CONSULTING SERVICES FOR PREPARATION OF SOCIAL IMPACT ASSESSMENT AND LAND ACQUISITION & MONETARY VALUATION REPORT FOR WATER SUPPLY AND WASTEWATER INVESTMENTS IN FOUR RAYONS (LERIK, YARDIMLI, MASALLI, JALILABAD)

Baku, May, 2016
(Last Revison: September, 2016)
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<td><strong>Status</strong></td>
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<tr>
<td><strong>Date</strong></td>
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<td><strong>Last Revision</strong></td>
<td>: September, 2016</td>
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<td><strong>Project Name</strong></td>
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<td><strong>Loan Number</strong></td>
<td>: 4937 – AZ</td>
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<td><strong>Consultancy</strong></td>
<td>: Preparation of Resettlement Action Plans for Water Supply and Wastewater Investments in Four Rayons (Lerik, Yardimli, Masalli, and Jalilabad)</td>
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<td>AWM OJSC</td>
<td>Amelioration and Water Management Open Joint Stock Company</td>
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<td>BP</td>
<td>Bank Procedures</td>
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<tr>
<td>COI</td>
<td>Corridor of Impact</td>
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<tr>
<td>EIA</td>
<td>Environmental Impact Assessment</td>
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<td>IDP</td>
<td>Internally Displaced Person</td>
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<td>IFC</td>
<td>International Finance Corporation</td>
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Definitions

Project Affected Person (PAP) People (households) affected by project-related changes in use of land, water or other natural resources.

Compensation Money or payment in kind to which the affected persons are entitled in order to replace the lost assets, resource or income.

Easement Legal right to use the land of another person for a specific necessary purpose.

Eminent Domain Regulatory measure by the Government to obtain land.

Entitlement Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation which are due to affected persons, depending on the nature of their losses, to restore their economic and social base.

Expropriation Government’s action in taking or modifying property rights in the exercise of sovereignty.

Host Population Community residing in or near the area to which affected persons are to be relocated.

Income Restoration (IR) Reestablishing income sources and livelihoods of affected persons.

Involuntary Resettlement Development project results in unavoidable resettlement losses that affected persons have no option but to rebuild their lives, incomes and asset bases elsewhere.

Relocation Rebuilding housing, assets, including productive land, and public infrastructure in another location.

Rehabilitation Reestablishing incomes, livelihoods, living, and social systems.

Replacement Cost Replacement cost is the method of valuation of assets that helps determine the amount sufficient to replace lost assets and cover transaction costs. In applying this method of valuation, depreciation of structures and assets should not be taken into account. Replacement cost for agricultural land, it is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes.

Replacement Rates For land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes. Cost of replacing lost assets and incomes, including cost of transactions.

Resettlement Effect Loss of physical and nonphysical assets, including homes, communities, productive land, income-earning assets and sources, subsistence, resources, cultural sites, social structures, networks and ties, cultural identity, and mutual help mechanisms.

Resettlement Action Plan (RAP) A time-bound action plan with budget setting out resettlement strategy, objectives, entitlement, actions, responsibilities, monitoring and evaluation.

Servitude A right by which something (as a piece of land) owned by one person is subject to a specified use or enjoyment by another.

Social Preparation Process of consultation with affected people undertaken before key resettlement decisions are made, to build their capacity to deal with resettlement.
### Usufruct
Legal right of use of property which belongs to another or the right of enjoying the use and advantages of another’s property short of the destruction

### Vulnerable Groups
Any person and/or distinct groups of people who might suffer disproportionately or face the risk of being marginalized from the effects of resettlement and includes female-headed households with dependents; persons with disability; Internal Displaced Persons (IDPs), elderly couples without supporters, widows or females abandoned by husbands, and people falling below poverty line.

### Way Leave
Right to use a path across private property
EXECUTIVE SUMMARY
1. The Project

The Second National Water Supply and Sanitation Project (SNWSSP) is financed by the World Bank and the Government of Azerbaijan. The project is expected to address the problems facing the WSS sector through reconstruction and rehabilitation of infrastructure in 21 rayons in Azerbaijan. The project is part of the country wide strategy to bring the improvements in living standards further than the major urban areas, into the smaller towns and cities of the rural rayons.

A detailed project specific Social Impact Assessment (SIAR) was conducted for the Project corridor of Water Supply and Waste Water Investment in scope of SNWSSP of Azerbaijan. An Entitlement Matrix was also prepared to define categories of PAPs and types of mitigation measures.

The project development, various alternatives have been proposed, screened and their technical, economic and environmental criteria have been compared in the Feasibility Study and EIA prepared specifically for the project corridor in Masalli.

The overall aim of the SNWSSP Project is to improve access to safe, reliable and sustainable water supply and sanitation services in the urban centres.

This Land Acquisition & Monetary Valuation Plan (LA&MVP) is prepared in compliance with the Government’s National Policies on Involuntary Resettlement and World Bank’s Policies in particular on Operational Policy OP 4.12.

1.1 Project Corridor

The site is mainly located in Masalli rayon of Republic of Azerbaijan, and specifically in rayon centre and surroundings. The rayon is situated in Lankaran economic region in the south of Azerbaijan Republic. It lies on the low highland of Burovar range of Talish mountains from the west, Lankaran lowland in the south and southeast, partly Kur-Araz (Mugan-Salyan) alluvial prolluvial lowland in the east and northeast. The rayon area is surrounded with Jalilabad and Neftchala rayons in the north. The rayon has also a part of border line with Lerik and Yardimli rayons in the southwest. Its territorial area is totally 721 sq. km, and population of 211,900 people according to the population census of year 2014. This makes a population density of rayon approximately 294 persons per sq. km. The rayon has one city (rayon center city – Masalli city), two settlements, and 106 villages within its territory.

Rayon center city is settled at about between 8 and 0 masl. However, rayon’s entire area is located at about (-27) - 200 masl in the lowlands, and 55 – 800 masl in the mountainous area (Burovar ranges in the south-southwestern part of the rayon).

The service area both for water supply and waste water systems is limited with the Masalli city and its prospective development areas.

The predicted population figures in the Feasibility Study for the service area of water supply, wastewater and wastewater treatment plant including the adjacent areas are given below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Water Supplied (vicinity villages included)</th>
<th>Sewerage Served (vicinity vilages included)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>23,881</td>
<td>23,881</td>
</tr>
<tr>
<td>2015</td>
<td>25,669</td>
<td>25,669</td>
</tr>
<tr>
<td>2020</td>
<td>27,261</td>
<td>27,261</td>
</tr>
<tr>
<td>2025</td>
<td>28,952</td>
<td>28,952</td>
</tr>
<tr>
<td>2030</td>
<td>30,747</td>
<td>30,747</td>
</tr>
</tbody>
</table>

Source: Feasibility Study

The Study Area Boundaries basically follow the project corridors envisaged in the Feasibility Studies, and earmarked by project officials in the central and local levels.
Masalli, LAMVP – Executive Summary

Administrative boundary of the Project elements is defined in accordance with Azerbaijani standard – SNIP II.04.02-84 and SNIP II.04.03-85. These standards determine the buffers on either side of the center line of the pipelines, and the buffers around other project elements such as distribution reservoirs, water treatment plant (WTP), Wastewater Treatment Plant (WWTP), and pump stations, etc.

The area of immediate impact will occur in the corridor of ROW along the entire length of drinkable transmission main, interceptor sewer, and surrounding the location of other project elements such as distribution reservoirs, buffer reservoirs, pump stations, and WWTP.

1.2 Scope of Land Acquisition and Resettlement

The drinking water transmission main traverses 6.4 km along a corridor from drinking water treatment plant (WTP) to the city boundary.

The project affected persons (PAPs) along the Project corridor are 708. They belong to 165 families and were interviewed in the household survey undertaken during the field studies.

Total of 16.67 hectares of land will be affected by the project along the 20-m pipeline corridor, only 7.51 hectares (38.37% of lands affected) of which will permanently be acquired for above ground facilities.

Restriction of use and right of access during operation period will be applied on 7.01 hectares of lands (42.03% of affected lands), instead of land acquisition the easement will be effective, meaning that servitude agreements\(^1\) will be entered between the PAPs and the AZERSU OJSC which is government owned operator company for the water supply and wastewater systems in the city (see following Table).

To summarize, 7.51 ha composed of 19 land parcels: 3 State-owned land and 16 private land parcel will be acquired permanently for above ground facilities (AGFs) i.e., for new WWTP in Musakuche village south-east of the Masalli city.

### Table 1. Details of Affected Public/Private Land Parcels and PAPs

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Property Impacted</th>
<th>Number of Affected Families (PAP)</th>
<th>Number of Affected People (PAP)</th>
<th>Permanent Acquisition of Land</th>
<th>Short-term impacted Properties (during construction)</th>
<th>% of Affected Area</th>
<th>% of Affected Area</th>
<th>% of Affected Area</th>
<th>Restriction of Use for Right of Access during Operation period (20 Years) with Servitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Agricultural lots</td>
<td>1</td>
<td>103</td>
<td>103</td>
<td>462</td>
<td>14</td>
<td>1.38</td>
<td>38.33%</td>
<td>89.00%</td>
<td>1.80</td>
</tr>
<tr>
<td>2 Residential &amp; Homesteaded plots</td>
<td>2</td>
<td>0.19</td>
<td>0.19</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00</td>
</tr>
<tr>
<td>Total Sub-total</td>
<td></td>
<td>167</td>
<td>167</td>
<td>708</td>
<td>16</td>
<td>1.47</td>
<td>36.52%</td>
<td>150.00%</td>
<td>4.29</td>
</tr>
<tr>
<td>Public</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Government Housing</td>
<td>1</td>
<td>0.70</td>
<td>0.70</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00</td>
</tr>
<tr>
<td>2 Non-Residential plots</td>
<td>2</td>
<td>0.19</td>
<td>0.19</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00</td>
</tr>
<tr>
<td>Total Sub-total</td>
<td></td>
<td>10</td>
<td>1.49</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00</td>
</tr>
<tr>
<td>Total Land Affected</td>
<td>177</td>
<td>11.18</td>
<td>11.18</td>
<td>709</td>
<td>13</td>
<td>6.09</td>
<td>41.98%</td>
<td>157.99%</td>
<td>5.99</td>
</tr>
</tbody>
</table>

Source: Feasibility Study, Contractor’s records, SRERS, and Consultant’s Surveys.

The project impact will potentially be extended over 177 project affected land parcels; among them 167 are under private ownership, and 10 are in possession or lease from the government (State or Municipality).

\(^1\) The servitude agreements effective to the end of the project operation period (20 years) will be registered at SRERS. PAPs will maintain landownership rights and grant the right of way leave to the AZERSU. Servitude agreements will be automatically nulled at the end of the project operation period, in compliance to the terms and conditions described in Servitude Agreement.
Table 2: Summary Magnitude of Project Impacts to private land parcels/assets

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Physical Resettlement</td>
<td>None</td>
</tr>
<tr>
<td>2</td>
<td>Economic Displacement</td>
<td>None</td>
</tr>
<tr>
<td>3</td>
<td>Temporary long-term impact</td>
<td>167</td>
</tr>
<tr>
<td>4</td>
<td>Permanent acquisition of part of private land parcel</td>
<td>8</td>
</tr>
<tr>
<td>5</td>
<td>Permanent acquisition of entire private land parcel</td>
<td>8</td>
</tr>
<tr>
<td>6</td>
<td>Total of Private land Parcels subject to long-term temporary Impact</td>
<td>150</td>
</tr>
<tr>
<td>7</td>
<td>Short-term temporary impact on private land parcels</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>Structures (residential, supplementary, fences/walls) impacted</td>
<td>0</td>
</tr>
<tr>
<td>9</td>
<td>Commercial facilities affected</td>
<td>2</td>
</tr>
<tr>
<td>10</td>
<td>Business stoppage (temporary /permanent)</td>
<td>None</td>
</tr>
<tr>
<td>11</td>
<td>Loss of salaries/wages</td>
<td>None</td>
</tr>
<tr>
<td>12</td>
<td>Annual crops affected</td>
<td>103</td>
</tr>
<tr>
<td>13</td>
<td>No of PAHs with affected perennial crops</td>
<td>36</td>
</tr>
<tr>
<td>14</td>
<td>Total number of project affected fruit bearing perennials</td>
<td>444</td>
</tr>
<tr>
<td>15</td>
<td>Total number of project affected non fruit trees</td>
<td>181</td>
</tr>
<tr>
<td>16</td>
<td>PAHs requiring assistance during title registration in SRERS</td>
<td>16</td>
</tr>
<tr>
<td>17</td>
<td>Affected land parcels with unknown owner/user</td>
<td>8</td>
</tr>
<tr>
<td>18</td>
<td>Vulnerable PAPs</td>
<td>23</td>
</tr>
<tr>
<td>19</td>
<td>Severely affected land parcels (more than 10 % of impact on income generating land)</td>
<td>94</td>
</tr>
</tbody>
</table>

2. Socio-Economic Environment in Masalli

According to the results of the Consultant’s census and socio-economic survey, the total number of project affected persons (PAPs) is 708, i.e. 165 PAHs in the entire Corridor of Impact (COI). Among them approximately 34.74% PAPs (246 PAPs) are located in Masalli city. While, 326 PAPs (24% of PAPs) out of the total 708 PAP are residents of the villages located along the drinking water transmission main and interceptor sewer.

The average age of household heads within the RoW is 52 years. Among the 167 PAHs the youngest household head was 42 years old while the oldest was 88 years old. Most of the household heads (80.74%) were married while 19.39% (32 HH heads) were widow/er. Among the households surveyed, 88.63% were male headed while 11.37% (19 HHs) were female headed\(^2\).

The majority of the PAPs (household heads) in Masalli were the farmers (53%) who grow annual and seasonal crops in their own agricultural plots. 22% were government employee, 16% were employees in the private sector, while 4% of household heads were traders in the market, 3% were retired, and 2% operated own retail businesses.

Housing represents households’ most significant assets, and also provides an indication of relative wealth. A majority of dwellings (92%) are comprised of two or three rooms, and very few have an inside toilet (2%). While 31% of total households have running water, 42% of them have private water well on their land plot.

The household size by respondent households is 4.14, assuming each unclaimed land\(^3\) supports one household and each household shelters 5 people.

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\(^2\) Mitigation measures for female headed HHs are described in the Chapter 5 of this document.

\(^3\) Unclaimed refers to land parcel registered at the State Cadastre that does not belong to Municipality or State, but through land reform was alienated to local households. However, legitimate possessor has not yet applied to undertake initial registration of private ownership rights or update of the title.

Notable that "unclaimed” land parcel is registered according to its cadastre coordinates, land survey drawing is available showing factual area of occupied land and designated use of a given land parcel. The ownership column is filled in with the word unclaimed"instead of the name of a landowner.

The PIU will coordinate with State Cadastre and Real Property Registration Body to assist PAPs in the process of legalization and title registration prior to processing Sales and Servitude Agreements.
3. Policy Framework and Entitlements

Considerations of the legal and policy framework are incorporated into the Resettlement Policy Framework and Land Acquisition paper prepared for SNWSSP of Azerbaijan, and relevant legislation of Azerbaijan to guide resettlement and land acquisition for all components of Second National Water Supply and Sanitation Project (SNWSSP) of Azerbaijan. Under the Project some unforeseen land acquisition is often necessitated by the development of the final designs of the Project elements or during actual construction process.

According to Project’s RPF, should the land acquisition occur during the Project activities; it will then be carried out in accordance with the procedures specified in the relevant laws of Azerbaijan, and World Bank Operational Policy (OP) 4.12 and Bank Procedures (BP) 4.12 on Involuntary Resettlement.

The policy framework and entitlements in this project have been built upon the requirements of the Government of Azerbaijan, the Law on acquisition of lands for State needs dated April 20, 2010, and also World Bank’s Policy on Involuntary Resettlement (O.P. 4.12). The Project entitlements have been designed specific for this Project to provide compensation, resettlement and rehabilitation for lost assets and restore or enhance the livelihoods of all categories of affected people. Detailed project entitlement matrix is discussed in Chapter 5 of this report.

Four entitlement categories has been identified in accordance with the following cases;

- Entitlements for Permanent Acquisition of Land for Above Ground Facilities and Permanent Access Roads;
- Entitlements for Temporary Use of Land in 20-metre Pipeline Corridor, and Construction Contractor’s Camp Site and Warehouse during Construction Period;
- Entitlements for Rights of Access – 20-m and 6-m strip over the Pipelines & Restriction of Use over 20 m corridor during 20 years; and
- Additional Compensation Entitlements for Vulnerable and Severely Impacted PAHs who suffer from the Restriction of Use and Right of Access over 20-m and 6-m corridor.

4. Implementation Arrangements

Overall responsibility for planning and execution of land acquisition / compensation and income rehabilitation / restoration rests with AWM OJSC. Under the Decree No 75, dated May 03, 2013 the Cabinet of Ministers of Azerbaijan commissioned AWM OJSC as Executing Agency for performing the land acquisition, and other relevant resettlement activities.) AWM OJSC created Project Implementation Unit (PIU) specifically for the SNWSSP II of Azerbaijan.

The PIU has personnel trained in implementation land acquisition and resettlement plans.

As a result of census, socio-economic survey and inventory of project affected assets the "unclaimed" project affected land parcels are divided into two groups: a. the possessors/land user is identified and included in the list of PAPs; b. possessor/user of "unclaimed" land parcel is unknown.

In the first case the identified PAPs will be assisted in legal procedures required for obtaining ownership title to land/real property and receive relevant cash compensation after signing official agreements;

The principle of escrow accounts will be exercised in the second case, the amount of cash compensation will be deposited on the specially account designated by AWM OJSC and will be issued only after the legitimate landowners are identified, and registered and legally valid extract is presented.
Most of the issues related to resettlement have been identified and mitigation measures provided in this Plan. The implementation arrangements for implementing the land acquisition and resettlement and the resettlement budget are provided in Chapters 6 and 7. The roles and responsibilities of the different personnel are also identified in this document (see Chapter 6).

5. Participation and Grievance Redress Mechanism

This Plan establishes a grievance redressal mechanism for redressal and mitigation of the negative impacts. The public will be adequately informed about the grievances redressal mechanism, and AWM OJSC will continue informing the new development of the project to the public through the identified communication and public awareness mechanism. Details are provided in chapter 6. The Grievances Redress mechanism is a multi faceted one and aims to respond to the requirements of the project over its life cycle.

For minor matters the rayon representative of AWM OJSC, and the social staff of the project will be responsible to respond to them. At the next level, complaints can be registered in the office of the Resident Engineer (RE) through entering it in the complaint register. Complaints can be in verbal or written forms but must be entered in the register. The complaints and their resolution status will be closely monitored. At the next level the Grievance Redressal Committee can be called upon to provide resolutions to complaints. Its composition and functions have been laid out in this Plan (see Chapter 6.3).

6. Information Disclosure

Information disclosure is a very important aspect of this Plan, and the Project will ensure that all relevant information is available to all stakeholders over the life of the project. Key information on resettlement issues will be provided to the affected persons (PAPs) as well as the other stakeholders, and AWM OJSC staff in the project area. However, during this study all PAPs were interviewed and therefore, the resettlement study team had opportunities to provide the PAPs with further details. This Plan will be disclosed to the PAPs and other stakeholder agencies through the existing mechanisms of communication. The AWM OJSC will use its web-site also to disseminate the information of this Plan.

7. Monitoring & Evaluation

A monitoring and reporting system has been prepared and provided with this Plan (see Annex 2). However, the AWM OJSC will improve the process of monitoring. The improved monitoring mechanism will help to achieve following specific objectives:

- to ensure that the livelihood systems/ activities of the public are not disturbed by the project;
- to monitor whether the time lines are being met;
- to assess if compensation, rehabilitation measures are sufficient;
- to identify problems or potential problems; and
- to identify methods for responding immediately to mitigate problems.

8. Total Cost of the LA & MVP

The budget prepared for mitigation of impacts is explained in detailed in Chapter 7. The detailed Budget for LA & MVP containing composition of cost of mitigation measures, i.e. cash compensation package per each PAP is provided as the Annex to this report but only for the internal use.

