interview	Resident of Voskevaz (owner of the orchard (apricot, peach, apple) and a semi-constructed structure within the area to be acquired)
19	13.09.2024		Interview	Resident of Voskevaz (used the project area as a pasture)
20	13.09.2024		Interview	Resident of Voskevaz (land owner)
21	13.09.2024	Voskehat village	Interview	Resident of Voskehat (owner of the orchard (apricot, peach, apple, pear, plum, nuts) within the area to be acquired)
22	13.09.2024		Interview	Resident of Voskehat (owner of the orchard (apricot, peach, apple, strawberry) within the area to be acquired)
23	13.09.2024	Oshakan village	Interview	Resident of Oshakan (owner of the orchard (cherry, peach, apple) and pasture land within the area to be acquired)
<b>YELPIN RESERVOIR</b>				
24	22.08.2024	Areni Community	Consultation meeting	Head of Areni community
25	22.08.2024	Yelpin village	Interview	Administrative head of Yelpin village
<b>ARGICHI RESERVOIR<sup>36</sup></b>				
26	07.08.2024	Argichi village	Consultation meeting	Administrative head of Argichi village
27	07.08.2024	Argichi village	Interview	Land use specialist and accountant

<sup>36</sup> Argichi stakeholders were consulted, however in the absence of the exact location of the proposed reservoirs, could not provide insightful information.

### 6.3 Disclosure of Information

Meaningful stakeholder engagement and informed participation of PAPs should be ensured throughout the Project implementation and land acquisition process. To this end, timely disclosure of the relevant information is crucial.

The Client is committed to providing the public and PAPs with all relevant information to enable their informed participation. Disclosure of information, public meetings, and consultations with the PAPs, representatives of local self-governing authorities, community authorities and other stakeholders will be organised in the line with the Project's SEP. It envisions continuous engagement with the affected stakeholder groups, including vulnerable groups, and with PAPs within the RP preparation, implementation and monitoring.

This RF will be disclosed in Armenian and English, with an accompanying 'Land Acquisition and Livelihood Restoration Leaflet' in 2025 at the EBRD and Water Committee websites. Hard copies will be available at the Client's office in Yerevan (see the contact details in [Section 7](#)). The Leaflet will be used for initial consultations at the early RP development stage (with relevant updates, if / as needed).

The Project documentation for each reservoir, including the Non-Technical Summary report, ESIA reports, and SEP will be made available to the public as well, in Armenian and English.

Once prepared and cleared by the EBRD and the Client, the reservoir-specific RPs will be subject to disclosure in Armenian and English at the websites of the Client and the EBRD.

### 6.4 Engagement and Consultations as Part of the RP

Public consultations with PAPs will be implemented in all affected communities during the RP development stage to present the Project's aims, stages of land acquisition and compensation process, a concept of "cut-off date", basic eligibility and entitlements, survey timelines, resettlement timelines, and a grievance mechanism. The earlier developed leaflet will be updated and distributed to the participants of the meetings (both community and individual). The PAPs will participate in the socio-economic baseline studies, census and compilation of the register of affected property objects (inventory). Face-to-face consultations with PAPs, including vulnerable PAPs, will be held during RP preparation and implementation stage. The PAPs' concerns and inputs will be taken into account in planning and implementing the RP.

Community authorities will be informed about the Project, and their assistance will be solicited in the conduct of the SES, census of the PAPs, and inventory of affected assets. Also, prior to the finalization of the RP and its submission to the Water Committee, the PAPs will be informed about the results of the surveys and valuation (e.g., in the form of the unit prices).

The grievance-related communication will continue throughout the RP preparation and implementation.

The processes and mechanisms ensuring the active involvement of the PAPs and other stakeholders will be detailed in the RPs including the date, list of participants, and minutes of consultation meetings.

## 7 **GRIEVANCE MECHANISM**

The EBRD require that a grievance mechanism be established to review and resolve concerns and/or questions raised by stakeholders in relation to a project, in an efficient, timely, transparent, non-discriminatory / equitable and cost-effective manner.

