

Amulsar Gold Mining Project Armenia

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Livelihood Restoration Plan Updated: September 2016



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1. INTRODUCTION

1.1. OVERVIEW

This document was prepared by Lydian Armenia to summarize the ***Livelihood Restoration Plan (LRP)*** prepared for the Amulsar Gold Mining project in Armenia (the “Project”). It is meant to inform land owners, herders and other affected persons on how the Company plans to achieve restoration of livelihoods for those affected by land acquisition.

The objective of this document is to present key findings relevant to livelihood restoration and to introduce LRP approaches, sectors and activities.

This LRP complements existing documents, particularly the Land Acquisition, Compensation and Livelihood Restoration Plan and the Guide to Land Acquisition and Compensation, and is in line with requirements of the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD), namely IFC’s Performance Standard 5 and EBRD’s Performance Requirement 5.

1.2. COMPANY LIVELIHOOD RESTORATION POLICY AND APPROACHES

Key principles for mitigation of economic displacement and livelihood restoration are as follows:

- Livelihood restoration activities are designed and implemented as sustainable development programmes for a period of 3 years. They intend to provide alternative livelihood sources for the affected landowners.
- LRP activities will focus on few key areas for greater impact: skills and local capacity building, best practices (land, animal husbandry, natural resource management), technical know-how and business development with potential for sustainability.
- Where practical, the LRP activities will procure and hire locally to promote business environment, raise local standards, provide employment opportunities to local people. Illustrative examples include hiring local tutors and specialists, for example, for skills learning or animal husbandry activities.
- Where applicable, LRP activities will strive to develop and train local structures (Cooperatives, etc.) to run and sustain businesses, services or other facilities.
- Efforts will be made to engage and benefit women and affected vulnerable households.
- LRP activities will require contributions by project participants – monetary or in-kind, to promote shared ownership and sustainability, and avoid dependency.
- Good, proven models will be replicated and/or expanded (for example, Fruit drying facility, local structures/cooperative
- The affected landowners (and family members), including vulnerable groups, have opportunities to enrol in LRP activities; they are consulted, and their views are incorporated in LRP projects over the next 3 years.
- A grievance mechanism is available and accessible throughout the livelihood restoration activities.

2. BASELINE TO INTRODUCE LIVELIHOOD RESTORATION APPROACHES

2.1. OUTCOMES OF SURVEYS & SUGGESTED ACTIVITIES

During the May-August 2015 socio-economic surveys in Gndevaz, residents suggested a number of areas that they would want to see developed over the next few years (see Table 1 below). One of the main conclusions from different surveys was that residents prefer to further develop traditional livelihood (agriculture and animal husbandry) areas.

Table 1: Sectors & activities suggested by residents & affected landowners in Gndevaz

Sector	Activity
Employment	✓ Jobs with the mine
Manufacturing & agricultural production	✓ Establish food processing (canning, etc.) facilities ✓ Start local dairy production
Agricultural activities	✓ Land management & cultivation ✓ Improve land management & quality practices ✓ Start new orchards ✓ Establish anti-hail facilities ✓ Develop gardening & horticulture ✓ Establish family size greenhouses ✓ Introduction of non-traditional crops ✓ Develop poultry ✓ Develop beekeeping ✓ Seek/find places to market agricultural products ✓ Improve irrigation system ✓ Provision of agricultural inputs – treatment, seeds, fertilizer, etc. ✓ Provision of micro-finance (loans) in support of businesses
Livestock	✓ Develop cattle breeding, artificial insemination ✓ Pasture infrastructure development, use of remote pasture areas ✓ Technical assistance, equipment ✓ Loans with good conditions (interest)
Tourism development	✓ Use of local historic landmarks to attract tourists

2.2. LAND ACQUISITION IMPACTS

2.2.1. CROPS

Land that has been acquired by the Company is a combination of apricot orchards, arable land (wheat, alfalfa, etc.), and grass used for either hay or grazing. Key mining infrastructure is located in Gndevaz and includes: Site 28 Heap Leach Facility (HLF); Site 14 Conveyor; Site 29 Barren Rock Storage Facility (BRSF). The mining pits are within the territory of Gorayk but are located on State land and no private landowners are affected. Lands of neighbouring communities Saravan, Jermuk and Kechut are not impacted. The HLF & Conveyor affect a total of 278 private land plots with a total area of private land of 152 hectares.

Apricot orchards are the main source of income for many in Gndevaz. Other fruit trees, including peach, apple and plum, are also grown in the affected area. Other plots are used for annual crops, including spring and fall wheat, barley, etc. In the north-west of the HLF area, a number of small plots are used for garden crops: a relatively small part of the produce is sold but a significant part is consumed at home and kept as preserves. These garden crops include potatoes, fruit trees, and vegetables.