This document contains full names of PAPs, their information including contact phone numbers, and detailed composition of compensation package (per PAP and each compensation items). To protect the security and confidentiality of personal information of PAPs, the Annex is suggested not subject to public disclosure.

Total costs of mitigation measures for Masalli rayon are given in the following Table;
Table 3: Total Costs of Mitigation Measures

<table>
<thead>
<tr>
<th>Cost Items</th>
<th>Costs of Mitigation Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AZN</td>
</tr>
<tr>
<td>1 Costs of Mitigation Measures for the Lands to be permanently Acquired for AGFs</td>
<td>96,908.42</td>
</tr>
<tr>
<td>2 Costs of the Mitigation Measures for loss of annual/seasonal &amp; perennial crops on privately owned agricultural Lands affected by the project</td>
<td>110,710.17</td>
</tr>
<tr>
<td>3 Costs of Mitigation Measures for Private Residential &amp; Homestead Lands Affected</td>
<td>319,958.81</td>
</tr>
<tr>
<td>4 Costs of Mitigation Measures for Private Non-residential Lands Affected</td>
<td>12,226.32</td>
</tr>
<tr>
<td>5 Costs of Mitigation Measures for Governmental and Municipal Lands Affected</td>
<td>6,830.44</td>
</tr>
<tr>
<td>6 Public Awareness Programs (estimated) in Rayon</td>
<td>3,000.00</td>
</tr>
<tr>
<td>7 Costs to be Incurred during Performance of Valuation Commision (VC) &amp; Land Acquisition Commission (LAC) to be established in the Rayon</td>
<td>44,000.00</td>
</tr>
<tr>
<td>8 Estimated Notarization &amp; Registration Costs</td>
<td>33,630.00</td>
</tr>
<tr>
<td>9 Social Safeguards Training Program</td>
<td>3,000.00</td>
</tr>
<tr>
<td>10 Cost for Monitoring and Evaluation (M&amp;E) of Social Safeguards including Grievance Redress Mechanism (GRM)</td>
<td>15,000.00</td>
</tr>
<tr>
<td>11 Provisional Sum for Additional Measures</td>
<td>62,500.00</td>
</tr>
<tr>
<td><strong>Total Costs of Mitigation Measures</strong></td>
<td><strong>707,764.16</strong></td>
</tr>
</tbody>
</table>

The overall responsibility for implementing mitigatory measures rests with the Project Implementation Unit (PIU) created specifically for the SNWSSP II. The Construction Supervision Unit also plays an active role in the implementation of land acquisition activities.

Abdurrahim Tan  
Sr. Environmental & Resettlement Specialist,  
Team Leader, RAPs for four Rayons of Azerbaijan  
SNWSSP II  

_Baku, May, 2016_  
_Last Revision, September, 2016_
1

INTRODUCTION & METHODOLOGY
Overview

This Land Acquisition & Monetary Valuation Plan (LA&MVP) is prepared in compliance with the Government’s National Policies on Involuntary Resettlement and World Bank’s Policies in particular on Operational Policy OP 4.12.

The Second National Water Supply and Sanitation Project (SNWSSP) is financed by the World Bank and the Government of Azerbaijan. The project is expected to address the problems facing the WSS sector through reconstruction and rehabilitation of infrastructure in 21 rayons in Azerbaijan. The project is part of the country wide strategy to bring the improvements in living standards further than the major urban areas, into the smaller towns and cities of the rural rayons.

Investments under this Project will be implemented in two phases. Phase I covers four Rayons (Aghsu, Ismayilli, Shabran and Siyazan), and Phase II covers additional 12 Rayons (Imishli, Kurdamir, Ujar, Zardab, Astara, Astara, Masalli, Jalilabad, Yardimli, Lerik, Dashkasan and Gadabay).

A detailed project specific Social Impact Assessment (SIAR) was conducted for the Project corridor of Water Supply and Waste Water Investment in scope of SNWSSP of Azerbaijan. An Entitlement Matrix was also prepared to define categories of PAPs and types of mitigation measures.

The project development, various alternatives have been proposed, screened and their technical, economic and environmental criteria have been compared in the Feasibility Study and EIA prepared specifically for the project corridor in Masalli.

The overall aim of the SNWSSP Project is to improve access to safe, reliable and sustainable water supply and sanitation services in the urban centres.

There were two project options available for improving the Water Supply and Sanitation infrastructure in order to meet the increasing potable water demand against the growing population and the growing economy in the rayon.

One option was to develop a new Water Supply and Waste Water System, while the other option was to renovate and rehabilitate the existing network.

According to the Project Objectives, the first option was considered more viable during the evaluations, because of the conditions of the decentralized, unhygienic, dispersed, and insufficient water release in the rayon.

1.1 Relief of the Project Area, Project Corridor, and Land Required for the Project

The site is mainly located in Masalli rayon of Republic of Azerbaijan, and specifically in rayon centre and surroundings. The rayon is situated at the Lankaran economic region in the south part of Azerbaijan Republic. It lies on the low highland of Burovar range of Talish mountains in the west, Lankaran lowland in the south and southeast, partly Kur-Araz (Mugan-Salyan) alluvial prolluvial lowland in the east and northeast. The rayon area is surrounded with Jalilabad and Neftchala rayons in the north. The rayon has also a part of border line with Lerik and Yardimli rayons in the southwest. Its territorial area is totally 721 sq. km, and population of 211,900 people according to the population census of year 2014. This makes a population density of rayon approximately 294 persons per sq. km. The rayon has one city (rayon center city – masalli city), two settlements, and 106 villages within its territory.

Rayon center city is settled at about between 8 and 0 masl. However, rayon’s entire area is located at about (~27) - 200 masl in the lowlands, and 55 – 800 masl\(^1\) in the mountainous area (Burovar ranges in the south-southwestern part of rayon).

\(^1\) masl - meters above sea level.

Am_Texas_Trading\OMG\Az\Baku_RAPs\MAS_LA&MVP\387_18

1.1 | P a g e
The service area both for water supply and waste water systems is limited with the Masalli city and its prospective development areas indicated in city land use and master plans (see following Figure).

The predicted population figures in the Feasibility Study for the service area of water supply, wastewater and wastewater treatment plant including the adjacent areas are given below.

**Table 1.1: Predicted Population Figures to be used in the Systems Design**

<table>
<thead>
<tr>
<th>Year</th>
<th>Masalli Population Values in Future</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Water Supplied (vicinity villages included)</td>
</tr>
<tr>
<td>2009</td>
<td>23,881</td>
</tr>
<tr>
<td>2015</td>
<td>25,869</td>
</tr>
<tr>
<td>2020</td>
<td>27,261</td>
</tr>
<tr>
<td>2025</td>
<td>28,952</td>
</tr>
<tr>
<td>2030</td>
<td>30,747</td>
</tr>
</tbody>
</table>

Source: Feasibility Study

**1.1.1 Administrative Boundaries of the Project Corridor**

The project area for this assignment is the Project Corridor earmarked for the project elements in Masalli rayon.

The Study Area Boundaries are basically follows the project corridors envisaged in the Feasibility Studies, and earmarked by project officials in the central and local levels. The Figure below shows the project area and project corridor in Masalli rayon.
Administrative boundary of the Project elements is defined in accordance with Azerbaijani standard – SNIP II.04.02-84 and SNIP II.04.03-85. These standards determine the buffers on either side of the center line of the pipelines, and the buffers around other project elements, such as distribution reservoirs, water treatment plant (WTP), Wastewater Treatment Plant (WWTP), and pump stations, etc.

Project corridor and ROWs are shown in the following Figure;

![Figure 1.2: Project Corridor in Masalli](image)

All villages along the transmission main and interceptor sewer are located in Masalli rayon administrative boundaries. In this respect therefore, all activities concerning compensation will be centred at the rayon centre – Masalli city in which the Project elements traverse.

The project characteristically generate impacts such as acquisition and maintenance of the right-of-way (ROW), clearing of vegetation along the project corridor, cutting trees, damages on the access and perimeters of public / private facilities, which are the most obvious sources of construction-related impacts.

The area of immediate impact will occur in the corridor of ROW along the entire length of drinkable transmission main, interceptor sewer, and surrounding the location of other project elements such as feeder and distribution mains, collector and lateral sewers pump stations, and WWTP.

1.1.2 Land Need for the Project

The project needs to acquire land required for;

1. The construction and operation of above ground facilities,

2. The construction and operation of the pipelines for potable water transmission main from water treatment plant in front of the Vileschchay Water Reservoir (VWR) to the feeder and distribution mains, lateral and collector sewers inside the city, and interceptor sewer and outfall line for treated waste water), ancillary facilities such as valve, air vent, discharge, outflow chambers, and manholes.
3. Temporary facilities, which will be used during construction period.

Land Requirement for Above Ground Facilities (AGFs)

Project’s above ground facilities (AGFs) include;

- Water Treatment Plant (WTP) and distribution water reservoir in WTP site,
- Pump stations (PSs) for waste water system,
- Above ground fire hydrants,
- Waste Water Treatment Plant (WWP) and ancillary facilities, and
- Permanent Access Roads.

Land Requirement for ROW of the Pipelines

The drinking water transmission main traverses 6.4 km along a corridor from drinking water treatment plant (WTP) to the city boundary.

According to SNIP II.04.02-84, the buffer zone (protection zone) for the drinkable transmission main is 20 m wide, 10 m on either side of the center-line of the pipe from raw water catchment to the drinkable water distribution reservoirs North of the city (see following Table).

In a similar manner, the buffer for the interceptor sewer is 20 m wide, 10 m on either side of the center-line of the pipe from southwestern of the city to Wastewater Treatment Plant West of the city (see following Table and SNIP II.04.03-85).

<table>
<thead>
<tr>
<th>Pipeline</th>
<th>Required buffer according to SNIP II.04.02-84, on either side of the center-line of the pipe</th>
<th>(m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drinkable water transmission main</td>
<td>For diameters under 1000 mm -10 m</td>
<td></td>
</tr>
<tr>
<td>Interceptor Sewer</td>
<td>For diameters under 1000 mm -10 m</td>
<td></td>
</tr>
</tbody>
</table>

Source: SNIP II.04.02 (and 0.3) – 84 and 85.

Land Required for the Pipelines, and Above Ground Facilities (AGFs)

The total project affected area is 16.67 ha is composed of 177 land plots. The following table shows breakdown of project affected land parcels according to land tenure per type of impact.

Table 1.3: Breakdown of Project Affected Land Parcels according to Land Tenure per Type of Impact

<table>
<thead>
<tr>
<th>Type of Impact on land/ Land Tenure</th>
<th>Private land parcel</th>
<th>Municipality land</th>
<th>State-owned land</th>
<th>Total per Impact Category</th>
<th>Affected area per type of impact (ha)</th>
<th>Form of land acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent acquisition (purchase/sales agreement)</td>
<td>16</td>
<td>0</td>
<td>3</td>
<td>19</td>
<td>7.51</td>
<td>Sales Agreement</td>
</tr>
<tr>
<td>Temporary long-term impact (easement /servitude agreement)</td>
<td>139</td>
<td>5</td>
<td>2</td>
<td>147</td>
<td>8.96</td>
<td>Servitude Agreement</td>
</tr>
<tr>
<td>Temporary short-term impact (Compensation agreement)</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.1986</td>
<td>Compensation Agreement</td>
</tr>
<tr>
<td>Totals</td>
<td>167</td>
<td>5</td>
<td>5</td>
<td>177</td>
<td>16.67</td>
<td></td>
</tr>
</tbody>
</table>

Among the total 177 project affected land parcels there are 167 private land parcels, 5 Municipal, and 5 State-owned land parcels.

Of the 167 private land parcels, 8 entirely, and 8 will partially be acquired while easements will be exercised with respect to the 139; the remaining 12 land parcel will only be affected during...
construction period and the compensation for damaged crops will be issued based on the Compensation Agreement.

Municipality land parcels will not be permanently acquired and 5 will subject to easement. As per the 5 State-owned project affected land parcels 3 will be permanently acquired, while easement will be established with regard to remaining 2 State-owned land parcels.

As mentioned above the nature of the proposed project, foreseeing construction of the above ground facilities and pipeline network has required application of three different approaches in terms of land acquisition for project purposes.

1. Permanent land acquisition will be exercised to locate all above ground facilities. PAP will be paid cash compensation based on the legally processed Sales Agreement.

2. Instead of purchase, land will be temporarily acquired through long-term easements; i.e. Servitude Agreements will be entered between PAP and Azersu to obtain the leave way for the ROW for water pipeline construction and maintenance.

3. Compensation agreement will be applied in case of short-term impact; when land is affected only during the project construction activities. In such case no no structures or pipeline will be placed on such land parcels; therefore no easement will be established or servitude agreements required. However cash compensation will be issued to PAP to compensate temporary occupation of land and damaged perennials and crops.

It is worth noting that, in order to minimize project impact on private lands to the extent possible, Municipality land and State-owned territories have been selected for the construction of above ground facilities. Moreover, the pipeline ROW is designed specifically along the existing fences and stone walls of private land parcels to avoid traversing these parcels, which might otherwise cause a need for subdividing them into several portions thus diminishing their market value. The current design favorably provides security and protection of private land parcels from significant project impact, and preserves their capacity for future best use.

To summarize, 7.51 ha composed of 19 land parcels: 3 State-owned land and 16 private land parcel will be acquired permanently for above ground facilities (AGFs) i.e., for new WWTP in Musakuche village south-east of the Masalli city.

12 compensation Agreements will be processed to compensate temporary impacts that occurred during construction period for 12 land parcels temporarily affected as drinking water transmission pipe line has travelled on captured area by 11 private land owners, and 1 is damaged during construction though any pipeline has not traversed. While 158 easements will be established to 151 private land plots, 5 Municipal and 2 State-owned land parcels through processing of Servitude Agreements to regulate restriction of use and right of access during construction and operation period to be applied to 7.01 hectares of lands (42.03% of affected lands). Landowners including all 151 PAHs will retain ownership right to these land parcels, and grant the right of way guaranteeing uninterrupted access to 6m pipeline corridor for routine maintenance and repair works during the operation period to the AZERSU OJSC which is government owned Operator Company for the water supply and wastewater systems in the city. (see Table 3.4).

The validity period of Servitude agreements will be 20 years. The PAPs will experience limited land use rights for 20 years during operation period, in addition to restricted access to the ROW for 4 years during pipeline construction activities. These restrictions will be clearly articulated in the Servitude Agreements and cash compensated according to the WB OP 4.12 and relevant country legislation.

The valuation methodology and costs for mitigation measures are described in detail in Chapter 5 of this document.

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2 Legal procedure during which landowner grants right of way to another party to traverse or otherwise use landowner's land for a specified purpose.

3 Project impact is not extended over the structures, therefore during construction and/or operation period no interruption of any activities is expected along these territories.
14 private agricultural and 2 private residential land parcels will be affected by permanent land acquisition. Out of these parcels 7 private agricultural and 1 private residential land parcel will be acquired completely and the remaining 7 private agricultural and 1 private residential will subject to partial acquisition. PAPs, the possessors of the project affected land parcels to be fully acquired are entitled for the adequate compensation as described in Chapters 5 and 7 of this document.

Total of 16.67 hectares of land is affected by the project along the Project corridor, only 7.51 hectares (45.06% of affected land) of which will permanently be acquired for above ground facilities. Restriction of land use and right of access during operation period will be applied on 7.01 hectares of lands (45.06% of affected lands), establishing servitude which will be effective to the end of project operation period (see Table 3.4).

These 7.51 hectares of lands will permanently be acquired for above ground facilities (AGFs) i.e., for Water and Wastewater Treatment Plants (WTP & WWTP), distribution reservoir, pump stations in the city, and their access roads.

1.2 Socio-economic Environment in Masalli

The rayon centre Masalli city is located on Baku – Astara (Masalli) highway (M3). The city is situated on the 232th km of this highway. Road Exploitation Office (REO) of the rayon reports that the Rights of Way (RoW) of the highway is 60 m (30 m + 30 m according the road center line). REO reports that the traffic in line with Masalli is currently at about 7,000 – 7500 vehicle per day (vpd) on the highway. A 26 km of Baku – Astara highway section and a 27 km of Baku-Astara railway section, travel in the rayon area. There is a railway station inside city, which is located at the end of the Karabagh street. The railway section in the rayon area has a connection to Alat- Astara main axis with a 5 km rail. There is no airport in the rayon.

River valleys are widespread easternly and southeasternly in the area of Burovar anticlinal section of the rayon. The border-line between the plain and mountainous areas is extended along the normal fault. Its surface is covered with Late Pliocene-Anthropogenic terrestrial clays, clay matrix pebble deposits. Transition into Kur-Araz Rivers lowland passes gradually. The surface begins from Burovar mountainous area and is dissected by Kur River south tributaries. Mountain zone has undergone severe dissection caused by the dense transversal relative to the ridge extension drainage network. Marine terraces have evolved within the river valley watercourses trending towards the Lankaran lowland.

The rayon area consists of some swampy marshland at the eastern part. The Kur-Araz accumulative alluvial-pralluvial sediment formation spreads commonly toward Mugan and Salyan lowlands. In the lowland of the Mugan, Salyan and Lankaran unfavourable hydrogeological conditions occur. Geologically, these areas are formed of continental-marine and marine deposits of upper Pliocene-Quaternary age, with the continental sediments having a subordinate position.

The formation of climate in Region is influenced by cold air masses of arctic (Scandinavian anticyclones) and temperate (Siberian anticyclones) and maritime (Azores maximum), hot air masses of tropical zones (subtropical anticyclone and southern cyclones) and Central Asian anticyclones and local weather conditions.

Arid and semi-arid climate prevails in the rayon. Summer is dry and slightly hot, winter is rainy and warm. Cool climate with dry winter covers south-west hills of midhighlands of Burovar ranges of Talish mountains. The Project area falls partly in this climatic zone.

The maximum annual precipitation in the mid highlands area is 600 – 800 mm, and the volume of precipitation declines with altitude. Annual average precipitation in Masalli section is 602 mm, and annual precipitation is 50-70% of possible evaporation. The snow falls rarely in winter. The number of snowy days is not more than 14 days in a year.

Annual Relative Humidity in Talish region’s mountainous area is 50 – 55 % in summer time, and it reaches on the Caspian seashore (75-80%). The relative humidity is minimal through winter months in the highlands of the region.
Possible evaporation is distributed 900-1000 mm depending on the heights 200-800 masl. The average humidity deficiency value for the Project corridor is calculated on the climatic irrigation standard 250 mm depending on the heights of 1000 masl, and 406 mm depending on the heights of 1500 masl.

According to information of the Meteorological Station of Goytepe, average annual wind speed equals 2 metres per second in the rayon. The winds in rayon that are the southeasternly (36%) and northwesternly (15 %), prevail. Windless days are repeated more than 24 % of the year. The number of days of which are windy more than 15 m/s in speed, is 14 days in a year.

The project corridor passes through an area that collectively sustains almost 12 % of the rayon’s population (approx. 23,881 inhabitants by 2009 and 30,740 by 2030) for water supply and sewerage systems.

1.2.1 Land Use

While the majority of the rayon area is arable (45.08%), only 37.59% of the total rayon area are planted. The following Table shows the land use characteristics in the rayon.

Table 1.4: Land Use characteristics in the Rayon

<table>
<thead>
<tr>
<th>Territory</th>
<th>Land (ha)</th>
<th>Percent of total territory</th>
</tr>
</thead>
</table>
| Total Territory                | 72,100.00 | 114.02 %
| Arable Land                    | 32,500.00 | 45.08%                     |
| Planted Land                   | 27,100.00 | 37.59%                     |
| Useless Land for Agriculture   | 17,900.00 | 24.83%                     |
| Pastures for cattle-breeding   | 3,800.00  | 5.27%                      |
| Fruit and gardens              | 900.00    | 1.25%                      |

Source: ‘Consultant’ survey Result.