The Client, Water Committee, as a state-owned company, complies with the national regulations on addressing inquires and grievances from natural or legal persons<sup>37</sup>. The national law specifies that the maximum period for the administrative proceeding shall be 30 days and indicates special terms (shorter than 30 days or longer time periods). According to the law, applications to administrative body shall be submitted in written form and shall contain full name of an applicant (natural or legal person), address, name of administrative body to which application is submitted, etc.

Water Committee will supplement its existing grievance management procedures and practice to comply with the EBRD requirements and set up **the Project grievance mechanism** for external stakeholders (refer to the framework SEP prepared for the Project).

Recognizing the importance and complexity of land acquisition issues, the Client has further developed the grievance mechanism to include two successive tiers for extra-judicial, amicable grievance review and resolution described below, as well as a possibility for recourse resolution.

### First Tier of Grievance Management

- A PAP can submit a land acquisition related grievance:
  - at the Client's office or to the Client's dedicated representative (**Table 10**);
  - at offices of the affected communities (municipalities), where the contact person will be the administrative manager/head of the affected settlement/community;
  - at any construction site or to a representative of the construction contractor (once the construction contractor is selected).

Grievance can be communicated verbally (personally or by telephone) or in writing by, using for instance, a Grievance Form (see **Annex 3**) by personal delivery, post, fax or e-mail. Grievances may be submitted anonymously<sup>38</sup>.

- The Client will use the existing grievance procedure (used for recording grievances as per the SEP). Any grievance will be registered by including it into the Grievance Logbook or Register<sup>39</sup>, and acknowledged within five working days.
- The resolution will be attempted at the ground level with the involvement of the Client and/or its Project Implementation Unit (PIU), and, if relevant, Construction Contractor, municipality, and the Client's legal officer.
- The Client will respond within 14 days (two weeks) of receiving the grievance by issuing a Resolution Letter to the PAP; the letter will present proposed corrective/grievance resolution actions; the implementation of corrective actions may start and continue, as needed.
- If it is unfeasible to resolve a grievance, the Client will respond within 14 days (two weeks) of receiving the grievance by issuing an Explanation Letter to the PAP, which

<sup>37</sup> Law of the RA "On Fundamentals of Administrative Action and Administrative Proceedings, 18 February 2004, <https://www.arlis.am/documentview.aspx?docid=117009>

<sup>38</sup> The Client will extend and adjust the grievance mechanism to overcome gaps against the EBRD PRs 10 and 5. For instance, according to the law, applications to administrative body shall be submitted in written form and shall contain full name of an applicant (natural or legal person), address, name of administrative body to which application is submitted, etc. In the meantime, the EBRD expects that the mechanism will also allow for anonymous complaints to be raised and addressed.

<sup>39</sup> Each grievance will be recorded in the registry with the following information: Description of grievance; Date of receipt of grievance and when acknowledgement returned to the complainant; Description of actions taken (investigation, corrective measures, preventive measures); and Date of resolution and closure / provision of feedback to the complainant.

will explain what has been done to consider and address the issue and why it is not possible to fully resolve it.

### Second Tier of Grievance Management

- If unresolved, the PAP's grievance will be re-directed to the internal Grievance Resolution Group, which will have 15 days to review and decide on the case. This Group will be established and headed by the Client's PIU. It will include representatives of the MTAI, Client's top management, legal officers and environmental and social staff; relevant PIU staff, the Client's Resettlement Consultant, the administrative representative of the relevant municipality / community and the concerned PAPs. The Group will consult the representatives of the Cadastre bodies to facilitate the resolution of grievance, if needed.
- The complainant will be informed about the proposed alternative corrective action and planned follow-up actions within 15 days of receiving the grievance. If additional studies are required, then up to 30 days will be allowed to respond (the complainant should be informed about the additional time required).
- Another Resolution Letter will be issued by the Client to the complainant with further resolution actions.
- If it still proves impossible to resolve a grievance, the Client will respond within 15 days of receiving the grievance by issuing another Explanation Letter to the PAP, which will explain what has been done to address the issue and why it is not possible to fully resolve it.