2.2.2. HERDERS' ACTIVITIES

Based on the final Project footprint, about 40 seasonal herders will be impacted (Site 13) and it is anticipated that they will have to move to alternative areas, either because grazing land will be taken for Project infrastructure or because of disruption caused by operations. The move will require to establish new camps, or to move existing camps to the new area. Alternative grazing areas are available for use by seasonal herders, as organised with the Mayors of Gndevaz and Xndzoresk and the seasonal herders themselves.

Site 14 lands (conveyor) are not arable and are used by daily herders of Gndevaz for grazing and for hay: they rotate to take the village cattle to this area for grazing. To ensure maintained access to the whole area, it is planned to build passages for animals, people and vehicles. Hay from this area is a source of income too.

2.3. INFRASTRUCTURE AND SERVICES

There are no structures in Site 13: most herders use “shacks” as temporary camps, made of pieces of stones, wood or other materials. No services are provided to the herder camps (i.e. no electricity, sewerage, waste collection, water distribution etc.). Compensation for those structures will be provided to the herders should they relocate to the alternative pasture area.

3. LIVELIHOOD RESTORATION

3.1. ELIGIBILITY

All landowners and land users that have been compensated for their lands are eligible for LRP projects. Eligibility is extended to family members of the affected landowner or land user and entitles them to enrol in LRP activities.

Table 2: Affected groups & associated entitlements

Affected group	Entitlement as per LALRP	Entitlement as per LRP	Notes
Affected landowners	Cash compensation for land & crops; opportunities for skills training & possible job with the Company	Access to agricultural, livestock & other LRP activities; training & capacity building; priority access & opportunities for skills learning & possible jobs	Opportunities for jobs will be based on merit & not be granted as an affected landowner: i.e., these farmers will have access & opportunity to enrol in skills learning programs & apply for available jobs. Being an affected landowner, will not guarantee a job.
Socially vulnerable landowners	Cash compensation for land & crops	Agricultural inputs (seeds, seedlings, etc.); social assistance	Access to social assistance programs; the socially vulnerable often include marginalized, lonely & elderly persons who t are not capable of working;
Affected herders who will be economically displaced to	Provision of replacement land & relevant infrastructure	Livestock activities; pasture management & better use of lands	Limited access to wider LRP programs

other pasture areas			
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LRP activities, depending on their nature, will require certain selection criteria for participation: for example, gardening or greenhouse activities require availability of land, irrigation water, no prior use of manure in the given land plot, commitment to attend all trainings and educational events, follow technical instructions on field operations, contribution to project cost, etc. Small business support program will select final participants, following evaluation of all business plans and per evaluation matrix, to look into sufficient focus on sustainability, financial feasibility, innovation, contribution by the participant, as well evaluation of the existing business or conditions for the new business.

The Company makes concerted efforts to spread the benefits and gains of LRP activities equally among the affected landowners to the extent possible. To avoid perceptions on social injustice, non affected farmers are not excluded from participation in LRP activities. As the number of affected landowners is not small (about 150), the selection between the affected and non-affected is not an issue.

3.2. LIMITATIONS TO LRP

This section discusses limitations to the LRP and enrolment of the affected landowners or land users.

Employment opportunities – Being an affected landowner will not guarantee a job: landowners will have the opportunity to engage in skills learning programs and apply for jobs per their preferences, skills or experience. Company will continue disseminating this message through the Community Liaison Committee (CLC) and other channels. On the same note, however, the Company makes efforts to hire affected landowners where possible and practical. Most social and LRP activities, for example, hire local persons, landowners to serve as local assistants throughout the programs, get on the job trainings and exposure to manage and coordinate project activities locally, in addition to generating income.

Enrolment in LRP programs – LRP programs are aimed to provide alternative livelihood opportunities to those affected by LA. It is important to note that it is not realistic to enrol all affected persons in all LRP activities: therefore, this consideration will be a limiting factor for the affected persons. Participation of the affected landowners in LRP projects is not mandatory, however, they will have opportunities to enrol in different activities over a period of 3 years (starting fall 2015). Company and implementing partners launch LRP activities through community meetings, including village administration, wider community members. These meetings introduce and disclose the project, long term goals and objectives, rationale for its execution, and selection criteria for any given activity (for example, contribution to project, commitment to follow technical guidance on new technologies, availability of land, water, etc.). Based on initial meetings and clarifications, farmers register their interest in participating in a given activity. Depending on the nature of the project, this is followed by field verifications and inspections. other projects (animal husbandry) do not require initial registration - beneficiaries accumulate throughout the project circle, through participation in awareness sessions, artificial inseminations for their cattle, technical advice and counselling).