The central business districts in Masalli city are commonly densed along Baku – Astara highway and H. Aliyev Avenue, which lies throughout the northeast – southwest direction forming the main axe of the city. The business districts include some institutions and local administrative buildings, hospitals and schools, and some residential units. They are often adjacent to residential or other contrasting uses, which help define them. There is no separate category for recreational land use among other land use categories.

1.2.2 Key Socio-economic and Demographic Indicators

The key socio-economic and demographic indicators for the rayon are given in the following Tables;

Table 1.5: Key socio-economic indicators of the Project area

<table>
<thead>
<tr>
<th>Item</th>
<th>Indicators</th>
<th>Service Area</th>
<th>Rayon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>Detail</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>23,881</td>
<td>196247</td>
</tr>
<tr>
<td></td>
<td>Public Sector</td>
<td>5450</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Private Sector</td>
<td>4990</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unemployed</td>
<td>unknown</td>
<td>103</td>
</tr>
<tr>
<td></td>
<td>Population Density</td>
<td>2077 person sq.km</td>
<td>273 person sq.km</td>
</tr>
<tr>
<td>Land</td>
<td>Total area</td>
<td>14.8 sq.km</td>
<td>720</td>
</tr>
<tr>
<td></td>
<td>Arable land</td>
<td>Not registered</td>
<td>32594 ha</td>
</tr>
<tr>
<td></td>
<td>Cultivated land</td>
<td>Not registered</td>
<td>27100 ha</td>
</tr>
<tr>
<td></td>
<td>Forest</td>
<td>None</td>
<td>unknown</td>
</tr>
<tr>
<td>Urbanization</td>
<td>City</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

*Percentages express iterated usage therefore the sum exceeds 100 %. For instance, some territory of arable land (45.08%) is part of the planted land (37.59 %). The table shows main land use characteristics in the rayon.*
1.2.3 Living Conditions

According to the SSC of Azerbaijan, based on the comparable Household Budget Survey data of 2001 - 2008, the overall poverty headcount declined from 49% in 2001 to 15.2% at the end of 2007 and further decreased to 13.2% at the end of 2008. Another comparative related to poverty reduction in Azerbaijan and the Study area is obtained from WB living conditions assessment report (March, 2010) that confirms the results of the poverty trends to be similar to those reported by the SSC.

In 2008, the risk of poverty in non-Baku urban areas at more than 19% was more than twice that of Baku. Compared to 2001, fewer than 40% of Azerbaijan's poor population lived in rural areas. While consumption expenditures in urban areas increased by more than 140%, the increase in rural areas, while still healthy, was less than 90%. Consumption by households in the poorest quintile improved by more than 140% and in the second and third quintiles by more than 125% compared with 80% for the richest quintile. Thus, economic growth has been largely pro-poor, and the poor have captured a slightly greater relative share of the growth than the better-off.

The 2008 Living Standards Measurement Study survey provides an opportunity to assess access, quality, and reliability of public services such as water, hot water, electricity, heating, sewerage, healthcare facility, and educational establishment. Access to hot water by the poorest 20% of the population, which closely approximates the poverty rate, is limited, at 20%. Even for the richest 20%,
accessibility is below 50%. While the poorest rely on wood heating, the richer have higher access to electric heating.

Accessibility to hot water by the poorest 20% of the population is limited; approximately 20% of them has the accessibility to hot water. Though, accessibility to hot water for the richest 20% is below 50%. While the poorest rely on wood heating, the richer have higher access to electric heating.

1.2.4 Employment, Unemployment, Average Wages / Salaries

The following Table shows the employment and unemployment rates both in country and rayon level.

Table 1.6: Main Indicators of the Labor Market – Country Level & Rayon Level

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Country (Azerbaijan)</th>
<th>Masalli Rayon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment Rate - Rural</td>
<td>5.6</td>
<td>5.6</td>
</tr>
<tr>
<td>Unemployment Rate - Urban</td>
<td>6.1</td>
<td>6.9</td>
</tr>
<tr>
<td>Employment-to-working-age-population ratio – aged 15-61</td>
<td>66.2</td>
<td>58.7</td>
</tr>
</tbody>
</table>

Source: SSC of Azerbaijan and Rayon Statistical Department.

Although, formally, rural areas have better employment and unemployment rates, the jobs are mostly low paying and seasonal. Median earnings per employed person were AZN 120 per month in urban areas by 2008 and for non-agricultural work, compared to only AZN 75 in rural areas. For agricultural work, earnings are even less - on average only AZN 51 per capita per month.

1.2.5 GDP & Forecasts

Real GDP grew almost fourfold between 1999 and 2008, and the economy has posted strong growth in the past few years, mainly owing to substantial investment in the hydrocarbons sector. This has had spillover effects on services sectors such as retail trade. For example, retail trade volumes were up by 15.5% in 2008. The following Table shows estimation and forecasts based on these effects.

Table 1.7: Retail Sales Development

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2007</th>
<th>2008</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Sales - AZN Billion</td>
<td>7.4</td>
<td>10.6</td>
<td>11.5</td>
<td>13.3</td>
<td>15.9</td>
<td>14.8</td>
<td>11.3</td>
</tr>
<tr>
<td>Retail Sales - US$ Billion</td>
<td>8.7</td>
<td>12.9</td>
<td>14.3</td>
<td>16.5</td>
<td>20.1</td>
<td>18.12</td>
<td>14.6</td>
</tr>
<tr>
<td>Retail Sales - Volume Growth %</td>
<td>14.9</td>
<td>15.5</td>
<td>8.7</td>
<td>8.8</td>
<td>10.2</td>
<td>9.4</td>
<td>8.3</td>
</tr>
<tr>
<td>Retail Sales - US$ value Growth %</td>
<td>36.7</td>
<td>48.9</td>
<td>11</td>
<td>15.5</td>
<td>21.7</td>
<td>17.6</td>
<td>15.1</td>
</tr>
<tr>
<td>Non-food Retail Sales - US$ Billion</td>
<td>3.1</td>
<td>4.7</td>
<td>5.2</td>
<td>6.1</td>
<td>8.1</td>
<td>7.8</td>
<td>5.3</td>
</tr>
<tr>
<td>Food Retail Sales - US$ Billion</td>
<td>5.6</td>
<td>8.2</td>
<td>9.1</td>
<td>10.4</td>
<td>12</td>
<td>10.6</td>
<td>8.7</td>
</tr>
<tr>
<td>Consumer Price Inflation (av; %)</td>
<td>14.3</td>
<td>23.4</td>
<td>-0.1</td>
<td>6.1</td>
<td>8.7</td>
<td>8.1</td>
<td>6.14</td>
</tr>
</tbody>
</table>

Source: SSC of Azerbaijan.

The Azerbaijani Central Bank’s statistics says that Azerbaijani banks increased lending to the Azerbaijani economy by 5.4 percent in January-May 2013 and by 26.33 percent per annum. Retail sales in Azerbaijan increased 10% in 2014 over the previous year, averaging 7.63% from 1985 until 2014.

1.2.6 Project Affected Groups

The following project groups who will be affected by the project activities are determined in Masalli during the surveys.

1. Residential Households (PAPs) inside the city,
2. Agricultural Households (landowners and leaseholders for 99 years) (PAPs) along drinking water transmission main, and the interceptor sewer, and WWTP location southeast of the city,

3. Government and Municipal owned lands located along the drinkable water transmission main, and interceptor sewer.

No IDPs will be affected by the Project activities in the rayon. According to the survey results, no squatters and encroachers that are affected from the Project activities exist along the project corridor.

**Profile of the Project Affected People (PAPs) along the Project Corridor**

The following Table shows the project affected communities along the project corridor.

<table>
<thead>
<tr>
<th>Project Element</th>
<th>Community</th>
<th>Municipality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drinking water transmission main</td>
<td>Yeyenkend Village</td>
<td>Yeyenkend Municipality</td>
</tr>
<tr>
<td>Pump Stations</td>
<td>Masalli city</td>
<td>Masalli Municipality</td>
</tr>
<tr>
<td>Feeder and Distribution Mains, and Collector and Lateral mains inside the city</td>
<td>Masalli city</td>
<td>Masalli Municipality</td>
</tr>
<tr>
<td>Interceptor Sewer</td>
<td>Masalli city</td>
<td>Masalli Municipality</td>
</tr>
<tr>
<td>Waste Water Treatment Plant</td>
<td>Musakuche city</td>
<td>Musakuche Municipality</td>
</tr>
</tbody>
</table>

Source: Consultant’s survey results.

The following Table shows the population of communities that will be affected along project corridor. Information in the Table was derived from household census conducted between April 01 and September 30, 2014 by the Consultant's socio-economic survey team.

<table>
<thead>
<tr>
<th>Location</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
<th>Project Affected Municipal Area</th>
<th>Project Affected PAHs</th>
<th>Project Affected Male</th>
<th>Project Affected Female</th>
<th>Total affected persons per Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Musakuche village</td>
<td>1953</td>
<td>2032</td>
<td>3985</td>
<td>3.94</td>
<td>15</td>
<td>35</td>
<td>39</td>
<td>74</td>
</tr>
<tr>
<td>Masalli city</td>
<td>12434</td>
<td>12941</td>
<td>25375</td>
<td>3.70</td>
<td>8</td>
<td>17</td>
<td>22</td>
<td>39</td>
</tr>
<tr>
<td>Banbashi village</td>
<td>3158</td>
<td>3286</td>
<td>6444</td>
<td>1.51</td>
<td>69</td>
<td>190</td>
<td>201</td>
<td>291</td>
</tr>
<tr>
<td>Yeyenkend village</td>
<td>1593</td>
<td>1658</td>
<td>3250</td>
<td>0.70</td>
<td>3</td>
<td>4</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Arkivan village</td>
<td>8507</td>
<td>8854</td>
<td>17361</td>
<td>2.17</td>
<td>70</td>
<td>143</td>
<td>151</td>
<td>294</td>
</tr>
<tr>
<td>Total</td>
<td>27643</td>
<td>28772</td>
<td>56415</td>
<td>12.02</td>
<td>165</td>
<td>389</td>
<td>419</td>
<td>708</td>
</tr>
</tbody>
</table>

Source: Consultant’s survey results.

Total of 167 households will be affected from the project activities, 62 of which are located in the city.

According to the results of the Consultant’s census and socio-economic survey, the total number of project affected persons (PAPs) is 708, i.e. 167 PAHs in the entire Corridor of Impact (COI). Among them approximately 34.74% PAPs (246 PAPs) are located in Masalli city. While, 326 PAPs (24% of PAPs) out of the total 708 PAP are residents of the villages located along the drinking water transmission main and interceptor sewer.
The average age of household heads within the RoW is 52 years. Among the 167 PAHs the youngest household head was 42 years old while the oldest was 88 years old. Most of the household heads (80.74%) were married while 19.39% (32 HH heads) were widow/er. Among the households surveyed, 88.63% were male headed while 11.37% (19 HHs) were female headed.

The majority of the PAPs (household heads) in Masalli were the farmers (53%) who grow annual and seasonal crops in their own agricultural plots. 22% were government employee, 16% were employees in the private sector, while 4% of household heads were traders in the market, 3% were retired, and 2% operated own retail businesses.

**Housing Size, Type, and Household Size by Respondent Households**

Housing represents households’ most significant assets, and also provides an indication of relative wealth. A majority of dwellings (92%) are comprised of two or three rooms, and very few have an inside toilet (2%). While 31% of total households have running water, 42% of them have private water well on their land plot.

The household size by respondent households is 4.14, assuming each unclaimed land supports one household and each household shelters 5 people.

**Household Income and Budget**

Project affected households in Masalli have relatively low incomes compared with Azerbaijan averages, but higher than those as in average of Lankaran economic region. Household income by sector is categorized in the following Table in the project area.

**Table 1.10: Household Income by Sector in the Project Area**

<table>
<thead>
<tr>
<th>Income</th>
<th>According to SSC, by 2014 (Lankaran Economic Region)</th>
<th>According to results of the Consultant's survey, by first six months of 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General 1</td>
<td>Non-agricultural (urban) 2</td>
</tr>
<tr>
<td>Income from employment</td>
<td>AZN</td>
<td>%</td>
</tr>
<tr>
<td>Income from self employment</td>
<td>48.20</td>
<td>21.52%</td>
</tr>
<tr>
<td>Income from agriculture</td>
<td>65.30</td>
<td>29.15%</td>
</tr>
<tr>
<td>Income from rent</td>
<td>49.60</td>
<td>22.14%</td>
</tr>
<tr>
<td>Income from property</td>
<td>1.60</td>
<td>0.71%</td>
</tr>
<tr>
<td>Current transfers received</td>
<td>0.30</td>
<td>0.13%</td>
</tr>
<tr>
<td>Other income</td>
<td>34.00</td>
<td>15.18%</td>
</tr>
<tr>
<td>Total income</td>
<td>224.00</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

1 Secondary Sources: SSC of Azerbaijan and Rayon Statistical Department. 2 Primary Sources: Results of Consultant’s socio-economic surveys.

Comparison with the consumption expenditure figures (per capita per month) obtained from the socio-economic surveys of the consultant, and from the official statistics of SSC of Azerbaijan is given in the following Table.

**Table 1.11: Comparative Consumption Expenditures of Households in Masalli**

<table>
<thead>
<tr>
<th></th>
<th>According to SSC by 2014 (Lankaran Economic Region) 1</th>
<th>According to results of the Consultant’s surveys by the last quarter of 2014 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AZN</td>
<td>%</td>
</tr>
</tbody>
</table>

1 Mitigation measures for female headed HHs are described in the Chapter 5 of this document. 2 Possessors of unclaimed project affected land parcels could not be contacted as he/she were not in Azerbaijan and/or in the rayon vicinity, and he/she could not be consulted during the surveys. These land parcels and “unknown” PAPs are included into the compensation scheme with the equal eligibility and rights as PAPs identified during census. The compensation amount for an “unclaimed” land parcels shall be separated and deposited in a special bank account of AWM OJSC to be paid to PAP claims for his/her landownership right and presents relevant document verifying ownership rights to project affected land parcel. These PAPs will be informed on mandatory conditions on the easement for granting rights to AZERSU OJSC for access to 6m pipeline corridor for routine maintenance and repair works during the operation period.

Am_Texas_Trading/OMG/Az/Baku_RAPs/MA5_LA&MVP/387_18
Consumption expenditure total | 227.9 | 100.00% | 282.05 | 100.00%
---|---|---|---|---
food and non alcoholic beverages | 95.8 | 42.04% | 108.2 | 38.36%
alcoholic beverages | 0.9 | 0.39% | 0.3 | 0.11%
tobacco | 2.4 | 1.05% | 2.3 | 0.82%
clothes and footwear | 15.3 | 6.71% | 24.6 | 8.72%
housing, water, electricity, gas and other fuels | 18.3 | 8.03% | 22.5 | 7.98%
furnishings, household equipment & routine maintenance of the house | 23.2 | 10.18% | 32.7 | 11.59%
health care | 10.3 | 4.52% | 10.8 | 3.83%
transport | 13.4 | 5.88% | 17.9 | 6.35%
communication | 7.7 | 3.38% | 8.15 | 2.89%
recreation and culture | 8.7 | 3.82% | 7.4 | 2.62%
education | 3.9 | 1.71% | 4.8 | 1.70%
restaurants, cafes and accommodation | 16.5 | 7.24% | 28.8 | 10.21%
miscellaneous goods and services | 11.5 | 5.05% | 13.6 | 4.82%

1 Secondary Sources: SSC of Azerbaijan and Rayon Statistical Department.
2 Primary Sources: Results of Consultant’s socio-economic surveys.

Subsistence Food Sources for PAPs

According to respondents during socio-economic survey, traditional food (flour, bread, cereals, salt and sugar) makes up 84% of food consumed in the majority of families.

Most families that were interviewed bought about 47% of their food products in shops in Masalli city. The local diet includes vegetables that are grown in homestead lands both in Masalli city and villages along the pipelines. Most respondents in Masalli city use their homestead lands to supplement their family needs.

1.3 Scope of the Land Acquisition & Monetary Valuation Plan (LA&MVP)

The LA&MVP will be the document, in which the PIU specifies the procedures that it will follow and the actions that it will take to mitigate adverse effects, compensate losses of lands to be acquired, and provide development benefits to persons and communities affected by the project.


In general, Project Affected Persons (PAPs) are people of any age, skill level, or socio-economic circumstances who may be losing land or assets/infrastructure/livelihood etc. Thus OP 4.12 requires a Plan be prepared which sets out all the compensation and rehabilitation support to be provided to any person, family or household who on account of the execution of the project would have his/her or their standard of living adversely affected. It focuses on those who may lose residential house, land including agricultural and grazing land, commercial properties, tenancy, right in annual or perennial crops and trees or any other fixed or movable assets, income earning opportunities, business, occupation etc.

This Plan needs to be a time-bound action plan with appropriate budget provisions and should be incorporated as an integral part of the project based on the following principles;

- Involuntary resettlement, including land acquisition and all associated impacts should be avoided or at least minimized.
- Where land acquisition and involuntary resettlement is unavoidable, all people affected by it should be compensated fully and fairly for lost assets.

9 The term infrastructure covers public/private infrastructural elements/facilities within the affected land/assets such as aboveground and/or underground electrical/power and communication transmission lines, natural gas pipelines, existing water supply/irrigation pipelines, irrigation channels and ditches, existing sewage network pipes, water wells, and etc.
• Land acquisition and involuntary resettlement should be conceived as an opportunity for improving the livelihoods of the affected people and undertaken accordingly.

• All people affected by land acquisition and involuntary resettlement should be consulted and involved in resettlement planning to ensure that the mitigation of adverse effects as well as the benefits of resettlement are appropriate and sustainable.

Keeping in view the above, the overall objective of preparation of this LA & MVP is to:

• Identify and to develop mitigation plan to ensure that all communities are benefited without any discrimination through:
  - identifying all kinds of adverse impacts of the project area,
  - its influence on the community during and after the construction of the new water supply and waste water system in the Project area.

• Identify PAPs in order to determine the persons likely to be adversely affected by the project works and the severity and extent of the respective impacts.

• Identify poor and vulnerable groups, if there is any in the Project area, with strategies to ensure that such groups benefit from the Project.

• Review of the legal and other management framework

• Prepare detailed entitlement matrix and implementation plan

• Determine a budget for all land acquisition servitude agreements (easements) and resettlement activities under this Project, ensuring adequate stakeholder consultation and participation.

1.4 Project Background and measures taken to minimize the project impact

The Government of Azerbaijan is implementing the Second National Water Supply and Sanitation Project. The objective of the Project is to improve access to safe, reliable, and sustainable water supply and sanitation (WSS) services in 8 regions (rayons) (Aghsu, Ismayilli, Shabran, Siyazan, Jalilabad, Masalli, Lerik, and Yardimli) across Azerbaijan. The project is part of the Government’s efforts to improve infrastructure services in order to improve the living conditions of people in secondary towns and cities and to support local economic growth and poverty reduction.

The World Bank is financing the entire project cycle from feasibility study to the construction phase. Projects and Programs financed with IDA resources need to comply with World Bank Operational Policies. Therefore, sub-contracts and components eligible for funding under this project will be required to satisfy the World Bank’s safeguard policies, in addition to conformity with social policies of the Government of Azerbaijan.

Accordingly, design inputs included economic, technical/engineering, environmental and social—particularly displacement, right of way and land acquisition considerations.

The key objective of the land acquisition and resettlement program for the project is to ensure that the people affected by the land acquisition and resettlement are able to improve or at least restore their incomes and standards of living after land acquisition and resettlement.

In accordance with the provisions of:

(i) avoiding involuntary resettlement completely, and

(ii) minimizing land acquisition, as far as possible, restriction of use and way leave with establishing servitude on the affected lands is considered throughout the operation period of the project in consultation with project affected people and other stakeholders.