In case of a recurrent grievance substantiated by additional / new information, the Client will arrange a special grievance review group (a recourse mechanism) for impartial dispute resolution, with the help of a neutral third party.

At any time, complainants may seek other legal remedies per the legislation of Armenia, including formal judicial appeal.

### Contact information

All land acquisition related inquiries and complaints can be channelled to the Client using the contact details in **Table 10**.

Contact details will also be: i) available on the Client's website (<https://www.scws.am>), and ii) posted on designated boards at construction sites (together with the contract details of the Client's construction contractors) and at the information boards at the administrative buildings of the affected municipalities and within the affected settlements.

**Table 10. Water Committee's Contact Details for Land Acquisition-Related Inquiries or Complaints and General Issues**

<b>Water Committee's contact person for Project-related inquiries and grievances</b>	<b>Mr Martiros Nalbandyan</b> Deputy Chairman of the Water Committee Address: Vardanants str. 13a, Yerevan 0010, Armenia <b>Tel: (+37410) 540763</b> <b>E-mail: <a href="mailto:martiros.nalbandyan@gov.am">martiros.nalbandyan@gov.am</a></b>
<b>Water Committee's contact person on land acquisition inquiries and grievances</b>	<b>Mrs Naira Avetyan</b> Head specialist of irrigation and collector-drainage systems department Address: Vardanants str. 13a, Yerevan 0010, Armenia Mob. (+37491) 726111 Tel: +(+37410) 540135 E-mail: <a href="mailto:nairavetyan2013@gmail.com">nairavetyan2013@gmail.com</a>
<b>Water Committee's details for general inquiries</b>	Address: Vardanants str. 13a, Yerevan 0010, Armenia Hot-line: (+37410) 547283, (+37410) 540135 Reception: (+37410) 540909 Fax: (+37410) 540613 E-mail: <a href="mailto:scws@scws.am">scws@scws.am</a>

## 8 RESPONSIBILITIES, IMPLEMENTATION ARRANGEMENTS AND BUDGET

### 8.1 Roles and Responsibilities

Water Committee will be responsible, on behalf of the MTAI, for the implementation of the current RF and forthcoming reservoir-specific RPs. All parties involved in the Project implementation including the Construction Contractors are required to comply with the requirements set out in this RF.

Roles and responsibilities of the institutions and organizations involved in the implementation of Project RF and the forthcoming project-specific RPs are provided in the below table.

**Table 11. Organisational Arrangements for RF/RP**

No	Name of the entity	Roles and responsibilities
1	RA Government	<ul style="list-style-type: none"> <li>Based on the provisions of the RA Land Code, the Government approves the decision on the Eminent Domain Decrees for the Project-affected land plots.</li> <li>The RA Government approves the Project RF and RPs.</li> </ul>
2	WCRA under the MTAI	<ul style="list-style-type: none"> <li>Overall responsibility and supervision of the Project,</li> <li>Acting as Authorized State Body in water sector,</li> <li>Submit the RF and RP documents to the RA Government for approval,</li> <li>Apply to the RA Government/Ministry of Finance for budget allocation for RP implementation,</li> <li>Inter-agency coordination and liaison.</li> </ul>
3	PIU (that will act on behalf of the WCRA)	<ul style="list-style-type: none"> <li>Coordinate the RP preparation, ensure that it is developed in consultation with key stakeholders, including affected communities and local authorities,</li> <li>Coordinate the land acquisition and resettlement activities with Cadastre Committee and Local Self-Government Bodies,</li> <li>Review the draft RPs and submit them to the relevant authorities for agreement and approval,</li> <li>Ensure that the PAPs are informed about the resettlement process, compensation procedures, and any other relevant project developments,</li> <li>Organize public consultations and community meetings to ensure affected communities are informed about the RP and can express concerns or provide feedback,</li> <li>Engage and work with external consultants, such as the RP preparation and implementation consultants as well as the Independent External Monitoring Agency, to ensure that the RP is prepared and implemented effectively,</li> <li>Plan and manage the RP implementation and the distribution of compensation,</li> <li>Oversight the progress of RP implementation, including land acquisition, compensation distribution, and resettlement activities, to ensure they are proceeding as planned,</li> <li>Ensure that the necessary financial resources are allocated for the implementation of the RP,</li> <li>Coordinate with independent monitoring agencies and consultants,</li> <li>Ensure proper internal monitoring and disclosure of its results initiate eventual expropriation cases,</li> <li>Ensure that an accessible and effective Grievance Redress Mechanism (GRM) is in place, and that grievances raised by PAPs are responded and if possible addressed in a transparent and timely manner,</li> </ul>

