

ECONOMIC DEVELOPMENT AND RESEARCH CENTER



ELECTRICITY SUPPLY RELIABILITY PROJECT

COMPLIANCE REPORT

SECTION 1:

NORADUZ (HRAZDAN TPP – KAMO)

**Contract: Preparation of a Compliance Report on RAP Implementation for All Five Sections of Noraduz - Lichk
– Vardenis – Vayk - Vorotan 1 220 kV Overhead Transmission Line; No. HV-CS-3/2014**

Client: HIGH VOLTAGE ELECTRIC NETWORKS CJSC

Prepared by: ECONOMIC DEVELOPMENT AND RESEARCH CENTER

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Abbreviations used

AP	Affected person
AH	Affected household
EDRC	Economic Development and Research Center (EDRC)
EM	External Monitoring
ESIA	Environmental Social Impact Assessment
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
HH	Household
HVEN	High Voltage Electric Networks CJSC
LGB	Local Government Bodies
NGO	Non-governmental Organization
NSS	National Statistical Service
OP	WB Operational Policy
PC	Public Consultation
PCDP	Public Consultation and Disclosure Plan
RAP	Resettlement Action Plan
RoA	Republic of Armenia
RPF	Resettlement Policy Framework
TL	Transmission line
WB	World Bank

I. Executive Summary

- This Compliance Report was developed as part of the external monitoring of RAP implementation for Section 1 of the Transmission line of Noraduz-Lichk-Vardenis-Vayk-Vorotan-1 under the World Bank supported Electricity Supply Reliability Project.
 - The Project implementation in Section 1 affected 91 AHs that own 45 private land plots (14,775m²), 1 leaseholder AH and 1 non-registered land user in 11 communities.
 - Acquisition of 42 private land plots is completed. As a result, 87 AHs were compensated for permanent loss of land. Acquisition process of the other 3 land plots will be completed and 6 AHs will be compensated upon the completion of court case when the legitimate owners of those plots will be determined. Nevertheless, the High-Voltage Electricity Networks (HVEN) transferred the respective compensation amount to the court deposit account.
 - The completion of the above mentioned court case will allow completing crop compensation process. 1 of the above mentioned 6 AHs claiming ownership of the land plots is entitled for crop compensation. However, HVEN had no legal basis to pay crop compensation to that AH. Therefore, only 29 out of total 30 AHs eligible for crop compensation were paid compensation in accordance with the RAP provisions. HVEN is committed to pay the crop compensation within 3 days upon the decision of the court (when the legal bases for the ownership of the remaining 1 AH will be recognized). The basis for that is the respective letter from HVEN management (Annex E: “HVEN Letter on Crop Compensation in Section 1”).
 - 1 leaseholder AH and 1 non-registered user AH were compensated.
 - All vulnerable AHs were compensated.
 - There were 2 cases of severe impact under Section 1. All 2 severely AHs were compensated in line with the RAP.
 - There are no cases of business or employment loss, buildings or structures acquisition, loss of trees, as well as physical relocation in Section 1.
 - The RAP implementation institutional framework, management and implementation procedures, as well as land acquisition and compensation, public awareness and consultation processes comply with the RAP provisions.
 - Grievance filing mechanisms and the Grievance Redress Committee have been put in place. Written and verbal grievances were received from AHs. The HVEN implemented necessary measures so that AHs would be informed on existent grievance mechanisms and the respective contact person.
 - Overall level of satisfaction among AHs is high.
- **Thus, according to external monitoring findings, Section 1 RAP implementation measures and processes comply with RPF and RAP provisions. All AHs were compensated adequately except for that 1 AH eligible for crop compensation, the case of which undergoes court proceedings.**
 - **HVEN is committed to pay the crop compensation within 3 days upon the decision of the court when the legal bases for the ownership of that AH will be recognized.**

II. Introduction

Project Overview

Under the Electricity Supply Reliability Project (hereinafter, the Project) the High Voltage Electric Networks CJSC (hereinafter, HVEN) is reconstructing around 230 km of overhead Transmission line (hereinafter, also referred to as TL) passing over the administrative area of 4 marzes in Armenia. It aims at improving the network reliability, line transfer capacity and filling the power supply gap in Armenia. The Project is funded by the proceeds of a loan provided by the World Bank (hereinafter, the WB) to the RoA Government.

The Project envisages fully replacing the high-voltage line running from Hrazdan TPP to Shinuhayr section, erecting new pylons, replacing and upgrading power transmission lines, insulators and other key infrastructure.

The new TL will not run fully within the safety zone of the existing TL thus, the need for land acquisition arises in cases of permanent impact on plots of land and land use. Land acquisition is required for constructing pylon foundations. In cases when the safety zone of the new TL traverses houses and the minimum requirements for safety distance are not met, resettlement will be triggered.

The Project is implemented in 5 separate sections. A Resettlement Action Plan (RAP) has to be prepared and implemented for each section pursuant to RoA legislation and WB Operational Policy 4.12 Manual (hereinafter, the WB OP manual). The Table below provides a breakdown of the 5 sections for the Project implementation.

Table 1. Project Sections

Section	Length	Number of planned pylons
Section 1. Noraduz (Hrazdan TPP – Kamo)	45 km	129
Section 2. Lichk (Kamo – Lichk)	25 km	66
Section 3. Vardenis (Lichk – Yeghegnadzor)	45 km	163
Section 4. Vayk (Yeghegnadzor– Spandaryan HPP)	70 km	243
Section 5. Vorotan 1 (Spandaryan HPP – Shinuhayr)	40 km	108

Source: RAP for Section 1

Objectives and Scope of the RAP

The primary objective of the RAP is to identify and support Project affected persons to restore their quality of life and livelihood and at least to bring it to the pre-Project level.

For Section 1 of the Project (Hrazdan TPP-Kamo section) the relevant RAP was approved in January 2015 and the Armenian and English versions are available on the HVEN website (<http://hven.am/հայտարարություններ/իրազեկումներ/>).

Despite the fact that 2 AHs lost more than 10% of their production capacities the Project impact is considered low in Section 1¹; thus a short RAP has been appropriately prepared.

¹According to the WB Operational Policies (Operation Manual 4.12, Revised April 2013) the impact is considered low if affected people are physically not relocated, do not lose more than 10 percent of productive assets or fewer than 200 affected people are physically relocated.

The approved RAP covers the entitlement framework in cases of permanent or temporary losses of land, building, crop and tree, income, business and job as well as the relevant provisions of the Project on severe impact, physical relocation and vulnerability allowances for affected persons (hereinafter also referred to as AP).

The types and sizes of loss of assets and income eligible for compensation have been determined under the RAP through a 100 percent inventory survey of affected assets.

The following surveys have been undertaken for accurately assessing the Project impact:

1. A measurement survey according to which the affected land areas, as well as the number and type of affected assets have been measured;
2. Inventory survey of losses, according to which profiles of land and assets to be acquired were determined;
3. Valuation of the replacement cost of affected assets by which the amount of compensation for loss of assets, income, other sources of livelihood and costs have been determined;
4. Conducting a census to determine the exact number of households and their members including some social characteristics (gender, ethnicity, education, sources of livelihood and income).

Thus, the resettlement, compensation and restoration of welfare should be in line with the approved RAP. The RAP provides the profile of affected persons, the size of losses and impacts, the compensation and rehabilitation policy framework, institutional and operational arrangements for the RAP implementation, the RAP implementation schedule and the budget, information disclosure, public consultation and grievance redress mechanisms, etc.

RAP implementation in Section 1 started in January 2015 and continued until June 2015. Corrective measures were undertaken during the month of June.

Legal Framework and Powers

The legal basis for resettlement planning and implementation is the RoA Constitution and relevant RoA legislative acts resulting from it. Given that the Project is being implemented under an international treaty and with the WB resources, the legal framework of Project implementation also includes the resettlement policy procedures mandated by the WB.

Expropriation of property in the RoA (for public and state purposes) is possible only in exclusive cases of prioritized public interest prescribed by law. The grounds for expropriation, the compensation procedure and other relevant provisions are set out in the RoA Law on Expropriation of Property for Public and State Purposes. In addition, it applies to all items of the titled property owned by natural persons and legal entities as well as communities.

The Republic of Armenia Law on Real Estate Valuation Activity lays out the basics of real estate valuation activities in the RoA and regulates relations thereto pertaining.

There are certain differences between the RoA Legislation and the WB policy. Namely, the WB OP 4.12 Manual envisages compensation and resettlement assistance even in case of the absence of land title. In all instances where the requirements of the WB OP 4.12 manual are stricter than those of RoA legislation, the requirements of the WB OP 4.12 manual should apply.

Thus, as a result of the Project impact the following are eligible for compensation:

- 1) land owners, legalizable persons, leaseholders or illegal users who have lost land;
- 2) owners of buildings/structures, crops, trees and other objects on the land;
- 3) those who lose business income or wage temporarily or permanently.

The entitlement to compensation is limited to the cut-off date. Such date for Section 1 of the Project is August 11, 2014 which is the start date of the Census and the detailed Measurement survey.