To the routing principles that were adopted for the overall project, specific measures introduced to minimize land acquisition and livelihood impacts in Ismayilli included:

• Restriction of Use and Way Leave principles that are consistent with the regulations in Azerbaijan Land Code Article 54.4, and Azerbaijan Civil Code Article 255.4, will be applied for creating ROW of drinking water and sewage lines and establishing servitude on the affected lands, in consultation with the project affected land owners.
Adoption of a shared corridor within the ROW of the village connection roads, intercity highways, and open irrigation channel to reduce the overall area to be cleared for construction by the project.

Use of international performance based standards to define areas around the pipeline to be subject to restrictions of use, rather than the far more restrictive SNIPs codes.

Careful siting of all above ground facilities and access roads to place them wherever possible on state or municipal land rather than privately owned land.

Siting of all above ground facilities to limit length of access roads.

The following Table shows the results of the above measures taken for minimizing the project social impacts on the lands, PAPs and PAHs to be affected.

**Table 1.12: Minimization of the Project Social Effects as a Result of the activities Described Above**

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Figures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Land required for RoW of Pipelines if required land would permanently be acquired as protection zone - ha</td>
<td>49.65</td>
</tr>
<tr>
<td>2 Pipeline to be traveled on private parcels with servitude agreement - ha</td>
<td>7.01</td>
</tr>
<tr>
<td>3 Pipeline traveled within the RoW of existing water pipelines, inter-village roads, and through the rivers' flood plains - ha</td>
<td>22.11</td>
</tr>
<tr>
<td>4 Decrease on required land to be permanently be acquired - ha</td>
<td>17.22</td>
</tr>
<tr>
<td>5 Decrease on required land to be permanently be acquired - %</td>
<td>84%</td>
</tr>
<tr>
<td>6 Decrease on number of PAPs - inhabitant</td>
<td>78</td>
</tr>
<tr>
<td>7 Decrease on number of PAPs - %</td>
<td>10%</td>
</tr>
<tr>
<td>8 Decrease on number of PAHs - HH</td>
<td>16</td>
</tr>
<tr>
<td>9 Decrease on number of PAHs - %</td>
<td>10</td>
</tr>
</tbody>
</table>

**1.5 Methodology**

Research methodology used in this study can broadly be divided into three parts as;

1. Data Collection
2. Data Analysis
3. Presentation of results

**1.5.1 Data Collection**

According to the Terms of Reference (TOR) of this project, required data were pre-determined. Data already available by means of books, reports and unpublished document and newspapers were used as secondary data sources in this study. Field survey method was the main technique applied to collect data of people and properties likely to be affected.

Three ways were applied to collect field data;

- Set Questionnaires,
- Interviews/ Case Studies / Consultations, and
- Observation.

All three methods of field data collection were used at the same day traveling along all project sections. Three research assistants with field supervisors plus six helpers from the rayon were employed to collect field data. Each field assistant was allocated to collect data on one field using questionnaires, interviews or observations (see Annex 1). The collected data were tabulated according to the requirement of result.
In addition, data from the study of cadastre department of SRERS is used as primary data source as they are based on survey results recently conducted by the surveyors of SRERS with participation of consultant’s monetary valuation experts.

The following Figure shows the study details for each of the land parcels affected by the Project activities by using surveyed data in the field, to adequately and correctly determine the borders of the land parcels and immovable assets (buildings and complementary structures) with their GPS coordinates.

Figure 1.3: Cadastral Maps designed by Cadastre Department of SRERS, showing land ownerships and part of the lots that are affected by the Project activities.
Baseline Data

Baseline data related to the project area and information about existing condition therein were collected. Priority was given to Population characteristic, Community resources, livelihood of the community, political and social resources, community and institutional structures etc.

Socio-economic Data

The census for PAPs covering socio-economic background was conducted in the project development area. The properties located within the ROW of the pipelines and immediate vicinity of the Project corridor that may be affected was enumerated. The study team considered HHs residing between 500 m distance to both sides of the project central line to collect socio economic data for the SIA of the project influenced area. The relevant project designs and drawings for the systems were used to identify persons and properties likely to be affected. The survey includes the following;

- Commercial establishments
- Houses
- Lands
- Minor road Access
- Parapet walls, gates, fences
- Cultural centers, including graveyards
- Public utilities such as telephone, electricity, water lines etc.
- Temporary sales outlets, business places
- Agricultural plantations affected along the pipelines
- Trees affected / cut or to be affected

Those are the major areas of impacts to be considered for this study. Direct-affected households were surveyed through a questionnaire survey. Men, women, youth, vulnerable groups were questioned for this survey. Interviews were held to gather socio economic data to determine socio economic background of those concerned.

1.5.2 Stakeholders Consultations

The consultation process was carried out in accordance with the World Bank Operational Policy (OP 4.12) on Involuntary Resttlement, and the Law of Azerbaijan dated April 20, 2010 on acquisition of lands for state needs (Article 63; paragraph 6.3.1). Participation is a process through which stakeholders influence and share control over development initiatives and the decisions and resources which affect them. The effectiveness of resettlement / rehabilitation programs and land acquisition is directly related to the degree of continuing involvement of those affected by the project. Consultation and public participation will continue over Land Acquisition implementation and the remainder of project preparation.

Field investigation launched under social survey focused on different stakeholders (primary and secondary) making use of a specific methodology. Focus groups discussion were undertaken with the community such as female-headed households, farmers, truck drivers, residents, laborers, road side vendors, businessmen, men, women, youths, students, etc.

The followings were the main components of the ongoing consultation program: (i) Public Consultations primarily related to construction of water supply and waste water network in the city, (ii) regular consultation on support of social program through AWM OJSC rayon representative, and other consultation groups (FS team, EIA team, contractor’s environmental team, supervisors, and social assessment - SA team), (iii) consultation on construction activities, (iv) consultation on project impacts and mitigation measures, and (v) informative consultation on the rights of project affected people with them.

The consultant paid more attention to identify negative and positive impacts of the project. All affected householders were specially interviewed and collected information on affected structures, assets,
utilities, and land use etc. The socio-economic background of the PAPs was recorded through questionnaire surveys.

Public consultation held in each village along the course of both drinkable water transmission main and interceptor sewer alignment were conducted with the involvement of affected persons and village elders and mayors which considered a number of issues concerning identification of the infrastructure required, development of common property resources, criteria for compensation eligibility, impact mitigation measures, restriction conditions, easements, compensation schemes and etc. In these exercises, women of the affected families were involved to elicit their views and opinions on the over all planning of the resettlement activities. In other words, discussions with a cross section of affected population in particular helped in understanding their problems and preferences.

Series of meetings that were held with the stakeholders both for scoping the resettlement / rehabilitation and land acquisition topics and to set forth the resettlement issues related to project options previously preferred. These meetings were held with AWM OJSC, Rayon Executive Power with attending of rayon departments of Ministry of Finance, MENR and relevant governmental departments, local NGOs, and Project Affected People (PAPs).

1.5.3 Data Analysis

As shown in the following Table, Social Impact Assessment (SIA) data has been obtained from multitude of sources. These sources are classified as either secondary (existing information) or primary (obtained/conducted for the specific for social impact assessment).

Table 1.13: Data Sources

<table>
<thead>
<tr>
<th>Data Sources</th>
<th>Quantitative Data</th>
<th>Qualitative Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secondary Sources</td>
<td>Previous Surveys</td>
<td>Local histories / accounts</td>
</tr>
<tr>
<td></td>
<td>Census Data</td>
<td>Previous studies and SIAs</td>
</tr>
<tr>
<td></td>
<td>Official Statistics</td>
<td>Other literature</td>
</tr>
<tr>
<td></td>
<td>Monitoring Studies</td>
<td>Newspapers</td>
</tr>
<tr>
<td></td>
<td>Maps and etc.</td>
<td>Photo, video / film</td>
</tr>
<tr>
<td>Primary Sources</td>
<td>Surveys</td>
<td>Discussions / Focus groups</td>
</tr>
<tr>
<td></td>
<td>Sample surveys</td>
<td>Meetings</td>
</tr>
<tr>
<td></td>
<td>Observations</td>
<td>Participant observation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Photo, video / film</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maps, and etc.</td>
</tr>
</tbody>
</table>

Source: Consultant’s methodology.

Both qualitative and quantitative data analyzing methods were used in this study. However, basic statistical techniques along with qualitative data analysis methods were employed to obtain required results.

As a pre-requisite for conducting the primary household surveys, relevant information was collected from the following secondary sources:

- Initial PAPs and Land Acquisition Survey Results, AWM OJSC, 2011 - 2012.
- Revenue records maintained at local/village level - with regard to land particulars for facilitating acquisition of properties and resettlement of ousters.
- Project authorities (AWM OJSC) to find out the ROW/COI, estimates of the cost of infrastructure development etc.
- Rayon departments of the ministries to get information on various developmental programs for specific sections of population like those living below poverty line (landless, marginal and small farmers etc.), and etc.
Local organizations, including NGO's (Water User Associations, Red Cross, and Society of Karabagh Veterans) in order to involve them and integrate their activities in the economic development programs of the displaced population.

A literature review of relevant country reports and documentation pertaining to the project area of influence, government publications and legislation, project feasibility study, field works conducted by AWM OJSC specialists and project supervisor, and assessments on the environmental impact assessment report provided the wider socio-economic context for the social assessment and afforded an initial understanding of the project area for fieldwork preparation.

1.6 Report Structure

Executive Summary

Chapter 1 carries introductory character and provides information on project background and nature of project - negative and positive impacts; describes the methodology of desk research, socio-economic survey of project affected communities, results of census of located PAP and inventory of project affected assets, and the activities conducted to minimize project impact.

Chapter 2 gives comprehensive information on legal framework of the land acquisition and resettlement process, and institutional organization of the process.

Chapter 3 assesses the social impacts of the Project specifying for the preparatory works, closure / decommissioning, construction / rehabilitation works, normal operation, operation in case of accidents and emergency situations in accordance with the Project schedule.

Chapter 4 describes the stakeholders consultation and participation process during the performance.

Chapter 5 discuss the mitigation measures to mitigate negative social impacts of the project.

Chapter 6 describes the implementation mechanism of land acquisition and resettlement, giving information on grievance redressal mechanism.

Chapter 7 gives the costs of mitigation measures and calculation results for land acquisition and resettlement impact of the Project.

Additionally Annexes attached to the document provide:
- The blank form of Questionnaire used during the Census of PAPs and Socio-economic Survey of project affected community (Annex 1);
- The Working Paper on Reporting Format & Procedure (WPRF&P) for RAP Monitoring (Annex 2);
- The terms of Reference of the Assignment (Annex 3), and
- The Calculation Details of Costs of Mitigation Measures (Annex 4).
- Combined PAP list (excel spreadsheet) which contains calculation formulas, registration types and conditions of PAPs, Vulnerability of PAPs, PAPs that are impacted with severe impacts, number of households and PAPs according to census survey, and total cash compensation for each of the PAPs (Annex 5).

It is worth noting that the final draft of LA & MVP will be made public without the Annexes.
POLICIES RELATED TO LEGAL ASPECTS & SOCIAL SAFEGUARDS
Overview

Considerations of the legal and policy framework are incorporated into the Resettlement Policy Framework and Land Acquisition paper prepared for SNWSSP of Azerbaijan, and relevant legislation of Azerbaijan to guide resettlement and land acquisition for all components of Second National Water Supply and Sanitation Project (SNWSSP) of Azerbaijan. Under the Project some unforeseen land acquisition is necessitated by the development of the final designs of the Project elements.

According to Project’s RPF, should the land acquisition occur during the Project activities; it will then be carried out in accordance with the procedures specified in the relevant laws of Azerbaijan, and World Bank Operational Policy (OP) 4.12 and Bank Procedures (BP) 4.12 on Involuntary Resettlement.

2.1 Involuntary Resettlement requirements under the World Bank Involuntary Resettlement Policy (OP 4.12)

The WB Policy on Involuntary Resettlement is based on the following principles;

- Involuntary resettlement, including land acquisition and all associated impacts, is to be avoided or at least minimized.
- Compensation and/or other forms of rehabilitation assistance will be provided as necessary to provide those affected with opportunities to improve, or at least restore, their incomes and living standards.
- Compensation for land, structures or other assets will be paid at replacement cost.
- Affected persons should be fully informed and consulted on impacts and planned mitigation measures.
- The socio-cultural institutions of affected should be supported / used as much as possible.
- Compensation will be carried out with equal consideration of women and men.
- Lack of legal title should not be a bar to compensation or alternative forms of assistance in lieu of compensation.
- Particular attention should be paid to households headed by women and other vulnerable groups, and appropriate assistance should be provided to help them adapt to changed circumstances caused by the project.
- The full costs of compensation should be included in project costs.
- Compensation and resettlement subsidies will be paid in full, without deductions for depreciation, titling, taxes, or for any other purpose, to the affected persons prior to clearance of right of way/ ground levelling and demolition.

According to RPF of the project, five broad areas where the borrower’s obligation under OP 4.12 extends beyond those required under Azerbaijan legislation. These are as follows;

1. Land acquisition (and or resettlement), planning, and procedural requirements,
2. Public consultation and participation of project-affected communities,
3. Extent of compensation and types of assistance to be offered,
4. Categories of people eligible for compensation, and
5. Income restoration.
2.2 Azerbaijan Laws and Regulations on Land Acquisition and Resettlement

Azerbaijan legislation has the following norms, which provide instruction on matters relating to land, land acquisition and compensation for other property losses:

- Azerbaijan Constitution (Nov. 12, 1995),
- The Land Code (June 25, 1999),
- The Civil Code (September 01, 2000),
- Civil Procedures Code (September 01, 2000)
- Law on Acquisition of Lands for State Needs (April 20, 2010),
- Presidential Decree (February 16, 2011),
- Law on Land Market (May 07, 1999),
- Law on Land Reform (July 16, 1996),
- Presidential Decree (January 10, 1997, N534) on Rules about Selling and Buying the Lands,
- Presidential Decree (March 15, 2002, N274) on Charter about Rules on Drafting and Approving of the Documents Relating to the Allocation of Municipalities’ Lands,
- Presidential Decree (October 23, 2003, N972) on Additional Steps Relating to Implementation of Law “On Land Rent” and Approving the Rules about the Auctions Relating to the Allocation of Lands to the Ownership or Renting,
- Cabinet of Ministers Resolution N158 (1998) on Establishment of New Normative Prices for Land in the Republic of Azerbaijan,
- Cabinet of Ministers Resolution N110 (1999) on Approval of Regulations for an Inventory Cost Estimation of Buildings Owned by Natural Persons,

Most Pertinent Aspects of the Laws and Regulations mentioned above are the following;

2.2.1 Azerbaijan Constitution (Nov. 12, 1995)


The Constitution of Republic of Azerbaijan establishes the right of individuals or entities to possess property and that such “property rights” shall be protected by law; also, establishes that no one will be dispossessed of the land without a “decision of court”, and that alienation of the property for state needs shall only be allowed upon “fair reimbursement of its value” (Article 29).
2.2.2 Land Code (approved by decree # 695, on June 25, 1999)

The law on proprietary rights of the state, municipalities, private individuals, and entities; empowers state and municipalities to resume land for municipal and public needs; sets out basis to be used for land valuation; provides for rental for state and municipal lands; defines responsibilities for imposition of land taxes and payments associated with land agreements; sets out the roles and responsibilities for resolving land disputes.

When land is required for projects of national interest, compensation is initially offered on the basis of valuations made in accordance with a standard code (No. 158, dated 1998). If landowners are unhappy with this valuation, there is scope for agreeing on a revised valuation. In the event that such agreement cannot be reached, the acquiring authority can process its application for acquisition through the courts, but this is often a long and complex process. The landowner also has the option of seeking recourse through the courts. The Land Code also allows for an exchange of land that is equivalent to the land being acquired. When a relevant local executive authority decides a land case, the decision shall come into force immediately, and this decision will not be terminated by the lodging of a complaint with the relevant court. Articles 110 and 111 describe willful occupation of land plots and implementation of illegal construction on land plots as violations of the land legislation, and state that these are prohibited acts.

Article 70 describes procedures for resumption of land for state, municipal, and public needs. This Article provides for land plots to be acquired through agreement based on landowners, users or lessee’s consent (Article 70.2) or through expropriation that must be implemented on the basis of court decision (Article 70.3). Expropriation is only permitted for important state, municipal, and public facilities.

Where privately owned plots are purchased for state needs, the holder of an interest in the property must be compensated by either payment of full market value of the lot at the date of acquisition (Article 70.5) or, through grant of another land plot of equal size and quality based on mutual consent (Article 70.8). Complaints relating to resumption of lands can be lodged in accordance with the Civil Procedures Code.

Article 96 outlines the approach to be used for determining the market price of land. In cases where a land plot is purchased for state needs, Article 96 indicates the market price should be determined on the basis of the parties’ mutual consent by taking an independent valuer’s opinion into account (Article 96.6). Any dispute shall be resolved in court. Provision is also made to value to “use rights” or “lease rights” based on market price and mutual agreement between the government agency instigating the purchase and those with an interest in the property (Article 96.7).

Chapter XXI Article 103 and 108 describe avenues for the resolution of land related disputes. Generally, responsibility for resolving land disputes rests with executive authorities, municipalities and district courts.

2.2.3 Civil Code, September 01, 2000

The law defines types of legal interest in property (full ownership, lease, and third party); requires proprietary rights and other rights for immovable property, as well as any restrictions, formation, assignment and transfer of rights to be registered with the state (Article 139). According to law, use rights, servitude rights and mortgages must also be registered. The law also requires that land acquired for state and public needs shall be purchased by and “Authorized Body of the Azerbaijan Republic”, or municipality, by paying the market price in advance (157.9). The law also provides a landowner who opposes the purchase of his or her land for state and municipal needs, or is dissatisfied with compensation, recourse to the civil court (Article 248.1); provides for people to have the right to register their ownership due to long, actual possession (Article 178.6 - 30 years; Article 179.1 – 10 years). However, the distinction between these two articles is not clear.

The Civil Code also states that any rights to immovable properties must be registered with the state, and that land may be recalled from owners for state or municipal needs as approved by the relevant courts.
2.2.4 Civil Procedures Code, September 01, 2000

The law sets out procedures and applicable time frames for actions and appeals through the court. Court decisions on compulsory acquisition and the basis of any land valuation must be appealed with the higher court within one month of such decision (Article 360).

2.2.5 Law on Acquisition of Lands for States Needs dated April 20, 2010 & Presidential Decree # dated Feb. 16, 2011

The law on acquisition of lands for state needs dated April 20, 2010 and Presidential Decree dated February 16, 2011 is currently the main legislation for acquisition of lands for state needs, and for compensation of the loss of the project affected people (families), municipalities, and other public / private industrial / commercial institutions from the project activities in Azerbaijan.

The Law

Law provides the detail procedure of acquiring the lands for state needs, calculating the amount of compensation, the rules of paying this compensation as well as stipulates the other relations between the parties relating the land acquisition.

The law also defines State needs for acquiring the lands (Article 3). Lands can be acquired for the following projects and investments only, and which are as follows;

- Projects on national roads, highways, oil and gas pipelines, water supply and sanitation, high voltage power transmission lines, and the ones relating to other hydo-technical investments.
- To provide a secure buffers along the national borders.
- Projects which are important for national defense and security.
- Mining projects which are important in national level.

The law also defines what course of action will be taken during the preparation of the land acquisition by the governmental organization that is authorized for acquisition of lands (Article 9.2);

The law also provides the detail definitions for cut-off date (Article 11); provides the procedures and methods for investigating and calculating market price of the land to be acquired (Article 58 - 59); provides details on the land acquisition and resettlement commission to be established both in central level and local level (rayon level) to ensure effective interagency coordination during the implementation of RAP (Article 40).

Presidential Decree dated February 16, 2011

The Presidential Decree dated February 16, 2011 mainly regulates the roles and responsibilities of the governmental departments defined as "Pertinent Authorized Governmental Organization / Department" in the Law on acquisition of lands for State needs dated April 20, 2010.

2.2.6 Law on Land Market dated 1999 and Law on Land Reform dated 1996

The law establishes for land transactions such as purchasing and selling of land, mortgages, transferring of rights to other users and lessees, and transfer of land through inheritance; makes recommendations on the nature of the land market agreements and contracts. The law also requires registration of all land rights and sets out documentation requirements; and outlines penalties for failure to comply with regulations.