№	Name of the entity	Roles and responsibilities
		<ul style="list-style-type: none"> <li>Provide training and capacity building to stakeholders involved in the process.</li> </ul>
4	Local Self-Government Bodies	<ul style="list-style-type: none"> <li>Local Self-Government Bodies (municipalities) have direct jurisdiction for land administration and regulations on lands relation defined by the law. The project affected municipalities will also:               <ul style="list-style-type: none"> <li>Support the project consultants in conducting surveys, provide socio-economic data and development plans related to the community,</li> <li>Assist in the resolution of complaints and grievances and participate in addressing other issues as required,</li> <li>Support the WCRA or PIU in informing PAPs about RP implementation procedures and disbursements, and assist in organizing consultations, information disclosure, and compensation delivery as needed.</li> </ul> </li> </ul>
5	Other Agencies and Institutions	
5.1	RA Ministry of Finance	<ul style="list-style-type: none"> <li>The Ministry of Finance plans the financial resources in the state budget required for the implementation of the resettlement plans and provides them to the MTAI (WCRA) in the prescribed manner, following the approval of the RPs by the RA Government.</li> </ul>
5.2	RA Cadastre Committee	<ul style="list-style-type: none"> <li>The Cadastre Committee is responsible for providing information about the status of real estate ownership and other relevant data, and, within its jurisdiction, is in charge of the state registration of land ownership.</li> </ul>
5.3	Courts	<ul style="list-style-type: none"> <li>Review the expropriation cases,</li> <li>Carry out hearings and decide whether the land can be expropriated and at what price.</li> </ul> <p><i>In resolving problematic cases related to property acquisition for public needs, the basis will be the court decision that has entered into force.</i></p>
6	Consultants	
6.1	RP preparation Consultant (Alta Vip)	<ul style="list-style-type: none"> <li>Prepare RPs that align with the EBRD's requirements and national laws. The RP should address all aspects of resettlement, compensation, and livelihood restoration,</li> <li>Collect socio-economic baseline data on the affected population, including vulnerable groups (e.g., women, elderly, disabled), land tenure, and livelihoods, and conduct a census of PAPs.</li> <li>Identify those who will be directly or indirectly impacted by the project,</li> <li>Prepare an inventory of land and assets (e.g., buildings, crops, trees) affected by the project,</li> <li>Ensure that affected people are consulted during the preparation process, and their views are considered in the plan,</li> <li>Define compensation rates and mechanisms for affected people, including cash or in-kind compensation,</li> <li>Propose measures to restore or improve the livelihoods of affected people,</li> <li>Propose accessible GRM for affected people to raise concerns or complaints related to the land acquisition and resettlement process.</li> </ul>
6.2	RP implementation Consultant (to be hired or Alta Vip may continue)	<ul style="list-style-type: none"> <li>Regular monitoring of the status of RP implementation, including details of any complaints raised and how they were addressed,</li> <li>Track the progress of land acquisition, compensation distribution, and resettlement activities,</li> <li>If vulnerable affected people are identified following the completion of the census, the RP implementation consultant will appoint professional advocates to assist them throughout the process and act</li> </ul>