3.3. LIVELIHOOD ACTIVITIES

LRP activities are designed for a period of 3 years, starting in the fall of 2015. Since affected landowners already received their compensation, the LRP will start with awareness and basic education on personal finance and revenue management, followed by other activities in agriculture and other sectors.

The Company has been running a number of social programs for some years, even before land acquisition started. In order to maximize benefits and gains to affected persons, livelihood activities and these social programs will be harmonized, and the most successful social programs will be replicated (proven model, technical approaches, community buy-in, etc.).

Table 3 below provides a brief description of planned LRP activities for 2015-2018. Some of them are underway already as social projects that will be considered (where appropriate and relevant) for expansion or modification to meet the needs of the affected landowners. The list of activities in the Table is not final, as new LRP activities will be designed in the next couple of years, based on feedback from affected landowners. Additional livelihood programs could include trainings and support on bee-keeping, poultry, etc.

The budgeted amount is estimated based on previous programs' expenses and will be finalized upon completing designs for each activity.

LRP sectors and activities listed below are based on findings from surveys reflecting views and feedback from Gndevaz residents and herders in the area.: this is illustrated in Sections 2 and 3 above.

3.4 . CONSULTATION, COMMUNICATION

The company will regularly communicate the LRP activities, progress and upcoming plans with the affected communities and respective stakeholders. Within social programs, this has been done successfully in the past few years through:

- CLC meetings
- Community monthly newsletters
- Company newsletters and media events
- Annual updates on LRP programs: facts, figures, targets, achievements, issues.
- Focus group discussions
- Other formal and informal meetings
- Individual visits with households
- Ongoing presence and consultation by implementing partners
- Monitoring site visits, etc.

The Company will continue utilizing these channels for effective communication with the landowners, herders and other interested stakeholders. Community based, local assistants will be involved in monitoring LRP activities, coordination of project events: Lydian Armenia Social Development Manager/team will oversee all activities.

Table 3: LRP activities

SECTOR	ACTIVITY: SCHEDULING	DETAILS	NOTES, COMMENTS
Rural infrastructure	Gndevaz irrigation channel upgrade, 2015-2016	<ul style="list-style-type: none"> ✓ Company is upgrading Gndevaz old irrigation channel which was dysfunctional for many years. The upgraded system will supply water for 150 ha of land. ✓ The irrigated area is a good livelihood source for affected & unaffected landowners & farmers 	Northern Gndevaz used to have many orchards, and is known for good quality soil.

Technical assistance, education: Animal Husbandry	Personal finance & revenue management, fall 2015	Awareness seminars provided on 4 topics: <ul style="list-style-type: none"> ✓ Personal Finance & Revenue Management ✓ Basics of entrepreneurship & business ✓ Irrigation, pasture management ✓ Rural tourism development 	Seminars are aimed to raise awareness of farmers, landowners on how to manage finances they received during LA.
	Artificial insemination, technical assistance/TA; 2016-17	This Project will use the model successfully applied in Gorayk: <ul style="list-style-type: none"> ✓ Provision of equipment, sperm & supplies ✓ Training of local vet ✓ Artificial insemination services established ✓ Training events for cattle breeders: animal health, hygiene, pregnancy & delivery, nutrition, etc.) ✓ Beneficiaries: daily herders in Gndevaz 	Project aims to: <ul style="list-style-type: none"> ✓ improve cattle health, nutrition & hygiene through awareness seminars & field works; ✓ raise milk productivity due to high quality sperm, equipment & supplies; ✓ raise capacities of local vet, as local resource & service provider;
	Pasture management, improved land use; 2016-18	Company will support activities for herders: <ul style="list-style-type: none"> ✓ Animal husbandry, animal health, nutrition ✓ Pasture management ✓ rotational grazing ✓ provision of supplies or inputs 	In summer 2016, several sessions were held with seasonal herders by local expert on use of land, pasture management, legal aspects of agreement, etc. Herders will be considered for inclusion in social programs.
	Gndevaz Fruit Drying Project	Extend & sustain the operations of the drying facility & operations <ul style="list-style-type: none"> ✓ Raise capacities of local Cooperative ✓ Enrol affected fruit growers as end-users & beneficiaries (to dry their fruit; build capacities to grow quality fruit products) ✓ Include vulnerable household members in jobs generated by the project ✓ Support all-year round operations of the facility ✓ TA on marketing the dried product Expand the produce dried: herbs, tomato, etc.	Achievements since 2014 <ul style="list-style-type: none"> ✓ Fruit dryer facility established; equipment provided ✓ Fruit growers' Cooperative set & operating; office furniture & computer provided (used for accounting) ✓ Capacity of participating farmers enhanced in fruit processing technologies ✓ In 2015, 600 kg of apricot dried & marketed ✓ In 2016, over 1200 kg to be produced, with expanded variety (peach, apple, etc.) ✓ Seasonal /paid jobs created for 5-6 women from community
Agriculture, food processing	"Improved livelihood through greenhouse technologies"; 2016-17	There is a lot of interest in greenhouses as livelihood & income source. Successful model applied in Gorayk. <ul style="list-style-type: none"> ✓ Build local capacities of 40-50 farmers on new technologies & technical know-how on gardening & greenhouse technologies ✓ Support 7 family-size greenhouses (benefiting 45-50 persons); 6 high yielding gardens (30 persons) ✓ Greenhouse owners contribute to the project 	Achievements to date include: <ul style="list-style-type: none"> ✓ 7 green greenhouses built & operational in Gndevaz (of which 1 commercial, the rest family size, ✓ Project participants trained in new land management practices ✓ Demonstration days organized for wider pool of farmers