The estimated monetary assistance to compensate and rehabilitate agricultural and non-agricultural land should be based on the following Table:

Table 2. Calculation of Monetary Compensation for Land

Compensation Entity/Person	Calculation
Private land	Replacement cost +15%
Community land	Cadastral value
Legalizable land user	Replacement cost+15% (after legalization)
Leaseholders for the remaining years of lease	Up to 1 year - (replacement cost +15%) * 0.05
	Up to 15 years - (replacement cost +15%) * 0.14
	Up to 25 years - (replacement cost +15%) * 0.20
	25 years - (replacement cost +15%) * 0.25
Non-registered user for the past years of land use	Up to 1 year - replacement cost *0.05
	Up to 15 years - replacement cost * 0.14
	Up to 25 years - replacement cost * 0.20
	25 years - replacement cost * 0.25

Source: RAP for Section 1

In addition to the above-mentioned cases, additional rehabilitation measures are also planned for vulnerability. Namely, the RAP provides for additional monthly monetary assistance of AMD 50,000 to vulnerable households² for rehabilitation for 6 consecutive months. In addition, AHs losing 10% or more of agricultural land, and relocated AHs (including relocated renters) in case of physical relocation will be given “severe impact” allowance.

Monetary assistance is also envisaged for the compensation of expenses for fees for documents required for RAP implementation. In particular, APs will be compensated for expenses related to the power of attorney: these fees will be compensated by the Project as part of the compensation amount.

Monitoring and Evaluation

The RAP implementation is subject to both internal and external monitoring. The internal monitoring is carried out by the unit implementing the RAP.

The external monitoring is carried out by an independent Consultant. It involves carrying out of compliance reviews and based on them preparing and submitting Compliance Reports for each section.

The purpose of the external monitoring is to provide assurance that the compensation plan has been carried out in line with the Resettlement Policy Framework (RPF), the provisions of the WB OP 4.12 manual and the RAP and where necessary, identify corrective actions and recommendations.

The approval of the Compliance report will serve as a basis for a permit to start construction activities in the given section.

The external monitoring of the Project is carried out by the Economic Development and Research Center (hereinafter, EDRC), an independent research institution specialized in monitoring and evaluation of public projects.³

External monitoring reviews comprised quantitative and qualitative research methods. Field and desk reviews were carried out. The following section of the report provides details on the external monitoring methodology, while subsequent sections provide monitoring results and key conclusions.

² According to the RAP, the following affected households are considered vulnerable:

- Poor households registered with the Family Benefits scheme and benefiting from a monetary allowance.
- Women -headed single, widowed or survivors households, with no working age person other than a pensioner, a person serving in the RA military forces, a person with 1st and 2nd category of disability or under the age of 23;
- Households comprised of pensioners, elderly people, with no working age person other than a pensioner, a person serving in the RA military forces, a person with 1st and 2nd category of disability or under the age of 23;

³ For details on the Center please visit www.EDRC.am

III. EM Methodology

The selection of methodology for the reviews carried out as part of the external monitoring (hereinafter also referred to as EM) was based on the provided terms of reference, the RAP provisions and the agreed technical proposal. The compliance review included mixed quantitative and qualitative research methods. Desk and field reviews have been conducted.

Namely, 3 key methods of data collection have been used:

- Database analysis and document review;
- Interviews with key informed people;
- Interviews with AHs.

During the desk reviews the EDRC task team collected and compared the necessary information, reviewed, examined financial and non-financial project papers (including RPF, WB OP 4.12 manual and RAP) and existing databases were analyzed.

Particularly, the main review covered the following papers:

- **Description protocols**, which contain a description of affected assets, i.e. plots of land, crops, trees, buildings, structures and other immovable property and businesses.
- **Valuation reports**, where licensed valuers provide valuation results for assets to be taken.
- **Property alienation contracts**, which specify the code, area of land plot being taken, the size of compensation, owners, etc.
- **Agreements on additional compensation to affected people**, which specify the grounds and size of compensation, etc.
- **Payment orders**, which specify the purpose and date of compensation, the size of the amount and details of the recipient.
- **Internal monitoring reports**: HVEN provided one report.⁴

The existing databases were analyzed and compared with the information on the impact and those affected in other Project documents.

Together with verifying the existence of all contracts, agreements and payment evidence, the information in them has been checked for comparability and conformity, namely, if (1) signatures of all owners existed, (2) compensation for land and additional compensation was adequate, (3) bank account numbers matched, (4) document validation (taking actions) dates were in line with the procedure in place (implementation schedule).

The reviews also covered public hearings and consultations, grievance filing, institutional organization, compensation calculation and payment procedures.

During the monitoring interviews were held with key informed people who included key Project staff, officials and consultants, representatives of Local Government Bodies, as well as NGOs active in the region.

Based on a questionnaire prepared in advance, interviews were conducted with all affected households in Section 1 in an organized manner, and the results were entered into the database and analyzed.

Analysis and comparison of data and information received from different sources allowed evaluating the process, providing assurance and cross-checking evidence on receipt of compensation, as well as identifying the existing problems and gaps.

⁴ Monthly Supervision Report 5, 2015 (as of June 9, 2015).

The methodology used and EM findings help make conclusions on data validity, information completeness and accuracy, as well as adequacy of compensation amounts and effectiveness of the process.

Relevant conclusions and recommendations were prepared. The monitoring results are expressed in this Compliance Report.

IV. RAP Implementation Procedures

Institutional Framework and Management

The institutional framework for the project includes a number of organizations and institutions with a detailed presentation of their role and scope of responsibilities provided in the RAP. HVEN has an immediate responsibility for the Project Implementation and has a number of Consultants:

- The Construction Contractor (Kalpataru Power Transmission Limited) is responsible for the RAP preparation, including measurements, description protocols, organizing public consultations and disclosing information, determining the Project and pylon alignment and location.
- The RAP Implementation Support Consultant (Hifab OY & Energy Advisory) is responsible for supervising construction works and ensuring that they comply with the approved plan for the Project, social and environmental requirements for which it has to provide reports throughout the construction.
- The Independent External Monitoring Consultant (EDRC) is responsible for the external monitoring of RAP implementation and providing of Compliance report.

The RAP provides for a special team – Implementation Unit - to be set up in HVEN comprised of 5 specialists.⁵ It is responsible for implementing the resettlement and internal monitoring and ensuring that APs are promptly and properly notified, the contract signing process is organized and APs are supported, the expropriation process is organized, AP property is registered and re-registered, grievances are recorded and coordinated.

However, during the implementation phase it was decided to delegate some of the functions of the Implementation Unit to external consultants. V. Nikoghosyan Private Entrepreneur carried out acquisition of private lands.

AP census, the inventory survey of affected property and evaluation reports were prepared by Finapp LLC.

The Project institutional framework also includes RA Government authorities (relevant ministries, regional administration and State Committee of Real Estate), LGBs, a Grievance Redress Committee, NGOs active in the regions and also the World Bank.

Key Findings

Changes were introduced into the RAP implementation management framework. In particular, HVEN hired a specialized firm (using its own funds) to help with land acquisition. This has been communicated and agreed with the WB (during January 26 – 31, 2015 WB Energy Mission). Thus, the Institutional framework and management comply with the RAP provisions.

Public Consultations and Awareness

APs should be actively involved in the planning, implementation and monitoring of resettlement actions. To this end, a Public Consultation and Disclosure Plan (PCDP) has been prepared based on which HVEN carries out extensive public consultations through the Contractor, by means of formal meetings. The meetings could also be attended by LGB representatives of affected communities, as well as non-governmental organizations.

PCDP was prepared in August 2014 and its purpose is to establish efficient procedures for, mechanisms and principles of public consultations and dissemination of information. The formal process of public

⁵ The RAP implementation unit should have the following composition: a team leader, 2 resettlement specialists (working directly in the field) one lawyer (part- time) and 2 specialists working in the office).

consultations (hereinafter, also PC) and raising AP awareness started before the RAP implementation. Particularly, between August 11 and 15 public consultations were organized in all communities in Section 1.

Public consultations were held in LGB offices of communities. All AHs had been informed in advance about the venue and time of the PC. PC topics included issues of RAP development, implementation and compensation, including the RoA Government Decree on the start of preliminary surveys⁶, as well as implementation of a Detailed Measurement Survey.

Representatives of the Project implementation organization, design and evaluation consultants, and the social and resettlement specialist participated in the PC. HVEN and consultant contacts were shared with the APs for additional questions and advice.

Informal public consultations with APs and LGBs took place before and during the measurement, asset inventory and census. During the RAP implementation, informal consultations continued, particularly during the contract signing period. In particular, consultancy was provided to APs regarding their questions and issues. The main matter of concern was the choice of access routes during the construction works and the respective caused damage (temporary loss of crops).

APs received advice and support in legal and organizational matters. Namely, in case of deceased owners the process of restating the right to inheritance have been addressed. The process of issuing powers of attorney in cases when an owner was out of country have been addressed. The EM does not have exact number of these cases and respective APs. Such information was not registered by the implementing organization.