№	Name of the entity	Roles and responsibilities
		as independent advisors should any grievances arise, <ul style="list-style-type: none"> <li>• Assist in resolving legal issues that might arise during the process of land acquisition and resettlement,</li> <li>• Ensure that the grievance mechanism is effectively communicated and operational for stakeholders to submit complaints and concerns.</li> </ul>
6.3	Detailed Design Consultants / technical consultant	<ul style="list-style-type: none"> <li>• Provide project design and technical data, including data on water protection zones, GIS, project components and facilities, and other relevant information required for RP preparation.</li> </ul>
6.4	Independent Monitoring Agency (IEMA) External Agency	<ul style="list-style-type: none"> <li>• Monitor RP implementation process,</li> <li>• Monitor the payment of individual compensation and resettlement packages and the handling of individual complaints under the GRM,</li> <li>• Identify noncompliance with and violation of provisions of RF and RP,</li> <li>• Provide periodic monitoring reports to project stakeholders, including the WCRA (PIU) and EBRD. These reports should include findings, progress updates, and any issues encountered during implementation,</li> <li>• Preparation of the RP Completion Audit report.</li> </ul>
7	EBRD	<ul style="list-style-type: none"> <li>• Compliance monitoring, periodic supervision of the Project, approval of the project RF, RP, and monitoring reports prepared by the IEMA; initiating and reviewing the RP, providing clearance for contract awards, and issuing notices to proceed with civil works based on the results of the monitoring reports prepared by the IEMA.</li> </ul>

**8.2 Timeline**

The preparation of the RPs for four reservoirs, apart from Artik, was initiated in summer 2024 and will continue in 2025. The RP for Artik will be prepared in 2025 as well.

The below table summarised a sample timeframe for the activities that will take place as part of the RP preparation.

**Table 12. Tentative Implementation Schedule for a RP**

#	Activity / Month	0	1	2	3	4	5	7	8	9	10...
1. 1	Preparation of the RP Terms of Reference (completed by the Client)										
2.	Contracting the Resettlement / RP Consultant (completed by the Client); Preparing an action plan and timetable for development of the RPs										
3.	Draft RP preparation, including socio- economic survey, consultations, census of the PAPs, asset Inventory and valuation										
4.	Submission of a draft RP to EBRD										
5.	Finalisation of the RP and its approval by EBRD										
6. 9	Translation of the RP into Armenian, its approval by RA Government and disclosure										
7.	Grievance management										Continuous commitment
8.	Delivery of compensation entitlements to PAPs										
9.	Livelihood restoration activities										Continues as per RPs
10.	Monitoring and evaluation activities										During RP delivery and until livelihood restoration activities are complete
11.	External Completion Audit (after livelihood restoration activities are complete/close to completion)										After the compensations are paid, whilst livelihood restoration activities are closing completion

### 8.3 Implementation Costs and Budget

The costs of the land acquisition and resettlement-related activities will be fully covered by the Water Committee. The RP development and implementation costs will be included in the overall budget of the Project, under the state contribution.

The land acquisition and resettlement costs will include at least the following:

- Compensation for permanent loss of land;
- Compensation for temporary loss of land;
- Compensation for loss of annual / perennial crops and trees;
- Compensation for loss of non-residential structures (fences, barns, sheds) and infrastructure (e.g., irrigation, underground communications);
- Compensation for loss of business structures (shops, workshops or similar).
- Compensation for loss of business income and / or source of livelihood;
- Special assistance for vulnerable PAPs;
- Compensation for absentee owners;
- Livelihood restoration measures;
- Cost for RP development and disclosure of RF and RPs and related documents;
- Cost of the RP Consultant's services,
- Costs of services of the State Cadastre bodies;
- Cost of court proceedings; and
- Costs of External Completion Audit.

With the competition of the asset inventory and valuation, census and SES, some modifications are possible and will be detailed in the reservoir-specific RPs. Overall, the exact RP budget will be established after the completion of the surveys and valuation.

#### 8.4 Capacity Building for the RF and RP Delivery

The Client has experience in undertaking national expropriation procedures and land acquisition for various international lender-funded projects. However, it has limited awareness about how to manage land acquisition and livelihood restoration activities and associated grievances as per the EBRD requirements.

The Client's PIU's Social & Resettlement Specialist will have sufficient resettlement expertise and will deliver an initial level of capacity building on the RP planning and implementation. The target group at Water Committee and its RP Consultant, if needed, will include the social, environmental, and legal staff, as well as any other divisions and (sub)contractors that are concerned by the land acquisition process.