		<ul style="list-style-type: none"> ✓ Greenhouses will be used all year round (heated, with drip irrigation system) to generate income 	
	Introduction of alternative/new crops in the area (broccoli, etc.)	<p>Broccoli production has good potential for replication in Gndevaz, as alternative source of livelihood & income. It can be grown throughout the year in open air & in greenhouses, is a new crop for the area, and has wide consumption. Company will look into piloting broccoli production in Gndevaz in 2017 & beyond.</p>	At present, broccoli is successfully produced in Gorayk (600 sq.m) & provides income to the farmers (5 women)
SME development	Small business support	<p>The project was piloted in Gndevaz in summer 2016, to provide:</p> <ul style="list-style-type: none"> ✓ business module training to women, interested in small businesses; ✓ technical assistance to women to develop business plans; ✓ provide seed grants to 14 women-run businesses – honey production, bakeries, etc.; ✓ Selected participants will provide financial or in-kind contribution 	<p>depending on the progress and impact of the project in Year 1, this activity has potential for extension and diversification. The project targets women-led businesses, to empower & build capacities of women.</p>
	Micro-finance; 2017-18	<ul style="list-style-type: none"> ✓ Facilitate or introduce micro-finance entities active in the area (Kamurj Micro-finance is a good example, operating in the area); ✓ Organize sessions with micro-finance entities to introduce their products 	
Jobs, Skills learning	Skills learning: 2016-18	<p>This activity is aimed to develop various skills for landowners as alternative livelihood opportunities:</p> <ul style="list-style-type: none"> ✓ English language tutoring ✓ Cooking, baking & catering ✓ Tailors ✓ Car mechanics ✓ barbers ✓ other 	<p>Participation in skills learning program does not guarantee a job; it provides the opportunity to have skills set that can be utilized by the landowners for jobs & paid services. In 2016, roughly 30 landowners were enrolled (majority were women).</p>
	Tree Nursery, other projects needing labour (renovation, construction, etc.)	<p>Where possible, Geoteam will:</p> <ul style="list-style-type: none"> ✓ enrol affected landowners in different infrastructure projects needing labor ✓ examples: Gndevaz irrigation channel upgrade ✓ Gndevaz tree nurseries (employing average 15-20 women) ✓ community infrastructure projects (school windows upgrade, etc.) 	

4. VULNERABLE PEOPLE

4.1. IDENTIFICATION OF AND ASSISTANCE TO VULNERABLE PEOPLE

Livelihood surveys in Gndevaz identified roughly 20 vulnerable households, based on the following criteria:

- ✓ Household income & expenditure
- ✓ Possession of household items
- ✓ Distribution of monthly expenditure of affected households
- ✓ Health conditions, disabilities, illnesses
- ✓ Old age, lonely elderly
- ✓ Other observations.

Assistance was provided to all vulnerable landowners or land users throughout the LA process:

- ✓ Individual counselling to advise and explain the land acquisition process, related paper work
- ✓ Logistical support to elderly or otherwise challenged persons: provision of transport to Gndevaz AIC, banks, Notary or Cadastre offices as needed
- ✓ Helping with difficult legal cases: facilitating/expediting court decisions, cases
- ✓ Facilitating obtaining legal or other sales-related documents from state offices or authorities.

Assistance to vulnerable people is an ongoing process with a few key elements:

- ✓ Inclusion in social programs - in process
- ✓ Inclusion on workforce where possible – in process
- ✓ Where needed and requested, helping with obtaining new plots with the compensation amount received
- ✓ Prioritizing their inclusion in skills/vocational training programs to enhance their employment possibilities with the Company, as well with contractors where possible.

Livelihood monitoring will be undertaken in accordance with lenders' requirements, as provided in the LALRP disclosed in April 2016.