Actions taken as part of dissemination of information are: (1) provision of notices to APs as provided for in the RA law (description protocol, and draft contract), (2) provision of a public information brochure, (3) RPF disclosure, (4) disclosure of draft RAP and final RAP. The description protocols were delivered to the APs by post and the information brochures were disseminated during public awareness raising events.

RAP mentions Bljian NGO, Decent Future NGO, Gegharkuniq regional branch of the Human Right Protection Center named after Sakharov NGO and the Gavar Orhus Center - as active organizations in the territory of Section 1. According to the external monitoring results, only two of the above listed organizations were notified upon public consultations (Gavar Orhus Center and Gegharkuniq regional branch of Human Right Protection Center named after Sakharov NGO). However, only Gavar Orhus Center participated in the public awareness event (in Gavar). Other organizations were not involved in the process.

Other NGOs are not at all aware of the next stages of Project Implementation, except for the fact that civil initiatives were taken against planned lumbering in the Sevan National Park. Nevertheless, these territories are under state or local government ownership and are not subject to the present study.

Key findings

Implemented processes are in line with what was planned. It is desirable to expand the role and involvement of NGOs as much as possible. In particular, the information on the implementation of the project can be disseminated among a much larger list of NGOs (irrespective of their legal address) and disseminate information booklets on the project online through NGO networks (e.g. the Civil Society Partnership Network headed by Oxfam, the Public Network etc.) by inviting network members to support the process of enhancing the awareness and protection of the rights of APs.

⁶ RoA Government Decree No. 599-N of June 12, 2014 on Preliminary Survey of Property subject to Expropriation for Public and State Purposes under the Electricity Supply Reliability Loan Project supported by the IBRD.

Grievances and Grievance Filing Mechanism

For effective and prompt resolution of disagreements and grievances regarding the RAP implementation a Grievance mechanism (GM) has been developed and presented during public consultations. It is also provided in the Project information brochure.

The grievance mechanism is comprised of three stages. At the initial stage an attempt is made to resolve grievances at the community level. Grievances/ complaints are collected by an authorized person in the given community and handed over to the Grievance Coordinator at HVEN. APs may also approach the HVEN grievance coordinator in person whose contact details were made available during the PC.⁷ The response to the grievance is provided at maximum within 15 days.

If the grievance continues, the grievance/complaint is filed with and discussed in the Grievance Redress committee, where marz and/or community representatives and NGOs are included. If the second stage of the grievance resolution fails, the AP takes the case to the court.

Vulnerable APs, upon request, may also receive support from a social worker or lawyer. Nevertheless, there were no such requests as these are not recorded in the Internal Monitoring reports⁸.

Under the RAP implementation in Section 1, 18 written grievances/complaints were received along with 8 questions. Their contents are presented in the Monthly Supervision Report (for details on contents and responses, see Annex D). 18 written grievances/complaints referred to the willingness of the owners to alienate also the remaining part of the lands which lost their economic and functional significance. The grievances were studied at HVEN and satisfied.

The 8 questions also were properly responded to by the HVEN Grievance Coordinator (see Annex D). 6 APs asked for an explanation of compensation calculation method, while 1 AP – for vulnerability principles which were provided by the Grievance Coordinator. 1 AP expressed willingness to work for the Project as a driver: his contacts were given to the Construction Contractor (Kalpataru Power Transmission Limited).

All AHs who submitted grievances/complaints are satisfied (according to the results of the interviews conducted in the framework of external monitoring).

Key Findings

Grievance mechanisms and the Grievance Redress Committee have been put in place. The APs were informed about the grievance mechanisms during public consultations. At the same time during the two official notification stages, the contact information of the respective person concerned with questions and grievances was presented. Information on the grievance mechanisms and the respective contact person are also accessible in the project booklet.

As a result of Section 1 RAP implementation, 18 written grievances/complaints and 8 questions were received: all of them were responded properly; AHs are satisfied.

Process of Compensation Provision

Payment of compensation is due to be made within 15 days of signing purchase and sale contracts and additional compensation agreements. The amounts have to be transferred to the bank accounts of APs. According to the RAP provisions, if an AP does not have a bank account, the bank account should be opened for him/her under the Project.

⁷ Contact information for the Grievance Coordinator is indicated in the Project Information Brochure.

⁸ Internal Monitoring of RAP and ESIA compliance is implemented by the Implementation Support and Construction Supervision Consultant.

Actual compensation was provided via direct transfer to bank accounts of APs or the Special single bank account.

External Monitoring revealed that 1 leaseholder AH was not compensated during the implementation, while 8 landowner AHs were not compensated for crops, moreover, expenses for a power of attorney were not compensated (1 case) and vulnerability allowance was not paid to 1 vulnerable AH. For that matter, corrective measures were taken.

As a result, the last payment was made on June 23, 2015.

Key findings

As a result of implemented corrective measures, compensation process complies with the RAP provisions. The compensation process was finalized on June 23, 2015.

Expropriation and Measures Taken

The process of expropriation is triggered when an owner refuses to sign the contract. Expropriations should only be used in exceptional cases when negotiations between an AP and HVEN fail. HVEN should initiate a due court process as prescribed by law. The RAP cannot be considered implemented until there is a court ruling and affected persons are duly informed thereof and HVEN has failed to make a transfer of compensation, rehabilitation amounts to the court deposit account.

There have not been any expropriation cases in Section 1 of the Project.

Key Findings

No expropriation cases were recorded in Section 1.

V. Determining the Actual Scope of the Impact

According to the approved RAP, in Section 1 the Project would affect 169 land plots of 32,426 m² in 2 urban and 12 rural communities. 49 out of them are privately owned land plots, 114 are owned by communities, 3 are state owned and 3 do not have registered owners (see Table 3). All of the private land plots are non-irrigated agricultural land, which are used by the owners for agricultural purposes and are subject to compensation as agricultural land. 2 of unregistered plots of land are not being used, while 1 is used for agricultural purposes without the associated registration.

Table 3. Affected Lands by Title in Section 1

	Private		Community		State		Unregistered		Total	
	Land (N)	Area (m ²)	Land (N)	Area (m ²)	Land (N)	Area (m ²)	Land (N)	Area (m ²)	Land (N)	Area (m ²)
Urban communities										
Hrazdan	7	1,019	22	5,812	-	-	-	-	29	6,831
Gavar	-	-	8	2,249	-	-	-	-	8	2,249
Subtotal	5	878	5	1,431	1	289	2	199	13	2,798
Rural Communities										
Ddmashen	8	845	1	77	-	-	-	-	9	922
Tsaghkunq	2	530	1	241	2	562	-	-	5	1,332
Geghamavan	7	1,375	2	328	-	-	-	-	9	1,703
Varser	-	-	2	481	-	-	-	-	2	481
Tzovazard	4	878	12	2,443	-	-	-	-	16	3,320
Lchap	1	171	8	1,448	-	-	-	-	9	1,619
Berdkunq	1	273	1	273	-	-	-	-	2	545
Hayravanq	1	34	7	1,644	1	255	-	-	9	1,933
Lchashen	5	794	22	5,485	-	-	2	324	29	6,603
Chkalovka	1	261	9	1,637	-	-	1	88	11	1,986
Norashen	-	-	6	1,415	-	-	-	-	6	1,415
Noratus	12	1,640	13	2,849	-	-	-	-	25	4,488
Subtotal	42	6,798	84	18,319	3	817	3	412	132	26,346
Total	49	7,817	114	26,380	3	817	3	412	169	35,426

Source: RAP for Section 1

50 plots of land (including all privately owned plots of land, and 1 plot of land without title registration) were reviewed as part of the external monitoring. As a result, according to the RAP the Project affected land plots of a total area of 7,972 m² to be taken and affected 100 households.

RAP indicators changed during implementation. The number of land plots subject to acquisition decreased by 3, while the total area of acquired land increased by 7,989 m² totalling to 47 land plots (including all privately owned plots of land, and 2 plots of land owned by communities) with 15,961 m² total area (see Table 4). This was determined by the following factors:

- (i) During cadastre map verification under RAP implementation, 1 leaseholder AH on community land was revealed in Hrazdan community cadastre map (lot-code 07-001-0883-0003, up to 25 years lease term) and 1 non-registered user was revealed on community land in Gavar (lot-code 05-001-1134-0001, up to 15 years lease term). Therefore, the number of land plots and AHs increased by 2, while the area of land subject to acquisition in Section 1 increased by 1,186 m².

- (ii) Meeting the requests of 18 land-owners in 8 communities to acquire the remaining sections of land plots that lost economic and functional significance increased the total area subject to acquisition under Section 6,872 m² (see Grievances and Grievance Filing Mechanism Section).
- (iii) During cadastre map verification under RAP implementation 5 land plots were declared as not affected (see Annex C HVEN letter on RAP implementation in Section 1). Therefore, the number of AHs decreased by 9, while the total area of acquired land – by 69 m².
- (iv) During RAP implementation phase 1 AH registered its ownership title to a land plot, thus, turning the non-registered land plot in Lchashen (lot-code 05-040-0227-0021) into a private \land plot.