These laws stipulate that ownership, use and renting rights of owners on lands can be transferred only upon their personal consent and through land auctions.
2.2.7 Presidential Decree (10 January 1997, N534) - On Rules about Selling and Buying the Lands and Presidential Decree (15 March 2002, N274) - On Charter about Rules Municipalities’ Lands

These documents establish the main principles and procedures of buying and selling the lands, especially municipality lands through land auctions.

2.2.8 Presidential Decree (23 October 2003, N972) - On Additional Steps Relating to Implementation of Law “On Land Rent” and approving the Rules about the running of auctions relating to the allocation (ownership or renting) of state or municipality lands.

These normative acts provide that the lands which are in state ownership may be allocated to ownership or rent through auctions by the decision of local executive power. The lands owned by municipalities or private individuals may be allocated through land auctions only upon the consent of owners.


This decree sets out standard and normative values of land for each district in Azerbaijan.

2.2.10 Cabinet of Ministers Resolution N110 (1999) – On Approval of Regulations for an Inventory Cost Estimation of Buildings Owned by Natural Persons

This resolution outlines procedures for acquisition and compensation valuation for affected buildings and immovable properties. It refers to the standard code No. 58 that is to be used for making valuations of land and property to be acquired. These valuations are made on the basis of standard unit rates for different types of construction in different regions of Azerbaijan. SNIP (Construction Norms and Regulations) defines norms and standards used for right of way and sanitary zones. (These norms were used in the former Soviet Union for design and construction and are currently still being accepted in Azerbaijan. There are different SNIPs for each type of construction, such as bridges, water treatment plants, and residences.)


This resolution expands on provisions of the Land Code with respect to the following areas;

a) Procedures for determining payments for agriculture and forestry production losses and damage resulting from restriction of use, or change in land use,
b) Procedures for resumption of private land for state or public needs,
c) Procedures for granting leases for grazing and hayfield use, and
d) Procedures for allotting land for industrial, transportation, communications, and other purposes.

This resolution outlines procedures for the compulsory acquisition of land for state or municipal needs.

According to the legislation of the Republic of Azerbaijan, there are three possible scenarios for land acquisition;

1. The landowner is offered land of equal size and quality.
2. The landowner is compensated by proponents of the land acquisition on the basis of current market prices.
3. The dispute is the subject of court consideration.
The real situation with land reserves often excludes the first scenario. Local authorities either have no land reserves, or the quality of these lands is much poorer than the land owned. Land swap does not appear to be an option because of the poor quality of available land. Therefore the main avenue for land acquisition in actuality is the provision of cash compensation through a valuation method based on current market prices and timely payment of compensation.

2.2.12 Land Tenure and Title

Under Azerbaijan Legislation, there are four main types of legal interest in land, which are following:

1. Full ownership,
2. Right of Use – either temporary (short term – 15 years or long term with a maximum (renewable) term of 99 years) or permanent,
3. Lease (can be concluded for any term, but can be terminated by either party after 30 years), and
4. Third Party Rights such as usufruct, servitude, and interest of pledge holders.

The proof of title to most legal interest in land requires registration (Civil Code, Article 139, and Land Code Article 67.3). The titles to land /real property are registered at the SRERS. Persons who do not have registered land rights can be divided into those who do not have any right to register their title, and those who have legal right to submit documents originating the ownership right and obtain legally valid title / Ownership Certificate, but for some reasons have not completed the registration until present. It can be argued that the State cannot dispossess the latter from their lands without compensation on the basis that they have not completed their registration.

The project has made provision to compensate all affected owners and users identified in the project census, whether registered or not, above the minimum obligations defined under Azeri Laws.

2.2.13 Power of Eminent Domain

The State, and agencies of the State, are empowered to undertake mandatory acquisition of the land where it is for “important State, Municipal, and Public Facilities” (Land Code Article 70). Acquisition requires a court decision based on a petition submitted by the applying state authority (Civil Code Section 248.1). The Compulsory acquisition may be appealed.

The Laws of Government of Azerbaijan have several clauses that qualify the State’s use of expropriation or mandatory acquisition within the SNWSSP of Azerbaijan. However, Project’s RPF, agreement between WB and GOA, and project appraisal documents have clauses that stipulate to comply with WB OP 4.12 on Involuntary Resettlement, and the IFC Handbook with the laws and regulations of Azerbaijan relating to resettlement and land acquisition for preparing and implementing a Resettlement Action Plan.

Therefore, the State will only use the power of eminent domain when other means fail.

2.2.13.1 Legal Procedure for Compulsory Purchase of Land

The following Figure shows the legal procedures for compulsory purchase of land (Eminent Domain) in accordance with the Civil Procedures Code of Azerbaijan, September 01, 2000.

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1 State Real Estate Registration Services of State Committee for Property Issues of the Republic of Azerbaijan.
Figure 2.1: The legal procedures for compulsory purchase of land (Eminent Domain), (Source: Civil Procedures Code of Azerbaijan, September 01, 2000)
2.3 Compensation Valuation Methods in Azerbaijan

2.3.1 Land Compensation

Procedures for valuation for compensation and other purposes are laid down in the Law on Acquisition of Lands for States Needs dated April 20, 2010, the Land Code, the Civil Code, and the following legal instruments;

- Cabinet of Ministers Resolution N.42 (2000) - on Some Normative and Legal Acts relating to the Land Code;
- Cabinet of Ministers Resolution N.110 (1999) - On Approval of Regulations for an Inventory Cost Estimation of Buildings owned by Natural Persons.

2.3.2 Permanent Acquisition of Land

The land compensation price must be based on the market price, provided that such price is not less than the cadastral or normative price for the subject land (Land Code, article 96.5). Normative or cadastral rates for lands in each district are established by Cabinet of Ministers Resolution N158 on Establishment of New Normative Prices for Land in the Azerbaijan Republic.

The project will pay compensation for permanent acquisition of land based on market value plus any fees, taxes, etc. associated with replacing the project affected land. The final agreed-on price paid as compensation for land lost to expropriation will correspond to the World Bank’s requirement of “replacement value,” enabling the affected person to purchase land of equivalent area and quality. During land privatization, land titles allocated to families had all members of the family in the land parcel ownership certificate. In such cases, the household head is responsible for signing project documentation relating to leases or assignment of rights. The household head must, however, obtain the written consent of all other people listed on the ownership documents.

2.3.3 Compensation for Immovable Assets and Land Attachments

This covers a range of items such as cabins, fences, walls, animal enclosures, small irrigation channels, drains, wells, hand pumps, artesian bores, water pumps, hay sheds, animal shelters, and roads. These items will be valued on the basis of full replacement cost. No demolition of structures is expected. However, should it occur, no “depreciation” will be used in calculating the compensation payable for affected structures, so that affected people will be able to replace their structures with the compensated amount.

2.4 Comparison of Azerbaijan Government Policy and WB Policy on Resettlement (WB OP 4.12 on Involuntary Resettlement)

Many requirements of the WB’s OP 4.12 are covered in full or in part by current Azerbaijan legislation. These include;

- The requirement to pay compensation in advance where land is compulsorily acquired; Land Code, article 70.5 and Law on acquisition of lands for State Needs dated April 20, 2010, article 4.2.
- Definition of Project Affected Person (PAP); Law on acquisition of lands for State Needs dated April 20, 2010, article 7.
- Preparation of RAP and/or Land Acquisition Plan for the project in advance before the construction starts; Law on acquisition of lands for State Needs dated April 20, 2010, article 9, 10, and 20.
- The requirements for implementing census surveys and inventory of the assets to be affected; Law on acquisition of lands for State Needs dated April 20, 2010, article 11, 12, 13, and 14.
Requirements for consultation procedures and activities with the communities and PAPs to be affected by the project, and redressal mechanisms; Law on acquisition of lands for State Needs dated April 20, 2010, article 15, 16, and 17 and for grievance redressal mechanisms and handling of disputes see article 75.

- The need to compensate based on full market value plus any fees, taxes, etc. associated with replacing the land or through grant of another land plot or building of equal quality, size, and value; Land Code articles 8 and 70.5, and Law on acquisition of lands for State Needs dated April 20, 2010, article 23, 24 and 81.

- The need to avoid, wherever possible, impacts on agricultural land and forests (Cabinet of Ministers Decree N42, section I, article 2.

- The requirement to compensate for losses, whether temporary or permanent, in production or damage to productive assets and crops; Cabinet of Ministers Decree N42, Sections I and II.

- Provision for pre-judicial avenues for resolution of disputes and rights of appeal etc.

The WB OP 4.12 principle of avoidance or minimization or resettlement is addressed in Article 70.4 of the Land Code and article 3 of the Law on Acquisition of Lands for States Needs, which stipulate that lands can be withdrawn only for location of state, municipal, or public facilities of high importance.

Under Article 22 and 30 of the Land Code, the state is required to establish protection zones (buffer zones) with special (restrictive) regime for the purposes of construction and operation of industrial facilities. The Article 22.3 of law requires that landowners, users and lessees shall not lose their rights of access and use of such lands, other than in cases which require full withdrawal of land.

Servitude on a land plot is regulated Article 54 of Land Code of Azerbaijan. According to the Law Article 54.4, the following servitudes may be established for a land plot;

- To pass and drive through a land plot;
- To use a land plot with the aim of installing and renovating individual, communal, engineering, electric, and other lines and network;
- To prohibit the construction of structures.

Under Article 54.8 of Land Code, servitude may be temporary or permanent. Under Article 54.11 if the foundation for the establishment of servitude is subsequently eliminated, then, on the demand of the land-owner, this servitude may be suspended. In cases when it is impossible to use a land plot in accordance with its designation due to the establishment of servitude, the owner of this land plot has the right to demand in a judicial manner that this servitude be suspended.

There are few broad areas where the borrower’s obligation under OP 4.12 extends beyond those required under Azerbaijan legislation. These are as follows;

1. Land acquisition (and or resettlement), planning, and procedural requirements,
2. Extent of compensation and types of assistance to be offered,
3. Categories of people eligible for compensation,
4. Income restoration,
5. Restriction of use establishing servitude on the lands which will be traversed by the pipelines along the project corridor for the project life (20 years), and principles of servitude (see Chapter 3, and for the principles see Chapter 5.3.2)
6. In addition to cash compensation provision of rehabilitation measures for severely affected PAPs and Vulnerable Groups.

The Azerbaijani Law on Acquisition of lands for State Needs dated April 20, 2010 has eliminated the gaps on the compensation principles between WB OP 4.12 and Azerbaijani legislation.
2.4.1 Resettlement Planning & Procedural Requirements

All details for resettlement planning and procedural requirements is comprehensively regulated in the Azerbaijani Law on acquisition of lands for state needs dated April 20, 2010. According to this Law, almost all activities should be executed and finalized by the Authorized Purchaser Agency (AWM OJSC), undertaking of the component activities of a resettlement action plan such as a census, consultation with project affected people, monitoring, or reporting.

Measures that will be employed under the project in accordance with WB OP 4.12 and Azerbaijani Law on acquisition of lands for state needs will include:

- Consulting with potential project-affected people on feasible measures for land acquisition if applicable.
- Drafting and implementing a full public consultation strategy and disclosure plan before land acquisition procedure (funds will need to be allocated for consultation activities).
- Carrying out a social screening for each subproject to identify the need for a RAP if applicable.
- Informing PAPs of their rights to assistance and explaining this clearly, with supporting information and material, if appropriate.
- Full disclosure of the approved and agreed RAP.

2.4.2 Public Consultation and Participation

Both the law of Azerbaijan for acquisition of lands for State needs and OP 4.12 explicitly specify that PAPs should be informed about their options and rights pertaining to land acquisition and “…consulted on, offered choices and provided prompt and effective compensation at full replacement.” See OP 4.12, Clause 6 (i), (ii), and Azerbaijani Law on acquisition of lands for State needs dated April 20, 2010, Article from 11 to 16 and Article 77 and 79.

Measures that will be employed under the project to ensure compliance with OP 4.12 and Azerbaijani Law on acquisition of lands for State needs dated April, 20, 2010 will include:

- A public consultation meeting that will be carried out after social screening to inform the PAPs of the nature of the project, expected impact, entitlements for compensation, and measures for grievance redress.
- Disclosure of project environmental and social information as an integral part of the public consultation process, with information being provided about both benefits and disadvantages of the project.
- Information clearly presented in appropriate local languages and dialects and in modes that are sensitive to local communities.
- Information disclosed in locations that are open to the public and that are readily accessible to PAPs.
- Special measures to make sure that women are well represented in consultation and participation processes.
- Additional allowances in the form of one time payment will be issued to every PAP qualified as Vulnerable as described in this LA&VMP Chapter 5.4. Besides, special measures will be undertaken to ensure that vulnerable groups are well presented in consultation and participation processes with the help of AWM OJSC.
2.4.3 Compensation Eligibility

The categories of people who must be compensated under Azerbaijan legislation were narrower than those defined under OP 4.12. However, the Azerbaijani Law on acquisition of lands for State Needs dated April 20, 2010 has eliminated the gaps on the compensation principles between WB OP 4.12. Under the legislation, the only individuals and entities entitled to compensation are those with registered property rights, for example, registered landowners, leaseholders, users and those with registered third-party rights, and those who have legally obtained the right to register their title but who have not completed registration. This potentially precludes many categories of affected people that would be entitled to compensation under WB Group policies.

World Bank OP 4.12 by contrast embodies the principle that a lack of legal land title does not disqualify people from resettlement assistance.

![Diagram of Types of Ownership and Livelihood Interest in Land in Azerbaijan](image)

For the purposes of defining eligibility for compensation by the Water Supply and Sanitation Investment in the rayon landowners, users, and enterprises are categorized as follows;

1. Private Landowners with registered ownership rights
2. Legitimate possessors / landholders eligible to registration of ownership title
3. Users of State and /or Municipality land for commercial purposes without registered Lease Agreement
4. Unknown / Absent persons that may be legitimate possessors and eligible to registration of ownership titles
5. Un-registered Users

According to recent examination of the consultant, as almost 90% of State Livestock Enterprises are privatized and the rest is closed, there are currently no State Livestock Enterprises which are active in Azerbaijan. Therefore, this category is removed from the eligible categories.

A breakdown of the types of owner and user in each category is given in the following Table;
Table 2.1: Entitlement Categories to be used for determining Eligibility for Compensation

<table>
<thead>
<tr>
<th>Entitlement Status</th>
<th>Eligible Project Affected People (PAPs) or Entities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Land Owners</td>
<td>▪ Land owners with registered land ownership certificates,</td>
</tr>
<tr>
<td></td>
<td>▪ Land owner with land passport (registrable) ownership documentation,</td>
</tr>
<tr>
<td></td>
<td>▪ Persons who obtained the right to register their ownership due to long actual, but undocumented, possession,</td>
</tr>
<tr>
<td></td>
<td>▪ Person with a notarized Power of Attorney to act on behalf of an absentee or otherwise incapacitated landowner,</td>
</tr>
<tr>
<td></td>
<td>▪ Trustee or administrator appointed by civil court to act for a missing land owner.</td>
</tr>
<tr>
<td>Registered Users</td>
<td>▪ State enterprises with registered leases over State or Municipal Land,</td>
</tr>
<tr>
<td></td>
<td>▪ Private users and entities with registered leases over State Land,</td>
</tr>
<tr>
<td></td>
<td>▪ Private users and entities with registered leases over Municipal Land,</td>
</tr>
<tr>
<td></td>
<td>▪ Private users and entities with registered leases over Private Land,</td>
</tr>
<tr>
<td></td>
<td>▪ Private users and entities with third party rights (seasonal grazing and stock movable rights, and hay making).</td>
</tr>
<tr>
<td>Un-registered Users</td>
<td>▪ Private users of state and municipal land with formal lease agreement,</td>
</tr>
<tr>
<td></td>
<td>▪ Private User with verbal or informal (un-registered) agreement with Land Owner,</td>
</tr>
<tr>
<td></td>
<td>▪ Private users of state or municipal land without lease or formal agreement</td>
</tr>
<tr>
<td></td>
<td>▪ Private users of private land without formal agreement with landowner.</td>
</tr>
<tr>
<td>User/owner of Severely affected land parcels</td>
<td>▪ Private owners and/or unregistered possessors of land parcels where project impact exceeds 10% of the total area</td>
</tr>
<tr>
<td>Vulnerable PAPs</td>
<td>▪ Single women, single elderly, pensioners, PAPs with chronic disease and widows</td>
</tr>
<tr>
<td>Severely Affected PAPs</td>
<td>▪ PAPs losing more than 10% of income generating land/assets</td>
</tr>
</tbody>
</table>

2.4.4 Loss compensation at at replacement cost

To restore people’s income-earning opportunities after land acquisition and resettlement, OP 4.12 specifies that “displaced persons are provided with development assistance in addition to compensation measures, such as land preparation, credit facilities, training, or job opportunities.”

2.4.5 Extent of Compensation and Resettlement Assistance

Under current legislation of the Azerbaijan Republic, compensation is payable for loss of land, buildings, crops, assets, profit and other damages arising from the acquisition for a project. However, current legislation is still far from providing the full replacement cost to the displaced person, regulating the general principles for replacing the income-generating assets.

The WB OP 4.12 recommends that displaced persons should be able to choose few feasible options such as;

- To obtain replacement lands – land based options, and/or
- To start non-land based income-generating activities such as;
  - Wage employment,
  - To start a small business, and etc.

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\[2\] The method of evaluation of project affected assets to replace the loss at current market value, or its nearest equivalent, and is the amount of cash or equivalent in kind needed to replace an asset in its existing condition, without deduction of transaction costs or for any material salvaged and depreciation for age cannot be deducted from the compensation. The rate of compensation for lost assets should be calculated at full replacement cost including transaction costs. For losses that cannot easily be valued or compensated for in monetary terms, in-kind compensation may be appropriate. However, this compensation should be made in goods or resources that are of equivalent or greater value and that are culturally appropriate.
In addition to compensation for losses of land and productive assets, WB OP 4.12 requires that the resettled people:

- Should be assisted with their move and supported during their transition period at the resettlement site; and
- Assisted in their efforts to improve their former living standards, income earning capacity, and production levels, or at least to restore them.

The World Bank policy notes that cash compensation alone may not be adequate to restore lost production.

Other types of loss that are recognized under the World Bank Group policy as needing to be addressed are loss of access to:

1. Public services,
2. Customers and suppliers, and,
3. Fishing, grazing, and forest areas.

The policy recognizes that such losses cannot be easily evaluated or compensated in monetary terms, but emphasises the requirement for attempts to be made to establish access to equivalent resources.

2.4.6 Legal Assistance to Project Affected People (PAPs)

AWM OJSC (authorized purchaser on behalf of the government of Azerbaijan) will give the legal assistance to all PAPs throughout the negotiation, land acquisition, establishing servitudes, resettlement, income restoration and agreement signing phases of the project. The role of AWM OJSC will include:

- Prior to signing of agreements, AWM OJSC will assist project affected land owners and users with special legal requirements to get their land ownership papers in order, or to initiate procedures necessary for appointment of an administrator (for a missing land owner) or establish a power of attorney for some one to act on behalf of an absentee.
- Prior to negotiations and signing of agreements, to prepare a plain language explanation of land agreements for affected land owners and users, together with information on the rights and obligations arising there from.
- During negotiations and signing of agreements, to act as a third party to provide advice to project affected people.
- During and after negotiations, to assist project affected people, as a third party, for dispute resolution or with any other project-related legal matters that might arise.

2.5 Project Measures relating to Compliance with WB/IFC Requirements

Specific project measures relating to World Bank Group requirements are summarized in following Table.