The topics to be covered within the resettlement capacity building programme can include:

- Principles and procedures of land acquisition (national and EBRD);
- Stakeholders of the Project;
- Organisations involved in the process of land acquisition and resettlement and their roles;
- Public consultation and participation process;
- Entitlements, compensation and disbursement mechanisms;
- Vulnerability Assessment and development of tailored vulnerability support measures;
- Delivery of livelihood restoration activities;
- Grievance mechanism; and
- Monitoring of and reporting on the RF and RP activities.

## 9 MONITORING AND REPORTING

### 9.1 Internal Monitoring

The Client and its PIU will monitor the delivery of the actions in the Implementation Schedule above and report on the progress to the EBRD as envisioned in the schedule.

The main objective for monitoring will be to assess the progress of implementing the RP in regards to land acquisition, livelihood restoration outcomes, their impacts on the standards of living of the PAPs and whether the objectives of the RP have been achieved and/or if any corrective actions are required.

The specific monitoring measures and indicators will be developed in the RPs. The monitoring indicators will cover input, output and outcome indicators and will be proposed alongside the validation timeline, frequency of monitoring, and roles / responsibilities for undertaking monitoring, evaluating its results, and taking corrective management decisions, if needed. Monitoring indicators can include the following:

- Implementation of the RP objectives and whether all the inputs committed in the RP have been delivered.
- Assessment of the implementation of mitigation measures and their effectiveness and whether it is in accordance with Armenian and EBRD requirements.
- Overall livelihood restoration spending against the disbursement timelines.
- Number of individual compensation agreements.

- Number of PAPs requesting transitional support and the type of support provided to them.
- Number of PAPs who have received cash compensation and how the funds have been disbursed.
- List of PAPs what have been classified as vulnerable and support provided to them.
- Reports from experts hired to provide livelihood restoration support to the PAPs.
- The socio-economic status of the PAPs measured against the baseline conditions before the economic displacement (including gender and vulnerability segregation of data collected on the PAPs).
- Effectiveness of the grievance mechanism:
  - number of grievances received, cases resolved at Project level and duration of resolution.
  - number of grievances unsolved (pending).
  - number of grievances taken to court and the timeline taken to resolve the matter in court, etc.
- Agenda and outcomes of continued consultations with stakeholders involved in the implementation of the RP, including minutes of meetings and signed attendance sheets.
- Assessment of whether the livelihoods of the PAPs have been restored.

## 9.2 External Completion Audit

An External Completion Audit will be commissioned by the Client approximately one year after the compensations have been paid and most livelihood restoration activities completed.

This Completion Audit is to be conducted by an independent resettlement / livelihood restoration expert (organisation).

The goal of the Completion Audit is to verify that the implemented RP has been effective in restoring project affected peoples' standards of living and livelihoods, and if not, to recommend any necessary corrective actions. Accordingly, this audit has the following objectives:

- Assess the effectiveness of measures to avoid and minimize displacement impacts by comparing project actual impacts on land and people versus those documented in the RP;
- Verify that all entitlements and commitments described in the RP have been delivered;
- Determine whether RP measures have been effective in restoring or enhancing affected peoples' living standards and livelihood; in doing this, review in detail the economic, social and personal circumstances<sup>40</sup> of those PAHs who would not have restored their livelihoods,
- Check on any systemic grievances that may have been left outstanding;
- Identify any corrective actions necessary to achieve completion of RP commitments and to address further assistance to any PAHs (in particular vulnerable PAHs) who have not managed to restore their livelihoods.

The Completion Audit will focus on livelihood restoration. Macro-economic factors will be taken into consideration as warranted when interpreting the results of the livelihood measurement (for example inflation, real estate cost, general growth of the economy or recession). Particular

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<sup>40</sup> As many non-Project related factors could play a role in the inability of some households to restore their livelihoods.

attention will be paid to assessing the impact of land acquisition on the circumstances of vulnerable households and on potential gender impacts.

The Completion Audit report will present conclusions on the effectiveness of livelihood restoration and identify any corrective measures that would be necessary to complete rehabilitation of PAPs.