As a result, the Project affects also 1 non-registered user and 1 leaseholder AH on community land: both of them are eligible for compensation for land use and loss of crops. The resulting picture of the Project impact on lands in Section 1 is presented in Table 4.

Table 4. The Actual Picture of the Project Impact on Lands and Land Users in Section 1

Indicator: Permanent loss of land, lease, illegal use	a. Planned under RAP			b. Implementation results			Difference (b-a)		
	Land (N)	Area (m ²)	AH (N)	Land (N)	Area (m ²)	AH (N)	Land (N)	Area (m ²)	AH (N)
Private land	49	7,818	99	45	14,775	91	-4	6,957	-8
Land leased from the community	0	0	0	1	224	1	1	224	1
Illegal user of community-owned land	0	0	0	1	962	1	1	962	1
Land without state registration	1	154	1	0	0	0	-1	-154	-1
Hrazdan	7	1,019	21	7	1,623	19 (a)	0	604	-2
Gavar	0	0	0	1	962	1 (b)	1	962	1
Ddmashen	8	845	18	6	1,700	14	-2	856	-4
Tsaghkunq	2	530	4	2	530	4	0	0	0
Geghamavan	7	1,375	17	7	3,126	17	0	1,751	0
Tzovazard	4	878	7	4	1,320	7	0	443	0
Lchap	1	171	2	1	369	2	0	198	0
Berdkunq	1	273	4	1	273	4	0	0	0
Hayravanq	1	34	1	0	0	0	-1	-34	-1
Lchashen	6	948	7	6	2,009	7	0	1,061	0
Chkalovka	1	261	1	1	518	1	0	258	0
Noratus	12	1,640	18	11	3,531	17	-1	1,891	-1
Total for Section 1	50	7,972	100	47	15,961	93 (a, b)	-3	7,989	-7

Note. (a) There is one unregistered user; (b) there is one leaseholder.

Source: EDRC, External Monitoring Results

Operationally, all 45 private plots of land are for agricultural purpose and all are subject to compensation according to the approved RAP provisions. 1 non-registered land user on community land, as well as 1 leaseholder AH on community land are also eligible for compensation.

According to the approved RAP, 30 AHs were entitled to compensation for crop loss⁹ (15 land plots, 2,383m²). Meanwhile, during the implementation phase, 1 land plot eligible for compensation (2 AHs) was taken out from the Acquisition area, meanwhile 1 leaseholder AH and 1 non-registered user AH were revealed on community land plots which are eligible for compensation for the loss of crops. As a result of RAP implementation, 30 AHs are eligible for compensation for the loss of crops (14 private land plots of 2,370m² and 2 community land plots 1,186m²).

⁹ The database provided by HVEN has a breakdown of compensation for crops by affected plots of land, as a result disaggregation and monitoring of compensation by individual households is impossible.

Table 5. Impact on Crops in Section 1

Indicator: Affected crops	a. Planned under RAP			b. Implementation results			Difference (b-a)		
	Land N	Area m ²	AH N	Land N	Area m ²	AH N	Land N	Area m ²	AH N
Private land	15	2,383	30	14	2,370	28	-1	-13	-2
Land leased from the community	0	0	0	1	224	1	1	224	1
Illegal user of community-owned land	0	0	0	1	962	1	1	962	1
Land without state registration	0	0	0	0	0	0	0	0	0
Hrazdan	3	414	7	4	638	8 (a)	1	224	1
Gavar	0	0	0	1	962	1 (b)	1	962	1
Ddmashen	3	449	8	2	436	6	-1	-13	-2
Tsaghkunq	0	0	0	0	0	0	0	0	0
Geghamavan	3	545	7	3	545	7	0	0	0
Tzovazard	3	553	4	3	553	4	0	0	0
Lchap	0	0	0	0	0	0	0	0	0
Berdkunq	0	0	0	0	0	0	0	0	0
Hayravanq	0	0	0	0	0	0	0	0	0
Lchashen	2	292	2	2	292	2	0	0	0
Chkalovka	0	0	0	0	0	0	0	0	0
Noratus	1	131	2	1	131	2	0	0	0
Barley	5	741	11	6	1,703	12	1	962	1
Potato	1	57	1	1	57	1	0	0	0
Onobrychis	5	905	13	5	1,115	12	0	210	-1
Wheat	4	681	5	4	681	5	0	0	0
Affected crops	15	2,383	30	16	3,556	30 (a,b)	1	1,172	0

Note. (a) There is one unregistered user; (b) there is one leaseholder.

Source: RAP for Section 1 and EDRC External Monitoring Results

According to the RAP, there are 24 vulnerable AHs in Section 1. The number of vulnerable AHs decreased by 1 during the implementation phase and is equal to 23:

- Vulnerability of 2 AHs was not confirmed (Poor HHs, lot-code 05-030-0273-0082, Ddmashen),
- 1 vulnerable AH was revealed (lot-code 05-030-0278-0112, Ddmashen) who presented the vulnerability document (Women headed HH) after the project deadline.

Vulnerability status of 2 AHs was corrected (lot-code 05-050-0203-0011 Tzovazard and lot-code 05-030-0273-0082 Ddmashen). Due to a technical omission, 2 AHs listed as Women headed AH in the RAP were, in fact, Poor AHs. This adjustment, however, did not change the total number of AHs eligible for vulnerability allowance.

External monitoring revealed another vulnerable AH (Poor HH: lot-code 05-040-0253-0088, Lchashen).

As a result, the total number of AHs eligible for vulnerability allowance under Section 1, after certain adjustments and corrections, remained 24. All 24 AHs are entitled to compensation for vulnerability in line with the RAP provisions. There are other HHs which consider themselves to be poor and vulnerable yet do not comply with the requirements set for beneficiaries of the State Family Benefits Program.

According to the RAP, there are 2 severely affected households (1 land plot) in Section 1. Implementation indicators have not changed; 2 AHs shall receive allowances for severe impact, as defined by the RAP.

There are no cases of business or employment loss, buildings or structures acquisition, loss of trees, as well as physical relocation in Section 1.

Thus, the total number of AHs in Section 1 is 93, of which 91 AHs are land owners, 1 AH is a leaseholder of community land (up to 25 years of lease), and 1 AH is an unregistered user of community land (up to 15

years of land use). 23 out of 91 owners are also vulnerable. 2 of vulnerable households are also severely affected households.

Table 6. AHs in Section 1 (N)

	Community	Total AHs*	Land owners AHs	o/w Leaseholder AH	o/w Informal Tenant AH	Severely AHs	Vulnerable AHs
1	Hrazdan	19	18	1	-	2	8
2	Gavar	1	-	-	1	-	-
3	Ddmashen	14	14	-	-	-	3
4	Tsaghkunq	4	4	-	-	-	2
5	Geghamavan	17	17	-	-	-	4
6	Tzovazard	7	7	-	-	-	1
7	Lchap	2	2	-	-	-	-
8	Berdkunq	4	4	-	-	-	3
9	Hayravanq	-	-	-	-	-	-
10	Lchashen	7	7	-	-	-	2
11	Chkalovka	1	1	-	-	-	-
12	Noratus	17	17	-	-	-	1
	Total	93	91	1	1	2	24

Note: * without double counting.

Source: RAP for Section 1 and EDRC External Monitoring Results

Key Findings

The project affected 45 private plots of land, 1 leased community land plot and one non-registered use of community plot in 11 communities. There are 93 affected households of which 24 are vulnerable. 2 of vulnerable households are also severely affected households.

There are no cases of business or employment loss, buildings or structures acquisition, loss of trees, as well as physical relocation in Section 1.

VI. Assessment of Provided Compensation

Compensation for Permanent Loss of Land

According to the RAP, compensation for loss of agricultural land may be made:

- (1) In form of a monetary compensation calculated as the higher of land market value or cadastral value plus its 15 percent;¹⁰
- (2) in the absence of a land market, in form of a monetary compensation calculated by adding its 15 percent to the value of land plot in the same community acceptable to the AP;
- (3) by providing a land plot acceptable to AP in the same community with a value and productivity commensurate to the affected plot of land.

The unit rates of compensation were assessed by an accredited independent valuation expert based on the methodology acceptable to the WB.

According to the RAP implementation results, 45 (14,775m²) private plots of land were affected. As of the date of preparation of the Compliance Report, 42 out of 45 plots of land have actually been acquired. Acquisition of 3 private land plots of 422m² was not possible to complete due to the process of identifying the legitimate heirs of landowners. The issue is being regulated through relevant court cases which will determine the heirs and acquisition will take place in accordance with the court decision. Nevertheless, HVEN has transferred the compensation amount to the deposit account of First Instance Court of Gegharkuniq Marz (Hrazdan, lot-code 07-001-0924-0049, 1 AH, AMD 16,562; Noratus, lot-code 05-071-0219-0111, 2 AHs, AMD 39,200, and lot-code 05-071-0238-0051, 3 AHs, AMD 67,387). Heirs recognized by the court will receive the compensation for land in accordance with the RA legislation. The compensation amount includes the market value of the land plus 15 percent and is in accordance to the RAP provisions.