**Table 2.2: Project Measures Relating to Compliance with WB/IFC Requirements**

<table>
<thead>
<tr>
<th>WB Group Requirement</th>
<th>Project Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requirement for preparation of a LA&amp;MVP</td>
<td>AWM OJSC is carrying out resettlement planning activities and currently preparing the LA&amp;MVP in accordance with the policies and guidelines as set out in WB OP 4.12, and Local Legislation</td>
</tr>
<tr>
<td>World Bank requirement for avoidance/ minimization of resettlement</td>
<td>AWM OJSC has thoroughly explored alternative options for the drinkable water pipeline and interceptor sewer routing and siting of the facilities and has avoided the need for any physical displacement of people or dwellings as possible as. Specific measures introduced to minimize permanent land acquisition and livelihood impacts are given in Chapter 1.4 of this report.</td>
</tr>
</tbody>
</table>
### Compensation at full replacement cost

AWM OJSC expects to compensate at equivalent to or generally above government or normative rates for land, trees, crops and assets. Project offered rates will cover full replacement cost.

### Assist in efforts to improve (or at least restore) living standards and livelihood

No PAP will face physical resettlement or economic displacement as a result of the proposed project.

Temporary long-term limitations of land use rights will be mitigated through one time cash compensation calculated at replacement cost as defined in the WB OP 4.12 and the relevant active laws of Azerbaijan.

Specific additional provisions are envisaged for severely affected vulnerable PAPs.

### Absence of legal title to land should not be a bar to compensation

All users of land (including those with legal documents, those without, informal dwellers), subject to reasonable substantiation of historical use, will be entitled to compensation for loss of land attachments, structures, crops and livelihood based on the triangulation principle. Where a transaction involves an owner and user, the two will agree a split of compensation based on the historical arrangements between them.

### Compensation for people or entities without registered title to land or immovable assets

AWM OJSC will assist any project affected landowner, user, leaseholder or those with third party rights with the required ownership documents to register their titles in order to formalize their right to compensation as part of the compensation process. Leaseholders and users (with legal agreements or not) will be entitled to compensation subject to reasonable substantiation that they have been using the land for two years or more.

### Special attention to vulnerable groups and severely affected PAPs

AWM OJSC (through preliminary MOUs, census, socio-economic survey focus group meetings, indepth discussions and key informant interviews the Design Consultant) identified severely affected and vulnerable PAPs. Definition of vulnerable groups, see Chapter 5.4 of this report.

### 2.6 Administrative / Institutional Framework

The implementation of this Resettlement Plans involve different agencies, including AWM OJSC (PIU), Ministry of Ecology and Natural Resources, State Real Estate Registry Services (SRERS) under the State Committee for Property Issues (SCPI), local governments, NGOs, and WB.

#### 2.6.1 Organizational Framework

Local governments (Rayon and City Executive Power) at the rayon level have jurisdiction for land administration, valuation, and acquisition while a number of other local officials (the local representatives of the SCPI and local representative of SRSRE, local representative of MOF, Department of Architecture and Town Planning (DATP) of Executive Power of the Rayon, Rayon or regional representative of MENR, and representative of relevant municipalities will carry out specific roles such as titles identification and verification. Functions pertaining to compensation of assets different from land (i.e., buildings and crops) or income rehabilitation also fall on the local governments and, more specifically, on the relevant rayon office (see Figure 6.1).

To provide effective interagency coordination and officially endorse the surveys and the compensation rates, the Law on acquisition of lands for state needs dated April 20, 2010 stipulates that a Local LARC should be established by AWM OJSC (Authorized Purchaser Agency), which includes of the following local government institutions (Article 22): Department of AWM OJSC in rayon, Department of Finance in rayon, Department of SCPI in rayon, Department of SRERS in rayon, municipalities on the course of the project corridor, and other relevant authorities and Community Based Organizations (CBOs – Local NGOs).

#### 2.6.2 Institutional Roles and Responsibilities

Planning, formulation and successful implementation of the LA&MVP requires the roles and responsibilities of different stakeholders and interest groups to be clearly defined and communicated.
The law on acquisition of lands for State needs dated April 20, 2010 and Presidential Decree dated February 16, 2011 clearly draws and defines the roles and responsibilities of the governmental departments for acquisition of land for state needs.

Overall responsibility for planning and execution of land acquisition / compensation and income rehabilitation / restoration rests with AWM OJSC. The Cabinet of Ministers of Azerbaijan commissioned AWM OJSC with the Cabinet Minister Decree No 75 dated May 03, 2013 as Executing Agency for performing the land acquisition, and other relevant resettlement activities.

Roles and responsibilities for the tasks of planning and execution of land acquisition / compensation and income rehabilitation / restoration are summarized in the following Table and expanded thereafter.

Table 2.3: Land Acquisition & Resettlement Roles and Responsibilities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Purpose</th>
<th>Period</th>
<th>Responsible Authority</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application for land allocation for the project</td>
<td>To secure Azerbaijan Government approval for allocation of land for the project</td>
<td>Planning</td>
<td>AWM OJSC</td>
<td>AWM OJSC</td>
</tr>
<tr>
<td>Research of Land Title and ownership details</td>
<td>Identification of Project affected land, parcels, landowners and users</td>
<td>Planning</td>
<td>AWM OJSC, SCPI, SRERS</td>
<td>AWM OJSC researches title and ownership information. SRERS assist with GIS database development</td>
</tr>
<tr>
<td>Census of Project Affected Households</td>
<td>To provide a record of all households &amp; enterprises eligible for compensation</td>
<td>Planning</td>
<td>Consultant, Land Acquisition Team</td>
<td>Land Acquisition Team</td>
</tr>
<tr>
<td>Notification and Preliminary Consultation with affected community</td>
<td>Meetings to advise landowners / users of the need to acquire their lands, and explain procedures to be followed</td>
<td>Planning</td>
<td>AWM OJSC, and Consultant</td>
<td>Land Acquisition Team with assistance from district executive authority and village representatives</td>
</tr>
<tr>
<td>Socio-economic Survey of affected people</td>
<td>To assess affected households living standards &amp; livelihood sources as a basis for identifying impacts, and establishing a monitoring baseline</td>
<td>Planning</td>
<td>AWM OJSC, and Consultant</td>
<td>International Consultant together with National social assessment consultant</td>
</tr>
<tr>
<td>Preparation of LA&amp;MVP</td>
<td>To comply with national / international good practice, national regulations / WB OP 4.12, and lender requirements</td>
<td>Planning</td>
<td>AWM OJSC, and Consultant</td>
<td>International Consultant and Land Acquisition Team</td>
</tr>
<tr>
<td>Signing of preliminary Memorandum of Understanding (MOU)</td>
<td>MOU with each affected owner / user agreeing that the Project corridor land may be acquired, with a description of affected area &amp; its condition including crops, trees and other immovable assets.</td>
<td>Planning</td>
<td>AWM OJSC</td>
<td>AWM OJSC signs the MOUs with owners and leaseholders</td>
</tr>
<tr>
<td>Survey &amp; Loss assessment</td>
<td>To assess all lands, assets, livelihood impacts as basis for valuation</td>
<td>Planning</td>
<td>Consultant’s social survey and valuation Team</td>
<td>Consultant’s social survey and valuation Team</td>
</tr>
<tr>
<td>Valuation of Land, assets, and livelihood to be lost</td>
<td>To define amount of compensation payable for temporary and permanent use of land</td>
<td>Planning</td>
<td>Consultant’s social survey and valuation Team</td>
<td>Valuation and Land Acquisition Commissions and Consultant’s social survey and valuation Team</td>
</tr>
<tr>
<td>Final negotiation of compensation</td>
<td>Based on the recommendation of the</td>
<td>Pre-construction</td>
<td>AWM OJSC Valuation and</td>
<td>Valuation and Land Acquisition Commissions to</td>
</tr>
<tr>
<td>Action</td>
<td>Description</td>
<td>Responsible Party</td>
<td>Notes</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------</td>
<td>----------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Consultant’s valuation team, the Land Acquisition team negotiates final compensation with affected people</td>
<td>Land Acquisition Commissions be established</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Execution of Land Acquisition Agreements</td>
<td>To formalize acquisition of rights necessary for construction / operation of the projects</td>
<td>Pre-construction AWM OJSC Land Acquisition Commission</td>
<td>AWM OJSC and owner / user sign the agreement, witnessed by register notary.</td>
<td></td>
</tr>
<tr>
<td>Payment of Compensation</td>
<td>To disburse cash compensation to all eligible affected land owners / users</td>
<td>30 days before construction AWM OJSC</td>
<td>AWM OJSC by depositing to the bank accounts designated for landowners / users</td>
<td></td>
</tr>
<tr>
<td>Issue of new ownership documents and lease agreements with public departments</td>
<td>To formalise all transfers of land ownership (Permanent Acquisition), and registration of rights of lease (parts of the Project corridor located on the lands which are owned by governmental departments, public utility departments, municipalities, and etc.) , and use restrictions.</td>
<td>Post-construction Cabinet of Ministers, AWM OJSC</td>
<td>SCPI prepares Certificates of Land Ownership under agreement signed with AWM OJSC; Ministry of Justice registers in SRERS.</td>
<td></td>
</tr>
<tr>
<td>Restoration of Agricultural Land</td>
<td>To ensure land affected by the Project construction is restored to its pre-project productivity following construction completion</td>
<td>Post Construction AWM OJSC</td>
<td>Construction Contractor</td>
<td></td>
</tr>
<tr>
<td>Other Livelihood Restoration Measures</td>
<td>To facilitate Project affected land owners, users and others to restore or enhance their livelihoods</td>
<td>Post-construction AWM OJSC</td>
<td>AWM OJSC</td>
<td></td>
</tr>
<tr>
<td>Ongoing Consultation and Disclosure</td>
<td>To keep Project affected communities informed about Project activities</td>
<td>Construction / Post-construction AWM OJSC</td>
<td>E&amp;S department of AWM OJSC</td>
<td></td>
</tr>
<tr>
<td>Monitoring</td>
<td>To monitor reinstatement, receipt of entitlements and effectiveness of livelihood restoration</td>
<td>All Phases AWM OJSC</td>
<td>Ministry of Finance E&amp;S Department of AWM OJSC</td>
<td></td>
</tr>
</tbody>
</table>
SOCIAL IMPACTS OF THE PROJECT
Overview

This Chapter of the report will examine the project’s social impacts, outlining the positive and negative impacts of the Project along the Project corridor. The negative social impacts quantified in this Chapter rely on consultant’s social and census surveys, and consultation conducted with Project affected communities, people, and other stakeholders specifically along the Project corridor during the assignment.

The project affected persons (PAPs) along the Project corridor are 708. They belong to 165 families and were interviewed in the household survey during the field studies. Besides, two (2) more private non-residential land parcels located in Masalli industrial district are temporarily affected by the project. One of these two land parcels belongs to Masalli Canned Food Factory and the other land parcels is owned by the Masters’ Cooperative. Overall adding up to 167 project affected private land parcels.

In addition, ten (10) parcels which belong to government and municipalities are affected by the project activities along the Project corridor.

Approximately 48.70% (5.79 hectares) of affected properties (11.89 hectares) are private lands. The details of affected public/private land parcels and affected persons are given in the Table 3.4;

3.1 Potential Social Issues of Project Area

At the initial stage of LA & MVP preparation it was assumed that some complex social issues will be detected. However, surveys, field observations, small group discussions and individual consultations with different stakeholders revealed more positive expectations of all beneficiaries rather than concerns for project negative impacts.

Potential social issues and project impacts broadly categorized into two positive and negative subgroups are described below.

3.1.1 Positive Impacts

Positive socio-economic impacts of the project can be grouped into four as follows;

**Group 1 – Permanent Positive Impacts on Human Environment and Public Health**
- Hygiene and development of public health
- Sufficient potable water release to the Project area,
- Closing of existing septic pits,
- Breaking the cycle of disease transfer,
- Treated and disinfected drinking water release,
- Hygienic water supply & sanitation facilities.

**Group 2 – Permanent Positive Impacts on Natural Environment**
- Prevent disposal of domestic sewage to natural environment,
- Remove laekages and seepages from the existing septic pits,
- Protect groundwater,
- Treated waste water disposal to the natural environment,

**Group 3 – Permanent Positive Technical Impacts**
- Service area coverage is expanded,
- Available for improving the Water Supply and Sanitation infrastructure in order to meet the increasing drinkable water demand against the growing population and the growing economy,
- Centralized Fire fighting system,
- Existing decentralized, unhygienic, dispersed sytems are removed,

**Group 4 – Permanent Positive Economic Impacts**
- Maintenance requirements of the existing obsolete and insufficient facilities would not continue,
Demand side & Supply side efficiency would be provided,
Affordable user charges,
Effective collection of user charges,
Cost recovery would be possible,
No waste money for storing the extra water to any storage mean to keep for future needs.

3.1.2 Negative Impacts

The social impacts of the Project are subject to assessment in terms of duration, likelihood and consequences. The impacts have been specified for the preparatory works, closure / decommissioning, construction / rehabilitation works, normal operation, operation in case of accidents and emergency situations in accordance with the Project schedule.

The following five stages in the Project life-cycle have been considered in the Social Impact Assessment Report (SIAR) prepared for this project;

1. Pre-construction,
2. Construction,
3. Normal Operation,
4. Operation in case of Accidents and Emergency Situation,
5. Decommissioning.

However, given that the Project's duration will be at least 20 years, the first four phases are given emphasis in the SIAR.

Table 3.1: Project Schedule

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pre-construction</td>
<td>It is assumed that it started at the late 2009 with the beginning of the Feasibility study, and relevant other pre-bid activities as no physical activity for surveying the site or construction was not commenced previously. Actual construction in Masalli case is started in the late 2011.</td>
</tr>
</tbody>
</table>
| 2 | Construction / Rehabilitation Works | Construction activities include;
For Water Supply System
- Raw Water transmission from Vileschchay Water Reservoir (VWR) to Water Treatment Plant (WTP) at the downstream of VWR, approx. 500 m.
- Drinking Water Transmission main from WTP to Masalli city, approx. 7.2 km.
- Drinking water feeder and distribution mains in the city, approx. 216.96 km.
- Sewage collectors and lateral mains in the city, approx. 213.68 km.
- Interceptor Sewer from southeasternmost of the city to WWTP in Musakuche village, 800 mm in diameter approx. 3.25 km.
- Sewage pump stations, 7 Nos.
- Wastewater Treatment Plant, which is in the max. hourly wet weather design capacity of 550 cum/h. |
| 3 | Normal Operation | Year around 2015 will begin when all system elements are completed and commissioned, and will lasts up to decommissioning of the systems (not before 2030). |
| 4 | Operation in case of Accidents and Emergency Situation | This will occur throughout the operation period (at least 20 years of project horizon) due to the accidents, and emergency situations may arise. |
| 5 | Decommissioning | This will occur at the end of the project horizon (20 years), estimated to be not before 2030. |

Source: SIAR for Masalli, Aim Texas Trading, LLC, Baku, November, 2013.

Impact Assessment Criteria

Due to the highly complex nature of the criteria influencing the significance of each impact, no precise definitions are used to assign significance. Instead, the criteria are considered by Consultant during a case-by-case judgement on significance. The categories within each of the criteria used to assess social impacts are shown in Table below.
Summary socio-economic impacts in accordance with the Project schedule are given in the following Table. Significance of the socio-economic impacts that are expected to occur as a result of land acquisition during project preparation phase, followed with the construction phase, normal operation period, and operation in case of accidents and emergency situation varies, but their mitigation potential is high. The Table below presents the social impacts, and assessments of them in accordance with the “impact assessment criteria” given in the Table above.

### Table 3.3: Summary of Social and Economic Impacts of the Project

<table>
<thead>
<tr>
<th>Activity</th>
<th>Impact Description</th>
<th>Probability</th>
<th>Extent</th>
<th>Duration</th>
<th>Mitigation Potential</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Pre-construction Phase</td>
<td>Due to sampling and testing activities for the surveys of Hydro-geological, soil quality, quality and quantity of water resources</td>
<td>Income Loss from losing of seasonal crops</td>
<td>Unlikely</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Temporary Loss of Access to farming lots</td>
<td>Unlikely</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Income loss from removal of vegetation, landscape, and land use pattern alteration</td>
<td>Unlikely</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Livestock of immediate vicinities will be affected by alteration of grazing lands</td>
<td>Unlikely</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2 Construction Phase</td>
<td>Due to construction activities for pipelines and above ground facilities</td>
<td>Permanent Losing only part of the land for above ground facilities</td>
<td>Likely</td>
<td>small</td>
<td>Long-term</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Permanent Losing of entire lands for above ground facilities</td>
<td>Likely</td>
<td>Major</td>
<td>Long-term</td>
<td>Medium</td>
<td>Major</td>
</tr>
<tr>
<td></td>
<td>Permanent loss of use of Grazing and Pasture Lands</td>
<td>Likely</td>
<td>Small</td>
<td>Long-term</td>
<td>High</td>
<td>Minor</td>
</tr>
<tr>
<td></td>
<td>Temporary loss of use of private lands such as non-residential, agricultural, agricultural perennial, residential and homestead</td>
<td>Likely</td>
<td>small</td>
<td>Long-term</td>
<td>High</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Losing part of perennial crops (fruit trees), and income loss</td>
<td>Likely</td>
<td>small</td>
<td>Long-term</td>
<td>High</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

1 16 private land parcels will suffer from the permanent acquisition impact for above ground facilities by the Project. Of 16 private land parcels 14 are agricultural lands which provide livelihood for 12 families, and 2 parcels are residential parcels in which no houses and attachments exist. Eight (8) of 16 land parcels that suffer from this impact will permanently be acquired entirely. Six (6) of other eight (8) parcels that suffer from this impact are severely affected as PAPs are losing more than 10% of income generating lands.
### Social Impacts of the Project

| Losing part of the seasonal crops and income loss | Likely | small | Long-term | High  | Moderate |
| Temporary impacts on Private Non-residential Plots; Commercial / Industrial parcels by the pipeline construction | Likely | small | Short-term | High  | Minor² |
| Temporary impacts on government and municipal forest areas | Likely | small | Short-term | High  | Minor |
| Rivers’ Flood Plains | Likely | small | Long-term | Medium | Moderate |

#### 3 Normal Operation Period

| Due to the routine maintenance activities planned along the Project corridor on the agricultural, homestead, and residential and non-residential parcels throughout the operation period (20 Years) | Losing income from loss of perennial crops due to Restriction of Use with establishing servitude on the lands affected | Likely | small | Long-term | High  | Moderate |
| Losing income from the loss of seasonal crops due to routine maintenance activities | Likely | small | Long-term | High  | Moderate |

#### 4 Operation in case of Accidents and Emergency Situation

| Due to the repair, installation and maintenance activities in case of Accidents and Emergency Situation, and natural disasters such as floods, seismic activities, etc. | Unanticipated events affecting planned activities may arise due to absence of emergency operation response plans, and emergency manager of the service provider (Rayon Sukanal Dept.) | Unlikely | - | - | - | No impact |
| Emergency operations sometimes require temporary Access to the agricultural lands and homestead lands and gardens along the pipelines, which in turn cause unpredictable hazards and damages on the cultivated agricultural lands. | Rare | small | Short-term | High  | Minor |

3.1.2.1 Pre-construction Phase Negative Impacts

As seen in Table 3.3, no impact occurred on the lands within the project corridor due to sampling and testing activities during the pre-construction phase for the surveys of hydro-geological, soil quality, quality and quantity of water resources etc.

3.1.2.2 Construction Phase Negative Impacts

² Some parts of pipeline will traverse non-residential district and impact two (2) private parcels, no perennials and/or annual seasonal crops are affected in these two parcels on the territory of commercial / industrial district. One land which is affected is owned by an industrial facility (Masalli canned food factory), other one is owned by Masters Cooperative in the same district. The pipeline is aligned along the perimeter of these two parcels, therefore project impact is rather insignificant to these land parcels and do not incur any loss of assets neither cause any inconvenience in terms of business interruption. Only Restriction of use and right of access will be applied on the lands, first land is traversed approx. 68 m, and second land is traversed approx. 100 m by the pipeline. As the lands are not agricultural, and residential / homestead lands no income loss will occur both during construction phase and operation phase of the Project. However, these 2 land parcels are still included in the list of PAPs for cash compensation for the restriction of use of right for 20 years.
The following negative impacts may occur during the construction phase on the public & private lands along the project corridor due to temporary use of land for all kinds of construction activities relating to the Project.

- Permanent losing of entire land
- Permanent losing only part of the lands
- Losing permanently grazing and pasture lands owned by municipalities and government
- Temporary loss of use of private lands such as non-residential, agricultural, agricultural perenial, residential and homestead
- Losing Part of Perennial Crops (fruit trees), and income loss from perennial crops by cutting the fruit trees in the homesteads lands, gardens, residential and non-residential parcels, and agricultural lands
- Losing Part of the Seasonal Crops, and income loss losing seasonal crops on cultivated agricultural and homestead lands
- Temporary impacts on Public/Private Non-residential Plots; Commercial / Industrial, and Public Institutions by the pipeline construction
- Temporary impacts on government and municipal forest areas
- Temporary impacts on rivers’ flood plains

The Table 3.4 below provides the summary details of Affected Public/Private Land Parcels and PAPs per each land use category.

**Permanent Losing of Entirety of Private Lands**

Permanent losing entirety of private lands will occur on seven private agricultural land parcels and one homestead land parcel. The entire of these eight (8) parcels will permanently be acquired for AGFs (Wastewater Treatment Plant (WWTP), and pump station 3).

This impact will come into existence major as the impact in temporary and the entire lands are lost. Details are provided in Table 3.3.

Methodology for determination of appropriate mitigation measures is given in Chapter 5 of this report.

**Permanent Losing Only Part of the Lands**

Losing part of the land permanently will occur only on eight private parcels in Masalli case, one of which is located in the city, and is a residential parcel. Other seven private parcels which their parts will be permanently acquired for above ground facilities (AGFs), are agricultural lands located on the wastewater treatment plant, and sewage pump station sites. Other AGFs, pump station 4 and 5, and Water Treatment Plant (WTP) will be located on the municipal and government lands. The above ground facilities (AGFs) required for project purposes are as follows:

- Water Treatment Plant (WTP)
- Wastewater Treatment Plant (WWTP)
- WWTP Access road, and
- Pump Stations (PSs) 1, 2, 3, 4, 5, 6, and 7

This impact will come into existence moderate since the project affected lands are only partially affected though the impact in temporary nature. Details are provided in Table 3.3.

Methodology for determination of appropriate mitigation measures is given in Chapter 5 of this report.

**Losing Permanently Grazing and Pasture Lands**

A part of one government owned grazing land will permanently be acquired for Pump Station 5 in Masalli case. Actually, this grazing land is located in the city among the commercial & industrial land parcels. It is currently registered as grazing land since the land use classification in the area has not been changed in parallel with the city’s development. According to rayon’s real estate department, there is no agreement with this land for short and long-term grazing use.
This impact will come into existence minor since the project affected grazing land is not an actual grazing land, the land is actually located among the city’s commercial / industrial district. Details are provided in Table 3.3.

Methodology for determination of appropriate mitigation measures is given in Chapter 5 of this report.

Possible Temporary Impacts on Private Agricultural (seasonal / perennial), Residential / Homestead, and Non-residential Lands

This impact may occur on the private seasonal / perennial agricultural lands, residential / homestead, and private non-residential lands in Masalli case. Only two (2) non-residential parcels are affected by this impact by the Project. 89 private seasonal / perennial agricultural parcels, 60 residential / homestead lands, and two non-residential lands will suffer from temporary loss of use both during construction period (4 years), and operation period (20 years) of the Project. Temporary impact occurs on these lands that are owned public and private during construction of pipelines. This type of impact occurs as a result of:

i. temporarily losing access to these lands;
ii. damaging soil quality of the land;
iii. damaging some main and complementary structures on the lands;
iv. damaging some attachments\(^3\) of the affected lands, and
v. losing income by cutting fruit trees.

However, in Ismayilli rayon, there are no main\(^4\) and complementary structures\(^5\) that are damaged during the construction of pipeline and above ground facilities. Only two private non-residential plots suffer from loss of income by cutting the fruit trees during the construction phase.

Actually, the project affects no main and/or complementary structure attached to the project affected land parcels. In case, if any facility is damaged by the project such as animal shelters / depot and/or any structure adjacent to the main structure (residential houses and commercial or institutional building), damages on these type of structures would be assessed as the damages to the main structures and included into the mitigation measures for cash compensation. Mitigation measures for such damages are not envisaged for compensation within this project as any damages that may occur during construction will be compensated in kind by the Contractor Company through reinstating the damages and repairing adequately to bring them back to at least pre-project condition.

Methodology for determination of appropriate mitigation measures is given in Chapter 5 of this report.

Losing Part of Perennial Crops (fruit trees) and Income Loss by cutting the fruit trees in the Homestead Lands, Gardens, Residential and Non-residential Parcels, and Agricultural Lands

The project results in loss of a number of fruit and non-fruit trees, and other perennial crops along the project corridor and the land required to permanently be acquired for AGFs. This impact comes into existence moderate as indicated in the Table 3.3. Income loss of PAPs from the homestead lands, gardens, and agricultural lands by cutting fruit trees occurs during the construction phase. While the areas of affected fruit trees are relatively small, the impacts on affected owners’ incomes are long in duration with some permanent reduction in potential output resulting from the restriction of use along the 20-m and 6-m pipeline strip during Project life time. Therefore, this impact comes into existence moderate as indicated in Table 3.3.

Methodology for determination of appropriate mitigation measures are given in Chapter 5 of this report.

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\(^3\) Attachments: Any kind of fences, walls, hedgerows, irrigation ditches/channels and wells, any kinds of accesses to the lands and plots, power and communication poles and related equipments are categorized as attachments of the affected land plots or main buildings.

\(^4\) Main Buildings: Main building and any adjacent structure to the main buildings such as animal shelters, depot, open and closed garages etc. are categorized as “Main Buildings”.

\(^5\) Complementary structures: Animal shelters, any kind of depot, open and closed garages located separately from the main buildings in the plots to be affected by the project are categorized as “Complementary Structures”.

Am_Texas_Trading\(\text{OMG}\)Az\(\text{Baku}\)_\(\text{RAPs}\)_\(\text{MAS_LA&MVP}\)_387_18
Losing Part of the Seasonal Crops and Income Loss Losing Seasonal Crops on Cultivated Agricultural Lands and Homestead Lands

A part of the project corridor (cultivated land with annual and seasonal crops) is affected by the Project during construction of pipelines. This impact comes into existence moderate as indicated in Table 3.3.

Income loss from losing part of seasonal crops occurs on the cultivated agricultural lands and homestead lands along the Project corridor during construction. Although this is long-term impact it will still come into existence moderate as project affected agricultural lands are only partially affected. Details are provided in Table 3.3.

Methodology for determination of appropriate mitigation measures is given in Chapter 5 of this report.

Temporary Impacts on Government and Municipal Forest Areas

Temporary impact occurs on a number of government and municipal forest areas within project corridor during construction of the pipelines. Only one government owned forest parcel is affected by the pipeline construction temporarily during construction period. No trees are cut within this impact on the forest land.

The Construction Contract envisages measures both for minimizing this type of impact and relevant mitigations if trees need to be cut down. Mitigation measures for non-fruit trees to be damaged during construction in the forest area are in place by an agreement between Regional Department of Ministry of Ecology and AWM OJSC before the construction starts. Besides, Construction Contractor will provide passage/access to the forest areas for local people to collect berries, herbs and mashrooms, and fire wood for those with formal permits.

Methodology for determination of appropriate mitigation measures are given in Chapter 5 of this report.

Permanent Impacts on River Bank

A government owned parcel located on the Vileshchay river bank in southeastern part of the city is permanently to be acquired for Pump station 4. This impact comes into existence moderate as the impact is permanent in nature, and the land is not used before and not being used currently for any livelihood purposes by any person, household and community.

Methodology for determination of appropriate mitigation measures are given in Chapter 5 of this report.

3.1.2.3 Operation Period Negative Impacts

The following negative impacts will occur during the operation period on the public & private lands affected along the project corridor due to the routine maintenance activities planned along the Project corridor throughout the operation period (20 Years).

- Losing income from the loss of perennial crops due to Restriction of Use with establishing servitude on the lands affected;
- Losing income from the loss of annual / seasonal crops due to routine maintenance activities.

Losing Income from the Loss of Perennial Crops due to Restriction of Use with Establishing Servitude on the Lands Affected

Almost all PAPs were consulted during preparation of this document and offered several land acquisition options to select the most preferred one. To minimize land acquisition impact of the project, as far as possible, restriction of use on the affected lands is considered throughout the construction period (4 years) and operation (20 years) period of the project, but servitude agreement will

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6 All losses to be occurred on the affected land during construction period will be compensated as the rules and methodology explained in chapter 3.1.2.2 and Chapter 5.

7 All costs of mitigation measures for construction period impacts (loss of income from project affected fruit trees to be cut at the beginning of construction and timber value of the trees) have already been calculated, see Chapter 7 and Annex 4.
be established for operation (20 years) period, in consultation with project affected people and other stakeholders, including local municipalities, local government (REP), and AWM OJSC. Restriction of use will mainly be applied to the lands affected along the drinking water transmission main, distribution mains, interceptor sewer, and collector sewers.

**Restriction of Use and Way Leave**

Restrictions of use and way leave are typically applied around the drinking water transmission main from the catchment to Masalli city, around the distribution mains and collector sewer which travel on public/private land parcels, and around the interceptor sewer in accordance with the SNIP II.04.02 (and 0.3) – 84 and 85, to reduce the potential for accidental damage, and to minimize the risks to people and communities living and working in the immediate vicinity.

**Pipeline Corridor for Drinking water Transmission Main and Interceptor Sewer**

Restrictions of Use will be applied to a 20-metre corridor (referred to as pipeline protection zone) in accordance with the SNIP II.04.02 (and 0.3) – 84 and 85. Restrictions will apply throughout the operational life of the project. Restrictions of use will be applied through agreements to be signed with each project affected land owner.

The following Figure illustrates the pipeline protection zone of the drinking water transmission main and Interceptor sewer.

---

8 Servitudes are regulated with the Article 54 of Land Code of Azerbaijan, see Chapter 2.4 of this report. This code allows that parties concerned to the servitude may establish an agreement to determine the rights of the parties and the owner of the land has the right to demand in a judicial manner that the servitude be suspended.

9 Almost all PAPs were consulted about the project impacts due to pipeline construction. Mainly, there were three options, one of which is “acquiring the land along the pipeline in 20m width” without establishing servitude and restriction of use, that AZERSU has been preferring this option, second option was “acquiring the land along the pipeline in 6m width” with establishing the servitude and restriction of use within the corridor of 7m after 3 m distance in either side of the pipeline, and third one was “establishing the servitude and restriction of use in 20m width along the pipelines, giving 6m right of access within 3m in either side of the pipeline (3+3=6m).

The third option was mainly preferred by PAPs as this option would:

- Provide to continue to use the land which is affected by the pipeline construction throughout the operation period;
- Provide the land which is impacted by establishing servitude for right of access throughout the operation period and restriction of use would remain on hand of the PAP since the servitude will be established only for 20 years, and servitude and restriction of use will be disappeared within the beginning of 21th year, unless AZERSU will desire to renew it and propose a new agreement with acceptable compensation.
Planting Restrictions in the Protection Zones

Planting of trees and vines within the immediate vicinity of the drinking water transmission main, distribution mains, collector and lateral sewers, and interceptor sewer will also be subject to restrictions to:

1. Avoid possible damage from tree roots to the pipelines themselves, and
2. Allow for vehicular access along the pipelines for maintenance or other requirements.

While appropriate compensation measures are given in Chapter 5, the Figure provided below details the controls on tree planting over the drinking water transmission main and interceptor sewer. The planting restrictions have been developed to minimize the alienation of agricultural areas for tree crops, orchards and vineyards. Trees and vines will not be permitted within a three-metre strip directly over the pipelines.

Figure 3.2 below is the description of planting restrictions to be applied to land within ROW subject to Servitude Agreements. Similar table will be included in the Public Information Booklet (PIB) and more specific restrictions applicable to each project affected land parcel will be attached to the Servitude Agreements so that PAPs are clearly informed on specific restrictions they will be responsible to adhere during the validity period of Servitude Agreements.
Restrictions of use will be applied in a 20-metre “protection zone” that extends along the drinking water transmission main and interceptor sewer. A 6-metre “protection zone” will apply along the drinking water and collector sewers which cross private homestead lands and gardens in the city. The restrictions will apply for the operational life of both drinking water and sewage pipelines, which are twenty years with the option for extension.

The restriction of use will affect present land-use practices along the pipelines where this practice will be applied as the households will not be allowed to re-establish trees cut and building any new structure along the 20-metre protection zone out of the city and 6-metre protection zone in the city with other types of restrictions.

It is worth to be noted that planting restriction does not mean to ban the cultivation and/or planting totally on the restricted area, however it requires some re-arrangements of planting and cultivation activities within the 20-m protection zone for 20 years. Although this is a long-term impact in nature the potential for mitigation is high through provision of compensation for loss of income incurred as a result of lack of access during construction period and the some limitations on the land use rights during pipeline operation period. However, notwithstanding the long-term impact the by nature this impact was assessed as moderate due to available mitigation measures in the form of cash compensation as described in the Chapter 5 of this document. (see Table 3.3).

Methodology for determination appropriate compensation and mitigation measures is given in Chapter 5 of this report.

Losing Income from the Loss of Annual / Seasonal Crops due to Routine Maintenance Activities

Income loss will occur during operation period from the lands which will be exposed to restriction of use establishing servitude as the systems constructed will require routine maintenance activities during
the operation period within 6-m corridor. This impact will come into existence moderate as indicated in Table 3.2.

Methodology for determination of appropriate mitigation measures is given in Chapter 5 of this report.

### 3.1.2.4 Operation in case of Accidents and Emergency Situation

The impact will occur during the operation in case of accidents and emergency situation within 6-m corridor due to:

- the repair,
- installation and maintenance activities, and
- natural disasters such as floods, seismic activities, etc.

Emergency operations sometimes require temporary access to the agricultural lands and homestead lands and gardens along the pipelines, which in turn cause unpredictable hazards and damages on the cultivated lands. This impact will come into existence minor as it will occur incidentally during the operation period. (See Table 3.2).

Methodology for determination of appropriate mitigation measures is given in Chapter 5 of this report.

### 3.2 Impacted Properties

Impacted properties are defined in this report, particularly in this chapter, as any property that is owned by the government, a community, public and private institutions, physical persons or encroachers/squatters such as:

- piece of land,
- Access to land plots, and attached assets, facilities etc.
- Main Buildings
- Complementary Structures
- Attachments
- infrastructure facilities
- front walls and fences of houses or business places (attachments),
- trees and any other natural or man made features that may subject to alteration, shifting or even demolition and reconstruction to allocate enough space for project during construction of the following structures:
  - pump stations,
  - water storage reservoirs,
  - sub-artesian wells,
  - drinking water and sewage water pipelines, or
  - any other thing that would be used in the construction, reconstruction and/or rehabilitation work of the project.

Since all attachments to be damaged during construction will be repaired and reinstated/reinstalled adequately by the construction contractor during construction in accordance with the Construction Contract, no cash compensation has been calculated for these structures’ restoration. These types of affected properties are not categorized as affected properties in this report. However, the baseline data have been collected during census and inventory of project affected assets. This information is shared with the construction contractor and the client, and be used as baseline in the process of construction supervision and project performance monitoring and assessment.

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10 Main building and any adjacent structure to the main building such as animal shelter, depot, open and closed garages etc.
11 shelter, any kind of depot, open and closed garages located separately from the main building in the project affected plot.
12 Any kind of fences, walls, hedgerows, irrigation ditches/channels and wells, any kinds of access to the lands and plots, power and communication poles and related equipments are categorized as attachments of the affected land plots or main buildings.
13 Infrastructure /facilities within the affected area means land and/or assets such as aboveground and/or underground electrical/power and communication transmission lines, natural gas pipelines, existing water supply/irrigation pipelines, irrigation channels and ditches, existing sewage network pipes, water wells, and etc., that are owned by the government, municipalities, and/or public institutions.
Although Azerbaijan legislation has more land use categories for the lands and immovable assets, for the purposes of this project impacted properties are divided into nine land use categories;

1. Agricultural lots for annual / seasonal and perennial crops owned by private persons and /or households,
2. Agricultural lots for annual / seasonal and perennial crops owned by (municipalities and government)
3. Residential plots for single family houses with homestead lands and multi-family houses / apartment blocks by private landholders,
4. Non-residential plots; commercial / industrial businesses by private landholders,
5. Non-residential plots; lands have commercial and industrials land uses, which are owned by municipalities and governmental and/or public institutions,
6. Grazing Lands; which are owned by municipalities and government, or leased to a private entity or physical person,
7. Useless lands; Municipal pr governmental useless lands for agriculture (barren lands),
8. Forests which are owned by government,
9. Rivers’ Flood Plains which are owned by the government.

Impacted properties are detailed under three phases of the project cycle which are:

1. Pre-construction Phase,
2. Construction Phase, and
3. Operation Period

The details of affected public and private land parcels, number of affected persons per each category of impact are given in the following Table 3.4.

Table 3.4: Details of Affected Public/Private Land Parcels and PAPs

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Property Impacted</th>
<th>Number of Affected Families (PAF)</th>
<th>Number of Affected People (PAP)</th>
<th>Impact Modality</th>
<th>Permanent Acquisition of Land</th>
<th>Short-term Impacted Properties (during construction)</th>
<th>% of Affected Area</th>
<th>% of Affected Area</th>
<th>Restriction of Use for Right of Access with Servitude</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nos</td>
<td>Area -ha</td>
<td>Nos</td>
<td>% of Nos</td>
<td>Nos</td>
<td>Nos</td>
<td></td>
<td></td>
<td>% Nos</td>
</tr>
<tr>
<td>Private</td>
<td></td>
<td></td>
<td></td>
<td>% of Nos</td>
<td>Nos</td>
<td>Nos</td>
<td></td>
<td></td>
<td>% Nos</td>
</tr>
<tr>
<td>1. Agricultural lots</td>
<td>102</td>
<td>3.79</td>
<td>102</td>
<td>482</td>
<td>14</td>
<td>1.38</td>
<td>96.33%</td>
<td>0.00%</td>
<td>79, 2.41, 20.26%</td>
</tr>
<tr>
<td>2. Residential &amp; Homestead plots</td>
<td>62</td>
<td>1.92</td>
<td>62</td>
<td>246</td>
<td>2</td>
<td>0.10</td>
<td>0.19%</td>
<td>1.06%</td>
<td>59, 1.80, 15.13%</td>
</tr>
<tr>
<td>3. Non-residential plots</td>
<td>2</td>
<td>0.00</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00</td>
<td>0.00%</td>
<td>0.00%</td>
<td>2, 0.08, 0.71%</td>
</tr>
<tr>
<td>Sub-total</td>
<td>177</td>
<td>5.79</td>
<td>169</td>
<td>708</td>
<td>16</td>
<td>1.47</td>
<td>96.52%</td>
<td>0.06%</td>
<td>150, 4.29, 38.10%</td>
</tr>
<tr>
<td>Public</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Government Grazing</td>
<td>1</td>
<td>0.70</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0.70</td>
<td>6.69%</td>
<td>0.00%</td>
<td>0, 0.00, 0.00%</td>
</tr>
<tr>
<td>2. Gov. Useless</td>
<td>2</td>
<td>2.66</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2.63</td>
<td>22.08%</td>
<td>0.00%</td>
<td>0, 1, 0.00, 0.00%</td>
</tr>
<tr>
<td>3. Municipal Agricultural</td>
<td>5</td>
<td>2.34</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00</td>
<td>0.00%</td>
<td>0.00%</td>
<td>5, 2.34, 19.66%</td>
</tr>
<tr>
<td>4. Forest</td>
<td>1</td>
<td>0.32</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00</td>
<td>0.00%</td>
<td>0.00%</td>
<td>1, 0.32, 2.67%</td>
</tr>
<tr>
<td>5. River Bank</td>
<td>1</td>
<td>0.09</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0.09</td>
<td>0.73%</td>
<td>0.00%</td>
<td>0, 0.00, 0.00%</td>
</tr>
<tr>
<td>Sub-total</td>
<td>10</td>
<td>6.11</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>3.41</td>
<td>28.70%</td>
<td>0.00%</td>
<td>7, 2.69, 22.68%</td>
</tr>
<tr>
<td>Total Land Affected</td>
<td>177</td>
<td>11.89</td>
<td>165</td>
<td>708</td>
<td>19</td>
<td>4.69</td>
<td>41.08%</td>
<td>0.00%</td>
<td>157, 6.99, 58.75%</td>
</tr>
</tbody>
</table>

Source: Feasibility Study, Contractor’s records, SRERS, and Consultant’s Surveys.