Thus, despite the fact that the compensation process for permanent loss of land is not yet completed, RAP implementation in this regard can be considered as properly completed since the relevant amount has been transferred to the court deposit account in favour of APs (see Annex C: "HVEN Letter on RAP Implementation in Section 1").

The compensation calculations for all land plots correspond to the RAP requirements.

Key Findings

In Section 1, acquisition of 42 private land plots have been completed, while acquisition of the other 3 land plots can be considered as completed. As a consequence 87AHs were compensated in accordance with the RAP provision. Actual compensation for the remaining 3 land plots to 6 AHs will take place upon the decision of the Gegharkuniq Marz First Instance Court on legitimate heirs of landowners. HVEN has transferred the respective compensation amounts for the above mentioned plots, as defined by the RAP, to the court deposit account.

Compensation for Crops

Monetary compensation for crops was calculated according to the net market value of the harvest for 1 year. The unit rate was determined based on the main crop yield and crop prices in 2014.

Based on the results of the RAP implementation phase, 30 AHs are entitled to compensation for crop loss from 16 land plots (3,556m²)¹¹.

¹⁰ According to the RAP, compensation will be free of deductions for transaction and registration costs (see Section 1 RAP, para. 94).

¹¹ The higher number of AHs entitled to compensation compared to the number of plots of land is explained by joint ownership of assets for some AHs.

Among 30 AHs, 1 AH was not compensated in accordance with the RAP provisions (1 land plot, 57 m²). Acquisition of private land in Hrazdan under lot-code 07-001-0924-0049 is not yet fully completed due to the need to identify the heirs: the case is in court proceeding in Gegharkuniq First Instance Court (see also Compensation for Permanent Loss of Land section). In accordance with the RA legislation crops are not subject for compensation. Therefore, the compensation for crops cannot be transferred to court deposit account. Nonetheless, HVEN is committed to pay the compensation for crop within 3 days upon the court decision in amount of AMD 19,391. The basis for that is the respective letter from HVEN management (see Annex E: “HVEN Letter on Crop Compensation in Section 1”).

Key Findings

During RAP implementation in Section 1, 15 land plots (29 AHs) out of total 16 were compensated for the loss of crops in accordance with the RAP requirements. 1 land plot (1 AHs) was not compensated for due to the fact that acquisition of that plot is being regulated under a court case. HVEN is committed to transfer the compensation for crops within 3 days of the court decision date. Upon the transfer of AMD 19,391 as compensation for crops, compensation program under Section 1 of the Project will be compliant with RAP requirements.

Compensation to Leaseholders

In line with the entitlements defined in the RAP, compensation of leaseholders was calculated at the market value of affected land plus 15 percent taking into account the number of remaining years of lease (see table 2).

Under the RAP, there were no leaseholders in Section 1. During the RAP implementation, 1 AH was classified as leaseholder on community land (Hrazdan, lot-code 07-001-0883-0003). This AH has leased the land for up to 25 years for agricultural purposes. The leaseholder AH was compensated.

Key Findings

1 leaseholder AH was compensated in accordance with the RAP provisions.

Compensation to Unregistered Users

Compensation for an unregistered user in line with the entitlements specified in the RAP, is calculated at the market value of the affected land taking into account the number of past years of land use (see table 2). The compensation of the unregistered user also covers the crop loss.

Under the RAP, there were no unregistered users (non-legalizable PAPs) in Section 1. During the RAP implementation, 1 AH was classified as an unregistered user on community land (Gavar, lot-code 05-001-1134-0001). This AH has used the land for up to 15 years for agricultural purposes. During the implementation, the unregistered user was compensated.

Key Findings

During the RAP implementation in Section 1, 1 unregistered user AH was compensated in accordance with the RAP provisions.

Compensation to Vulnerable Groups

During the RAP implementation in Section 1, 23 AHs with vulnerability status were compensated in accordance with the RAP provisions.

The external monitoring has identified yet another 1 AH that is vulnerable and is recipient of Family Benefits. Assessment of the official database of the Family Benefit System and individual interview with

this AH served as a basis for this. This AH was compensated upon the completion of corrective measures. There were 2 AHs that considered themselves to be poor yet were not eligible for Family Benefit Scheme. Thus, all eligible vulnerable AHs were compensated.

Table 7. Allowances for socially vulnerable AHs in Section 1

Indicator: Vulnerability	Poor AH, N	Women headed AH ¹² , N	Elderly headed AH ¹³ , N	Total vulnerable AHs, N	Compensation, AMD
a. Planned under RAP	13	10	3	24	7,200,000
a.1. Revised numbers	17	6	3	24	7,200,000
b. Implementation results	15	7	3	23	6,900,000
b.1. Corrective measures	1	0	0	1	300,000
Difference (b+b.1-a.1)	-1	1	0	0	0

Source: RAP for Section 1 and EDRC, External Monitoring Results

Key Findings

In Section 1, all 24 eligible vulnerable AHs have been compensated as per the RAP provisions.

Compensation for Severe Impact

RAP envisages rehabilitative measures for severe or significant impact of the Project. 2 severely AHs were compensated in accordance with the RAP provisions.

Table 8. Allowances for severe impact AHs under Section 1

Indicator: Severe impact	Land N	Area m ²	AH N	Allowance AMD
Hrazdan				
Lot-code 07-001-0923-0027	1	117	2	6,291
Total for Section 1	1	117	2	6,291

Source: EDRC, External Monitoring Results

Key Findings

There were 2 severely affected households in Section 1; all AHs were compensated in accordance with the RAP provisions.

¹² One of the Women headed AHs is also Poor AH.

¹³ One of the Elderly headed AHs is also Women headed AH.

VII. Summary of the RAP Implementation Budget

Table 9 summarizes the planned and actual RAP implementation budgets for Section 1. According to the preliminary results of the external monitoring, the actual cost of the compensation program totalled to AMD 13,125,354. This includes the total compensation for permanent loss of private land including the compensation for the acquisition of 3 land plots under court regulation. Upon the decision of the court, HVEN will be able to transfer the compensation for affected crops to 1 AHs, in amount of AMD 19,391.

Thus, another AMD 19,391 will be necessary for the RAP postponed implementation as a result of which the total budget for Section 1 will amount to AMD 13,144,745.

Table 9. RAP Implementation Actual Budget for Section 1

	RAP	Implementation Plan	Actual Implementation	Postponed implementation
	a	b	c	d
<i>Number of land plots</i>				
Private lands	49	45	42	3
Community lands	0	2	2	0
Without state registration	1	0	0	0
Total plots of land	50	47	44	3
Total area of land (m ²)	7,972	15,961	15,539	422
<i>Compensation , AMD</i>				
Private land	2,328,592	4,162,315	4,162,315	0
Buildings and structures	0	0	0	0
Vulnerability	7,200,000	7,200,000	7,200,000	0
Severe impact	6,291	6,291	6,291	0
Leaseholder (for land)	0	13,074	13,074	0
Illegal user (for land)	0	34,205	34,205	0
Crops	131,507	188,439	169,048	19,391
Trees	0	0	0	0
Business	0	0	0	0
Employment	0	0	0	0
Costs/fees for power of attorney	0	45,420	45,420	0
Registration service	1,625,000	1,592,500	1,495,000	0
Total budget	11,291,389	13,242,245	13,125,354	19,391

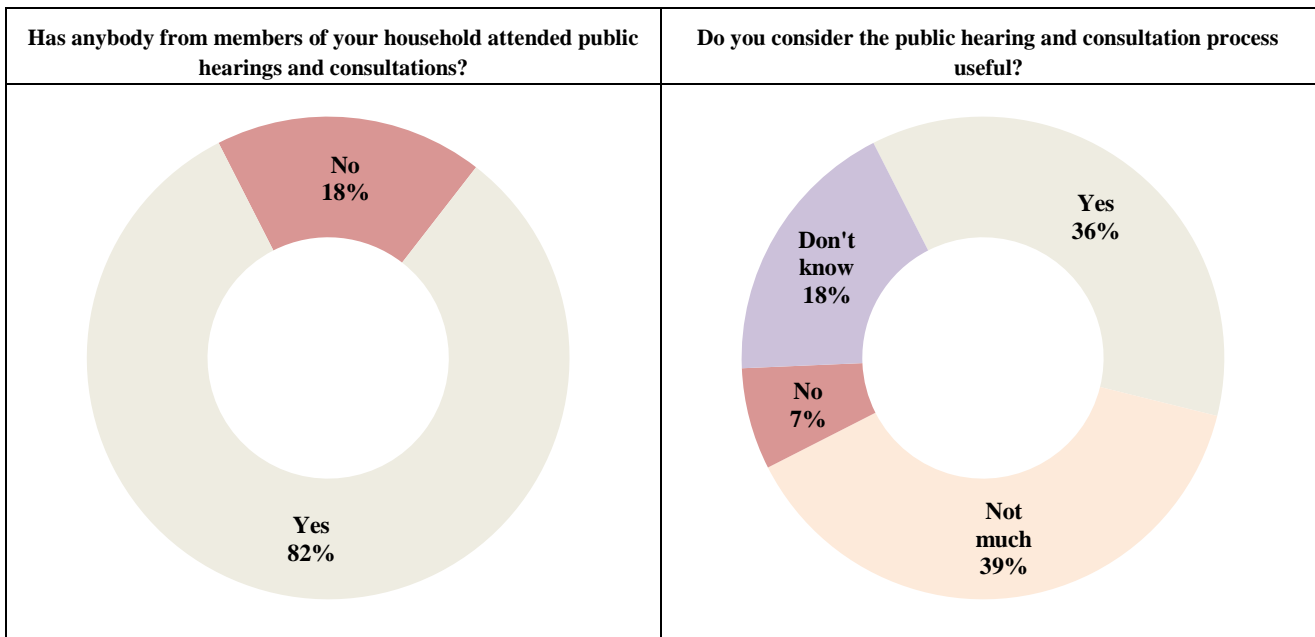
Source: RAP for Section 1 and EDRC External Monitoring Results

VIII. Public Satisfaction

During the external monitoring, based on a questionnaire prepared in advance, structured interviews were held with 97 percent of all AHs in Section 1. Data received were compared with the results of desk analysis; in some cases AHs, representative of LGBs and the Implementation unit were contacted to verify and cross-check data and information. The interviews also provide a general insight into AH satisfaction with the RAP process.

According to the survey, 32 percent of AHs were not aware of Public hearing and Consultation events organized in their communities¹⁴. 82 percent of aware AHs participated in that process, while 18 percent responded that they did not. As a result, 36 percent of AHs who participated in Public hearings considered the Public hearing and Consultation process useful, 39 percent not so useful, while 18 percent – did not know. 7 percent of AHs considered the Public hearing and Consultation process not useful. These responses/opinions of AHs can speak about low efficiency of the awareness raising measures which can be improved through additional efforts in this regard.

Figure 1. Evaluation of Public Hearings and Consultations

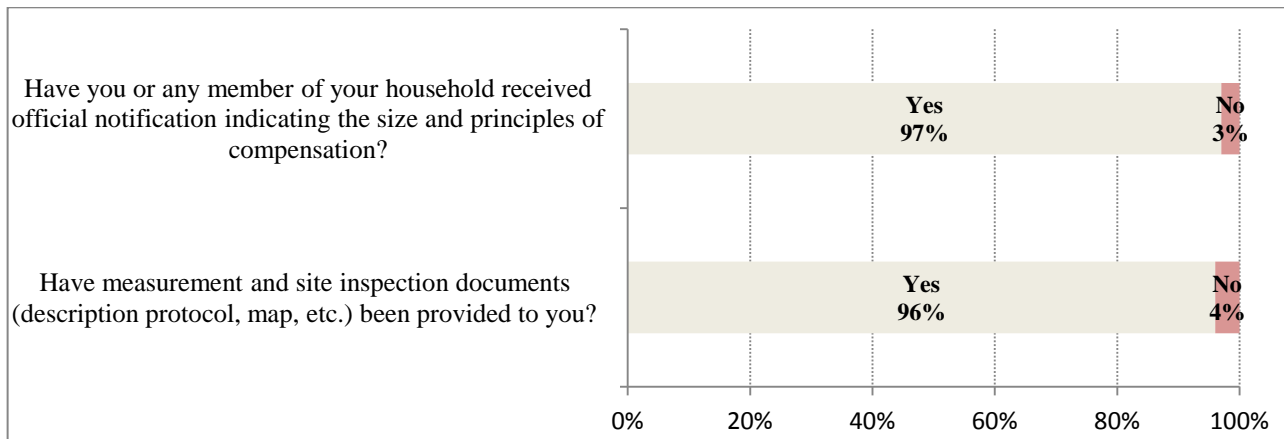


Source: EDRC, External Monitoring Results

97 percent of AHs noted that they had been officially notified on the size and principles of compensation. Although during the official notification stage all the required documents including the description protocols were sent by mail to the owners, nevertheless, only 96 percent of AHs noted that they were provided with documents on measurement and site inspection (description protocol, maps, etc.).

¹⁴ EDRC only recorded the number of AHs who were not notified: there are no any comments/remarks on that. According to HVEN, all AHs were notified beforehand through phone calls upon public consultation events' venue and date. In addition, an email containing the announcement on public hearing and consultations was sent to the community offices one week in advance and was displayed on the announcements board of every community.

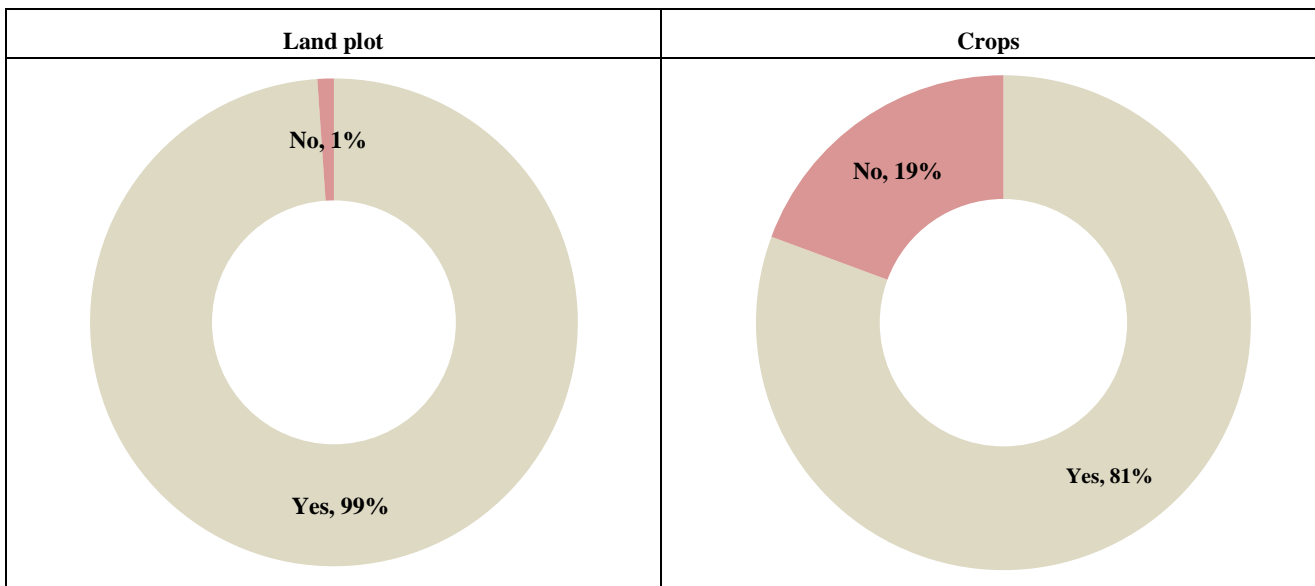
Figure 1. Process of Informing and Notification



Source: EDRC, External Monitoring Results

99% of AHs noted that they agreed with measurement and site inspection data mentioned in the Description Protocol, while 81% of AHs agreed with crop related data.

Figure 3. Agreement level with data in Description protocols and Measurement



Source: EDRC, External Monitoring Results

Subjective evaluations of AH satisfaction with various RAP implementation processes are shown in Table 1. Key dissatisfaction was associated with land and crop unit cost and the size of compensation.

11.3 percent of AHs are either dissatisfied or highly dissatisfied with the measurement and description protocol preparation process, while 9.9 percent of AHs are dissatisfied or highly dissatisfied with the payment process. 9.5 percent AHs were dissatisfied or highly dissatisfied with crop value calculations and the level of Project management and organization.

Thus, the level of AH satisfaction with RAP implementation is not low.

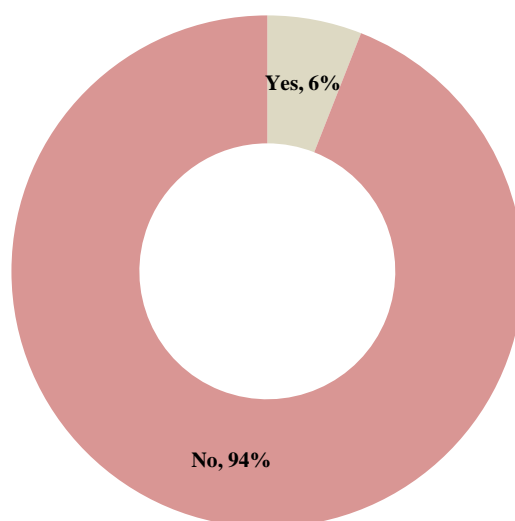
Table 10. AH Satisfaction with RAP Implementation Processes

	Fully satisfied	Partially satisfied	Not so satisfied	Dissatisfied	Highly dissatisfied	Total
1) Measurement and description protocol preparation process	38.7%	35.5%	14.5%	8.1%	3.2%	100.0%
2) Land valuation	37.1%	33.9%	12.9%	12.9%	3.2%	100.0%
3) Size of additional compensation (crop, tree and allowance)	31.0%	45.2%	14.3%	7.1%	2.4%	100.0%
4) Total size of compensation	37.1%	33.9%	14.5%	12.9%	1.6%	100.0%
5) Payment process	44.3%	32.8%	13.1%	6.6%	3.3%	100.0%
6) Level of Project management and organization	46.0%	31.7%	12.7%	6.3%	3.2%	100.0%

Source: EDRC, External Monitoring Results

As a consequence, only 6 percent of AHs had objections with regard to the RAP implementation process who did not submit any written complaint.

Figure 4. Complaints on and disagreements with RAP implementation processes



Source: EDRC, External Monitoring Results

The main reason for not submitting a written complaint and not using the established formal grievance filing institutions is the lack of trust (50 percent).

Table 11. Reasons for not submitting written complaints (in cases of disagreement)

1) Do not trust grievance filing procedures	50.0%
2) Grievance filing procedure is too complicated	0.0%
3) Not aware of procedures, do not know how and where to submit a complaint/present grievance	25.0%
4) I think the process is corrupt	0.0%
5) Was forced not to	0.0%
6) Other	25.0%

Source: EDRC, External Monitoring Results

Grievances or complaints mostly referred to the demand to be paid allowances based on subjective assessment of social vulnerability.

Table 12. Reasons for complaints or disagreements

1. Measurement data on land plot subject to alienation	25.0%
2. Amount of compensation for the land plot	25.0%
3. Amount of compensation for the loss of crops	0.0%
4. Insufficient or incomplete information on rights	50.0%
5. Errors in calculations of the overall compensation amount	0.0%
6. Other	0.0%

Source: EDRC, External Monitoring Results

Grievances or objections have been shared or discussed with HVEN representatives. Despite the fact that the APs satisfaction on the verbally presented grievances is low, one should note that complaints or demands of unsatisfied AHs were mostly based on the subjective self-assessment on social status of such HHs which does not comply with RAP requirements.

Key Findings

Satisfaction level with the Section 1 RAP implementation is relatively high.

Complaints of AHs mostly referred to demands on being eligible for vulnerability allowances based on their subjective assessment of social vulnerability which does not comply with RAP requirements.

IX. Conclusions and Recommendations

1. Section 1 of the Projects affected 45 private land plots (14,775m²), 1 leased community-owned land plot (224m²) and 1 community land plot under non-registered use (962m²) in 11 communities. As a result, there are 91 landowner AHs, 1 leaseholder AH on community land plot and 1 non-registered user AH of community land plot.
2. Acquisition and compensation process for 42 private land plots has been fully completed. 3 private land plots have not been acquired since the owners thereof shall be determined through a court decision. Nevertheless, HVEN has transferred the compensation amount (calculated in accordance with the RAP rates) to the court deposit account. Thus, despite the mentioned fact, compensation for private land plots can be considered completed since 87 out of total 91 AHs received compensation, while the other 6 will be able to receive it upon the legal recognition of their ownership rights.
3. The leaseholder AH and non-registered user AH were compensated.
4. 29 AHs out of total 30 AHs eligible for crops compensation received the compensation in accordance with RAP requirements. 1 AH was not compensated since their ownership title will be determined by a court decision upon the recognition of a legitimate heir (see p. 2). HVEN is committed to pay the compensation for crops within 3 days of a respective court decision.
5. All 24 vulnerable AHs were compensated in accordance with the RAP provisions.
6. There are 2 severely AHs in Section 1 of the Project which were compensated in accordance with the RAP provisions.
7. There are no cases of business or employment loss, buildings or structures acquisition, loss of trees, as well as physical relocation in Section 1.
8. RAP implementation institutional structure and management comply with the RAP requirements. Satisfaction from Project management and organization among AHs is high.
9. Public awareness and consultation processes complied with the plan. 36 percent of AHs who participated in public hearings considered this process useful, 39 percent – not very useful, 7 percent – not useful, while 18 percent – did not know.
10. Grievance filing mechanism and Grievance Redress Committee are in place. 18 written grievances/complaints and 8 questions were received under Section 1. They were adequately dealt with and solved in favour of AHs in compliance with RAP requirements.
11. Overall, the level of satisfaction with RAP implementation processes in Section 1 among AHs is high. Objections referred to the calculation of the land value (16.1 percent of AHs were dissatisfied) and overall compensation amount (14.5 percent of AHs were dissatisfied). There are also complaints for not being compensated for social vulnerability status: Such complaints mainly based on subjective assessment and did not comply with RAP requirements.
12. The presented scope of impact does not include the potential temporary loss of agricultural income because of access roads during the construction works. Currently, it is technically not possible to precisely determine this impact for the entire Section 1. It is to be regulated by the “Procedure for access road selection for building TL pylons” approved on March 20, 2015 by HVEN.
13. By learning lessons from implementation experience in Section 5 and Section 2 and Section 1, in order to improve the effectiveness of the compensation program and to achieve higher satisfaction among AHs for the next sections of the Project it is recommended to:
 - Put more effort in the public awareness and consultation process, to expand the role of NGOs in this regard.
 - Specifically target increase of awareness and trust; more particularly, the implementation team should encourage APs to use the existent grievance mechanism in case of any possible objections or questions.

- Enhance the structure of databases describing the impact by making these more analysis and comparison-friendly, as well as more comprehensive.
- Expand the content and increase the frequency of internal monitoring reports by paying more attention to implementation process details, including contract-related process.
- The process of access road selection and potential temporary impact assessment due to access roads is recommended to make subject to internal monitoring and oversight.

14. Recapping the results of the external monitoring for RAP implementation in Section 1, we find that:

- The RAP implementation was in line with the defined policy and operational procedures;
- RAP implementation in Section 1 will be fully and entirely completed upon the Gegharkuniq Marz First Instance Court decision on recognizing the ownership right of the potential 1 AH and payment of compensation for crop loss to that AH;
- HVEN shall transfer AMD 19,391 as crop compensation to the potential 1 AH within 3 days after the effectiveness of the court decision;
- At this stage, construction activities can already be started.

X. Annexes

Annex A: Compliance Review Survey Questionnaire



Questionnaire number:

Community (name):

Interviewer code:

Interview date (day/month/year):

HH address (number of the house):

HH head last name:

Lot-code:

Q1. How many members does your HH have? _____

Q2. Please indicate the head of your HH (i.e. the HH member who makes important decisions regarding to finances or property of the HH)

First name/last name _____

Q3. Does your HH receive Poverty Family Benefit?

- 1) Yes 2) No

Q4. Are you aware that your property or land or part of it is acquired by the Government for construction of new high-voltage power transmission line?

- 1) Yes 2) No

Q5. Have you or any member of your household received official notification indicating the size and principles of compensation?

- 1) Yes 2) No

Q6. Have measurement and site inspection documents (description protocol, map, etc.) been provided to you?

- 1) Yes 2) No

Q7. Below are listed categories of losses you/your HH may face as a result of Project impact. Please indicate the type of losses for which you/your HH are eligible to be compensated for.

1. Land
2. Structure / building
3. Business
4. Crop
5. Trees
6. Vulnerability, severe impact allowances
7. Other (please indicate) _____

Q8. According to your own estimations, is it possible that your HH has lost more than 10% of its agricultural land?

- 1) Yes 2) No

Q9. On your opinion, is it possible that you may have additional or temporary losses as result of Project implementation?

- 1) Yes 2) No 3) Don't know/ difficult to answer

Q10. Do you agree with the data of inventory/measurement of your losses described in Description Protocol?

1) Land		1. Yes
2) Wheat		
3) Barley		2. No

4) Onobrychis		98. Not applicable
5) Emmer		
6) Fruit trees		
7) Non-fruit trees		
8) Structure / building		
9) Other type of loss, <i>please specify</i>		

Q11. Did you or any member of your HH sign the Contract?

- 1) Yes
- 2) No (please, specify the reason) _____

Q12. Did you have an opportunity to review the Contract and make comments before signing it (in case of discovered mistakes, inaccuracies, etc)?

- 1) Yes
- 2) No

Q13. Have you already received the compensation?

- 1) Yes, I have received _____ AMD
- 2) No, I have not received (please, specify the reason) _____

Q14. Please evaluate your overall satisfaction from:

	Satisfaction evaluation	
1) Measurement and description protocol preparation process		1. Completely satisfied 2. Partially satisfied 3. Not so satisfied 4. Dissatisfied 5. Very dissatisfied 6. Difficult to answer 98. Not applicable
2) Assets and property valuation		
3) Additional compensation amount (crop, trees and allowances)		
4) Total amount of compensation		
5) Payment process		
6) Level of program management and organization		

Q15. Have any public hearings/consultations been organized in your community?

- 1) Yes
- 2) No (go to **Q18**)
- 3) Don't know/ difficult to answer

Q16. Has anybody from members of your HH attended public hearings and consultations?

- 1) Yes
- 2) No
- 3) Don't know/ difficult to answer

Q17. Do you consider the public hearing and consultation process useful?

1. Yes, much
2. Yes, but not so much
3. No
4. Don't know/ difficult to answer

Q18. Have you been introduced with grievance redress process / mechanism?

- 1) Yes 2) No

Q19. Have you been provided with contact information of grievance redress coordinator (HVEN representative)?

- 1) Yes 2) No

Q19.1 Please indicate his/her first name / last name _____

Q20. Have you or any member of your HH had any grievance or disagreement concerning the following processes: measurement, valuation, contract formulation or compensation payment?

- 1) Yes 2) No (Finish the interview)

Q21. Have you filed a written grievance?

- 1) Yes (go to **Q23**) 2) No

Q22. What were the reasons of not filing a written grievance in case of disagreements?

1) I don't trust the grievance filing procedure
2) The grievance filing procedure is very complicated
3) I am not aware of the procedure; I don't know how and where to file a grievance
4) I think the process is corrupt
5) I was forced not to file a grievance
6) Other reasons, <i>please specify</i>

Q23. What were the causes of grievance or disagreement?

1. Measurement data of land and/or structure
2. Compensation amount on land and/or structure and/or business
3. Assessment of crop and/or tree losses
4. Insufficient or incomplete information on entitlements during public hearings / consultations
5. Miscalculation of total compensation
6. Other reasons, <i>please specify</i>

Q24. Who was your grievance submitted to?

1. LGB representative
2. Grievance Regress Coordinator (HVEN representative)
3. Grievance Redress Committee (GRC)
4. Court
5. Other body, <i>please specify</i>

Q25. How satisfied you were with the response and actions taken? Please assess the level of your satisfaction using 5-point scale, where 1 shows the lowest level of satisfaction and 5 - the highest.

(Lowest) 1.....2.....3.....4.....5 (Highest)

Annex B: Affected People, Land and Compensation

N	Community	Cadastral code of land plot	Total calculated compensation	AH	Total paid compensation	Date of compensation payment
1	2	3	4	5	6	7
1	Hrazdan	07-001-0923-0027	346,612	2	346,612	19/03/15, 30/03/15
2	Hrazdan	07-001-0924-0048	936,542	5	936,542	30/03/15
3	Hrazdan	07-001-0924-0049	35,953	1	16,562	29/04/15
4	Hrazdan	07-001-0926-0043	380,351	4	380,351	30/03/15
5	Hrazdan	07-001-0927-0012	970,250	4	970,250	30/03/15
6	Hrazdan	07-001-0927-0041	169,906	2	169,906	18/03/15
7	Hrazdan	07-001-0883-0003	22,474	1	22,474	16/06/15
8	Ddmashen	05-030-0273-0109	23,426	1	23,426	30/03/15
9	Ddmashen	05-030-0273-0110	2,863	1	2,862	27/04/15
10	Ddmashen	05-030-0273-0082	313,174	4	313,174	30/03/15
11	Ddmashen	05-030-0273-0085	365,250	4	365,250	30/03/15
12	Ddmashen	05-030-0278-0112	493,262	2	493,262	30/03/15
13	Ddmashen	05-030-0278-0016	191,591	2	191,591	22/04/15
14	Tsaghkunj	05-047-0140-0054	70,221	2	70,221	30/03/15
15	Tsaghkunj	05-047-0141-0017	684,475	2	684,475	30/03/15
16	Geghamavan	05-024-0269-0061	94,312	1	94,312	30/03/15
17	Geghamavan	05-024-0268-0036	221,246	1	221,246	19/03/15
18	Geghamavan	05-024-0267-0007	207,157	4	207,157	17/06/15, 22/05/15
19	Geghamavan	05-024-0267-0008	203,607	2	203,606	22/04/15
20	Geghamavan	05-024-0264-0061	333,212	3	333,212	30/03/15
21	Geghamavan	05-024-0264-0062	346,385	2	346,385	15/14/15
22	Geghamavan	05-024-0263-0078	684,475	4	684,475	30/03/15
23	Lchashen	05-040-0227-0021	130,694	1	130,694	30/03/15
24	Lchashen	05-040-0227-0029	900	1	899	17/06/15, 22/04/15
25	Lchashen	05-040-0227-0032	205,459	1	205,459	30/03/15
26	Lchashen	05-040-0244-0027	17,146	1	17,146	15/04/15
27	Lchashen	05-040-0244-0028	465,492	2	465,492	30/03/15
28	Lchashen	05-040-0253-0088	51,848	1	51,848	30/03/15
29	Chkalovka	05-075-0111-0016	143,786	1	143,786	30/03/15
30	Tzovazard	05-050-0203-0049	71,932	1	71,932	16/02/15
31	Tzovazard	05-050-0203-0011	519,510	3	519,590	18/05/15, 30/03/15
32	Tzovazard	05-050-0217-0121	43,566	1	43,566	30/03/15
33	Tzovazard	05-050-0226-0064	72,164	2	72,164	30/03/15
34	Lchap	05-042-0106-0097	102,033	2	102,033	30/03/15
35	Berdkunj	05-020-0104-0026	979,597	4	979,597	30/03/15
36	Noratus	05-071-0201-0801	16,708	1	16,708	30/03/15
37	Noratus	05-071-0201-0802	17,082	1	17,082	19/03/15
38	Noratus	05-071-0211-0017	470,040	2	470,040	30/03/15, 17/03/15
39	Noratus	05-071-0213-0104	82,761	2	82,761	30/03/15
40	Noratus	05-071-0219-0111	39,200	2	39,200	20/04/15
41	Noratus	05-071-0219-0112	68,397	1	68,397	30/03/15, 17/03/15
42	Noratus	05-071-0220-0050	149,429	1	149,429	19/03/15
43	Noratus	05-071-0220-0070	1,198	1	1,197	22/04/15
44	Noratus	05-071-0235-0003	208,095	1	208,095	17/03/15
45	Noratus	05-071-0238-0050	189,975	2	189,974	17/06/15, 30/03/15
46	Noratus	05-071-0238-0051	67,387	3	67,387	20/14/15
47	Gavar	05-001-1134-0001	82,300	1	82,300	12/05/15

Annex C: HVEN Letter on RAP Implementation in Section 1 (in Armenian)

Letter from HVEN in pdf format is attached to this report as a separate file.

Annex D: Table for Registration of Grievances, Cases Related to Section 1

TABLE FOR REGISTRATION OF GRIEVANCES

Community	Cadastral code	Date	Subject of the claim	Response
Tzovazard	05-060-0442-0011	16.09.2014	Wants to work in the project, as a driver	Included in the list and the contact information is submitted to KPTL.
Noratus	05-071-0201-0802	08.12.2014	Please explain the compensation calculation method.	Done
Geghamavan	05-024-0268-0036	08.12.2014	Please explain the compensation calculation method.	Done
Geghamavan	05-024-0267-0008	22.12.2014	Please explain the compensation calculation method.	Done
Berdkunq	05-020-0104-0026	25.12.2014	Please explain the compensation calculation method.	Done
Ddmashen	05-030-0278-0112	12.01.2015	How are the vulnerable people identified?	The vulnerable households are defined by the RPF and RAP. The three groups eligible for compensation were introduced
Geghamavan	05-024-0263-0078	16.01.2015	Please explain the compensation calculation method.	Done
Tsaghkunq	05-047-0141-0017	03.02.2015	Please explain the compensation calculation method.	Done
Ddmashen	05-030-0278-0016	03.02.2015	Please take also the part of the land to be taken which is economically and functionally not viable after the separation.	The applications were reviewed by HVEN and all were found to be justified. APs will be notified of HVENs decision in written form.
Ddmashen	05-030-0278-0112	03.02.2015		
Lchashen	05-040-0227-0032	03.02.2015		
Lchashen	05-040-0227-0021	03.02.2015		
Noratus	05-071-0220-0050	23.02.2015		
Noratus	05-071-0235-0003	23.02.2015		
Noratus	05-071-0238-0050	23.02.2015		
Chkalovka	05-075-0111-0016	23.02.2015		
Hrazdan	07-001-0927-0041	23.02.2015		
Noratus	05-071-0201-0802	23.02.2015		
Noratus	05-071-0211-0017	23.02.2015		
Tzovazard	05-050-0203-0011	23.02.2015		
Geghamavan	05-024-0268-0036	23.02.2015		
Lchap	05-042-0106-0097	23.02.2015		
Noratus	05-071-0213-0104	23.02.2015		
Lchashen	05-040-0244-0028	23.02.2015		
Geghamavan	05-024-0267-0008	23.02.2015		
Geghamavan	05-024-0267-0007	10.05.2015		

Source: Annex 1 of Internal Monitoring Monthly Supervision Report 5.

Annex E: HVEN Letter on Crop Compensation in Section 1 (in Armenian)

Letter from HVEN in pdf format is attached to this report as a separate file.