3.2.1 Impacted Properties on the Pre-construction Phase

There is no property impacted by the activities during pre-construction phase as no impact occurred on the lands within the project corridor due to sampling and testing activities during the pre-construction phase (see Chapter 3.1.2.).

3.2.2 Impacted Properties on the Construction Phase

3.2.2.1 Properties Losing Part of the Lands Permanently For Above Ground Facilities (AGFs)

Approximately 7.51 hectares of land is required for installation of above ground facilities and their access roads within the project. Its detail is given in the following Table.
Table 3.5: Land Required for Above Ground Facilities

<table>
<thead>
<tr>
<th>Project Elements</th>
<th>Land Required for RoW</th>
<th>Land Owner</th>
<th>Land Use Category of the Land</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Wastewater Treatment Plant (WWTP)</td>
<td>0.1515</td>
<td>Ibadov Dövlet Allahveran</td>
<td>Private Agricultural Lot</td>
</tr>
<tr>
<td>2 WWTP</td>
<td>0.4111</td>
<td>Ibadov Şöhret Allahveran</td>
<td>Private Agricultural Lot</td>
</tr>
<tr>
<td>3 WWTP</td>
<td>0.3081</td>
<td>Tagiyeva Sakine Memmed</td>
<td>Private Agricultural Lot</td>
</tr>
<tr>
<td>4 WWTP</td>
<td>0.4110</td>
<td>Memedov Vasif Memed</td>
<td>Private Agricultural Lot</td>
</tr>
<tr>
<td>5 WWTP</td>
<td>0.8220</td>
<td>Memedov Memed Qadimali</td>
<td>Private Agricultural Lot</td>
</tr>
<tr>
<td>6 WWTP</td>
<td>0.1027</td>
<td>Haydarov Alişan Adalet</td>
<td>Private Agricultural Lot</td>
</tr>
<tr>
<td>7 WWTP</td>
<td>0.5137</td>
<td>Haydarov Adalet Cafer</td>
<td>Private Agricultural Lot</td>
</tr>
<tr>
<td>8 WWTP</td>
<td>0.5137</td>
<td>Kanberov Celal Adli</td>
<td>Private Agricultural Lot</td>
</tr>
<tr>
<td>9 WWTP</td>
<td>0.2636</td>
<td>Shukurova Leyla Ebulfez</td>
<td>Private Agricultural Lot</td>
</tr>
<tr>
<td>10 WWTP - Road</td>
<td>0.1500</td>
<td>Melek Xanim</td>
<td>Private Agricultural Lot</td>
</tr>
<tr>
<td>11 Pump station - 1</td>
<td>0.0450</td>
<td>Necetov Ilham Qalamirzaoglu</td>
<td>Private Agricultural Lot</td>
</tr>
<tr>
<td>12 Pump station 2</td>
<td>0.0378</td>
<td>Seferova Saide Shukur Qizi</td>
<td>Residential&amp;Homestead</td>
</tr>
<tr>
<td>13 Pump station 3</td>
<td>0.0600</td>
<td>Qasimov Yusif Muxbrolu</td>
<td>Residential&amp;Homestead</td>
</tr>
<tr>
<td>14 Pump station - 4</td>
<td>0.0870</td>
<td>Government</td>
<td>River Bank</td>
</tr>
<tr>
<td>15 Pump Station 5</td>
<td>0.7000</td>
<td>Government</td>
<td>Grazing</td>
</tr>
<tr>
<td>16 Pump station 6</td>
<td>0.0555</td>
<td>Namalum</td>
<td>Private Agricultural Lot</td>
</tr>
<tr>
<td>17 Pump station 7 – nearby WWTP</td>
<td>0.1626</td>
<td>Babayev Hayrullah Ejder</td>
<td>Private Agricultural Lot</td>
</tr>
<tr>
<td>18 Pump station 7 – nearby WWTP</td>
<td>0.0906</td>
<td>Qasimova Sharkiyye</td>
<td>Private Agricultural Lot</td>
</tr>
<tr>
<td>19 WTP Location - Reservoir önü</td>
<td>2.6259</td>
<td>Government - WVR Administration</td>
<td>Useless</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7.5118</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Feasibility Study, Contractor’s records, SRERS, and Consultant’s surveys.

16 of 19 land parcels required to be acquired permanently for above ground facilities are owned by private land owners, the other three are owned government. Out of 16 private land parcels 14 are agricultural lands which provide livelihood for 12 families, and 2 parcels are residential parcels in which no houses and attachments exist. Eight (8) of 16 land parcels that suffer from this impact will permanently be acquired entirely. Six (6) of other eight (8) parcels that suffer from this impact are severely affected losing their parts more than 10%.

One of three (3) government owned parcels to be permanently be acquired for AGFs is located on Vileshchay river bank at the southeastern part of the city, one is grazing land located among the commercial and industrial districts of the city (see Chapter 3.1.2.2), and other one useless land in front of VWR on where the WTP is located.

3.2.2.2 Permanent Losing of Entirety of Private Lands

According to cadastral study conducted by SRERS, entirety of eight (8) privately owned parcels will permanently be acquired for AGFs in Masalli case. Of eight (8) lands seven (7) are private agricultural lands on which the seasonal and perennial crops are growth, one (1) is homestead land with no main and complementary structures. Property’s detail is given below.
Table 3.6: Permanent Losing of Entirety of Private Lands

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Property Impacted</th>
<th>Number of Affected HHs</th>
<th>Number of Affected People (PAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nos</td>
<td>Total Area (Ha)</td>
<td>Affected Area (Ha)</td>
</tr>
<tr>
<td>Private Agricultural Lands</td>
<td>7</td>
<td>3.08</td>
<td>3.08</td>
</tr>
<tr>
<td>Private Homestead Land</td>
<td>1</td>
<td>0.06</td>
<td>0.06</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>3.14</td>
<td>3.14</td>
</tr>
</tbody>
</table>

*HHs: Households.

3.2.2.3 Permanent Losing Only Part of the Lands

Losing part of the land permanently will occur only on eight private parcels in Masalli case, one of which is located in the city, and is a residential parcel. Other seven private parcels which their parts will be permanently acquired for above ground facilities (AGFs), are agricultural lands located on the wastewater treatment plant, and sewage pump station sites. Other AGFs, pump station 4 and 5, and Water Treatment Plant (WTP) will be located on the municipal and government lands. Property’s detail is given below.

Table 3.7: Permanent Losing Only Part of the Lands

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Property Impacted</th>
<th>Number of Affected HHs</th>
<th>Number of Affected People (PAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nos</td>
<td>Total Area (Ha)</td>
<td>Affected Area (Ha)</td>
</tr>
<tr>
<td>Private Agricultural Lands</td>
<td>7</td>
<td>4.92</td>
<td>0.92</td>
</tr>
<tr>
<td>Private Homestead Land</td>
<td>1</td>
<td>0.08</td>
<td>0.04</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>5.00</td>
<td>0.96</td>
</tr>
</tbody>
</table>

*HHs: Households.

3.2.2.4 Losing Permanently Grazing and Pasture Lands

A part of one government owned grazing land will permanently be acquired for Pump Station 5. Actually, this grazing land is located in the city among the commercial & industrial land parcels. It is currently registered as grazing land since the land use classification in the area has not been changed in parallel with the city’s development. Property’s detail is given below.

Table 3.8: Temporary Loss of Use of Grazing and Pasture Lands

<table>
<thead>
<tr>
<th>Land Owner</th>
<th>Category of the Land</th>
<th>Land Plot</th>
<th>Used Area by the Project</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Nos</td>
<td>Ha *</td>
</tr>
<tr>
<td>Government</td>
<td>Grazing Land</td>
<td>1</td>
<td>0.70</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1</td>
<td>0.70</td>
</tr>
</tbody>
</table>

*Ha: Hectare

3.2.2.5 Agricultural Lands Losing Part of Perennial Crops (trees - fruit or non-fruit)

The project will result in loss of 625 fruit and non-fruit trees, vines and other perennial crops along the project corridor and the land required to permanently be acquired for AGFs during the construction period.

Table 3.9: Summary Details for Project Affected Perennials (Fruit Trees and Non-fruit trees)*

<table>
<thead>
<tr>
<th>Location of Trees Affected</th>
<th>Number of trees to be cut (Nos)</th>
<th>Affected HHs ** (Nos)</th>
<th>Municipal Area</th>
<th>Owners 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Banbashi</td>
<td>130</td>
<td>16</td>
<td>Banbashi Municipality</td>
<td>Private</td>
</tr>
<tr>
<td>2 Erkivan</td>
<td>495</td>
<td>20</td>
<td>Erkivan Municipality</td>
<td>Private</td>
</tr>
<tr>
<td>Total</td>
<td>625</td>
<td>36</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**HHs: Households.

14 Table with PAPs’ names and number of fruit trees to be cut is available in the Annex 4.
Among these 625 perennials, the total of 444 fruit trees will be cut by the Project, and 36 families will suffer from cutting their fruit trees and income loss.

Table 3.10 Breakdown of project affected fruit trees according to their sorts

<table>
<thead>
<tr>
<th>#</th>
<th>Sort of Affected Fruit Trees</th>
<th>No of trees</th>
<th>No of land parcels</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Grape</td>
<td>60</td>
<td>12</td>
</tr>
<tr>
<td>2</td>
<td>Pear</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>Walnut</td>
<td>31</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>Hazelnut</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>P.granate</td>
<td>20</td>
<td>4</td>
</tr>
<tr>
<td>6</td>
<td>Mulberry</td>
<td>78</td>
<td>17</td>
</tr>
<tr>
<td>7</td>
<td>Quince</td>
<td>38</td>
<td>10</td>
</tr>
<tr>
<td>8</td>
<td>Apricot</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>9</td>
<td>Plum</td>
<td>69</td>
<td>9</td>
</tr>
<tr>
<td>10</td>
<td>Fig</td>
<td>18</td>
<td>5</td>
</tr>
<tr>
<td>11</td>
<td>Apple</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>12</td>
<td>Cherry</td>
<td>20</td>
<td>5</td>
</tr>
<tr>
<td>13</td>
<td>Peach</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>14</td>
<td>Medlar Trees</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>15</td>
<td>Persimon</td>
<td>29</td>
<td>2</td>
</tr>
<tr>
<td>16</td>
<td>Tangerine Trees</td>
<td>42</td>
<td>3</td>
</tr>
<tr>
<td>17</td>
<td>Feijoa Trees</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>444</strong></td>
<td><strong>36</strong></td>
</tr>
</tbody>
</table>

Source: Consultant’s survey results.

3.2.2.6 Agricultural Lands Losing Part of the Seasonal Crops

Losing part of the seasonal / annual crops will occur on the cultivated agricultural and homestead lands located along the project corridor, especially within the alignment of drinking water transmission main, interceptor sewer, collector sewers, feeders and distribution mains in the city during the construction phase.

These properties are divided into two categories according to their landholder types, which are:

1. Owned by private landholders, and
2. Owned by Municipalities and Government.

The following Table summarizes private properties that will be impacted by the Project.

Table 3.11: Summary of Impacted Private Agricultural Lots Losing Part of the Seasonal / Perennial Crops (20-m Project Corridor)

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Property Impacted</th>
<th>Number of Affected HHs</th>
<th>Number of Affected People (PAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Area</td>
<td>Affected Area</td>
<td>Nos</td>
</tr>
<tr>
<td>Private Agricultural lots</td>
<td>103</td>
<td>34.79</td>
<td>8.56</td>
</tr>
<tr>
<td>Among them severely affected</td>
<td>39</td>
<td>11.07</td>
<td>5.36</td>
</tr>
</tbody>
</table>

Source: Social survey for Rap, and SRERS’ cadastral studies, 2014.

3.2.2.7 Residential Plots and Homestead Lands to be Impacted

Residential plots and homestead lands that will be impacted by the project activities are located in the city and nearby villages along the Project corridor in Masalli case. Total of 62 residential parcels will be negatively affected by the Project.

Although pipelines in the city will travel through some private residential parcels and homestead lands due to technical and topographic requirements, no physical damage will occur on the houses and attachments. Damage which will be occured on the perimeter walls, doors, and damage on the

15 In total 36 land parcels owners will experience loss of various types of fruit trees. In most cases several sorts of fruit trees are grown on one land parcel.
homestead lands and gardens for soil recovery and on the seasonal crops for subsistence farming during construction should be compensated adequately.

The Table below summarizes the residential plots and homestead lands which will be affected by the project in the city.

### Table 3.12: Residential Plots & Homestead Lands which will be impacted by the Project in the City (within 6-m Project Corridor)

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Nos</th>
<th>Property Impacted</th>
<th>Number of Affected Families (PAF)</th>
<th>Number of Affected People (PAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total Area</td>
<td>Affected Area</td>
<td>Ha</td>
</tr>
<tr>
<td>Residential Plots and Homestead Lands</td>
<td>62</td>
<td>7.94</td>
<td>1.92</td>
<td>62</td>
</tr>
<tr>
<td>Among them severely affected</td>
<td>55</td>
<td>6.020</td>
<td>1.79</td>
<td>55</td>
</tr>
</tbody>
</table>

Source: Social survey for Rap, and SRERS’ cadastral studies, 2014.

#### 3.2.2.8 Project affected Public/Private Non-residential Plots: Commercial / Industrial, and Public Institutions

Non-residential (commercial, industrial, and public institutions) properties which will be impacted by the project are summarized in the Table below.

### Table 3.13: Project Affected Non-residential Plots; Commercial / Industrial, and Public Institutions located within 6-m Project Corridor

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Nos</th>
<th>Property Impacted</th>
<th>Number of Affected Families (PAF)</th>
<th>Number of Affected People (PAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total Area</td>
<td>Affected Area</td>
<td>Ha</td>
</tr>
<tr>
<td>Private Commercial /Industrial</td>
<td>2</td>
<td>3.45</td>
<td>0.08</td>
<td>0</td>
</tr>
<tr>
<td>Among them severely affected</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Social survey for Rap, and SRERS’ cadastral studies, 2014.

#### 3.2.2.9 Affected Forest Area and Forest Blades

The data on areas of forest and forest blades which will be affected by the Project are summarized in the Table below.

### Table 3.14: Project Affected Forest Lands (within 20-m and 6-m Project Corridor)

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Nos</th>
<th>Property Impacted</th>
<th>Number of Affected Families (PAF)</th>
<th>Number of Affected People (PAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total Area</td>
<td>Affected Area</td>
<td>Ha</td>
</tr>
<tr>
<td>Forest Land</td>
<td>1</td>
<td>8.65</td>
<td>0.32</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>1</td>
<td>8.65</td>
<td>0.32</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Social survey for Rap, and SRERS’ cadastral studies, 2014.

#### 3.2.2.10 Affected Rivers’ Flood Plains

River flood plains which will be affected by the project are summarized in the Table below.

### Table 3.15: Project Affected River Flood Plains (within 20-m and 6-m Project Corridor)

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Nos</th>
<th>Property Impacted</th>
<th>Number of Affected Families (PAF)</th>
<th>Number of Affected People (PAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total Area</td>
<td>Affected Area</td>
<td>Ha</td>
</tr>
</tbody>
</table>
### River Flood Plains

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Nos</th>
<th>Property Impacted Total Area</th>
<th>Number of Affected Families (PAF)</th>
<th>Number of Affected People (PAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>River Flood Plains</td>
<td>1</td>
<td>1.38 Ha</td>
<td>0 Nos</td>
<td>0 inh.</td>
</tr>
<tr>
<td>Total</td>
<td>1</td>
<td>1.38 Ha</td>
<td>0 Nos</td>
<td>0 inh.</td>
</tr>
</tbody>
</table>

Source: Social survey for Rap, and SRERS’ cadastral studies, 2014.

#### 3.2.2.11 Municipal & Governmental Useless Lands to be affected by the Project

The data on project affected Municipal and Governmental (as State owned) useless lands which are summarized in the Table below.

**Table 3.16: Municipal & Governmental Useless Lands which will be Impacted by the Project (within 20-m and 6-m Project Corridor)**

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Nos</th>
<th>Property Impacted Total Area</th>
<th>Number of Affected Families (PAF)</th>
<th>Number of Affected People (PAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government and Municipal owned Useless Lands</td>
<td>2</td>
<td>5.22 Ha</td>
<td>2.63 Nos</td>
<td>0 inh.</td>
</tr>
<tr>
<td>Total</td>
<td>2</td>
<td>5.22 Ha</td>
<td>2.63 Nos</td>
<td>0 inh.</td>
</tr>
</tbody>
</table>

Source: Social survey for Rap, and SRERS’ cadastral studies, 2014.

#### 3.2.2.12 Municipal and Governmental Grazing Lands to be Affected by the Project

Affected grazing lands which are owned by government and district municipalities along the Project corridor are summarized in the Table below.

**Table 3.17: Municipal & Governmental Grazing Lands to be Impacted by the Project (within 20-m and 6-m Project Corridor)**

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Nos</th>
<th>Property Impacted Total Area</th>
<th>Number of Affected Families (PAF)</th>
<th>Number of Affected People (PAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government and Municipal owned Grazing Lands</td>
<td>1</td>
<td>1.23 Ha</td>
<td>0.70 Nos</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>1</td>
<td>1.23 Ha</td>
<td>0.70 Nos</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Social survey for Rap, and SRERS’ cadastral studies, 2014.

According to district municipality there is no short or long-term lease agreement with a real or legal private person on this land for using of grazing purpose. Even if anyone is using this land for grazing without permission or formal/informal agreement, they will still be able to use the remaining part of this land outside of the territories of the land to be permanently be acquired. Construction contractor will be responsible to organize temporary passages to the remaining part.

#### 3.2.3 Properties to be Impacted on the Operation Period

**3.2.3.1 Losing Income from the Loss of Perennial Crops due to Restriction of Use with Establishing Servitude on the Lands to be Affected**

To minimize land acquisition impact of the project, as far as possible, restriction of use with establishing servitude on the affected lands will create losing income from the loss of perennial crops, which is a long-term effect due to planting restriction within the 20-m and 6-m project corridor (see Chapter 3.2.1.3)

Planting restriction and restriction of use will mainly be applied to the lands to be affected along the drinking water transmission main, feeder and distribution mains, collector and lateral mains, and interceptor sewer.

Properties to be impacted are summarized in the following Table;

**Table 3.18: Properties to be Impacted from the Restriction of Use and Planting Restriction**

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Property Impacted</th>
</tr>
</thead>
</table>
3.2.3.2 Losing Income from the Loss of Annual / Seasonal Crops due to Routine Maintenance Activities

Losing income from the loss of annual / seasonal crops will be experienced on all cultivated public/private agricultural lots and homestead lands along the Project corridor due to right of Access for routine maintenance activities that will continue throughout the operation period within the 6-m Project corridor.

Properties to be impacted are summarized in the following Table;

Table 3.19: Properties to be Impacted from the Loss of Annual/Seasonal/Perennial Crops due to Right of Access for routine maintenance activities throughout the Operation Period

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Number of Parcel</th>
<th>Total Area</th>
<th>Affected Area</th>
<th>Property Impacted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nos</td>
<td>Ha</td>
<td>Ha</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>150</td>
<td>38.82</td>
<td>4.29</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>7</td>
<td>33.04</td>
<td>2.69</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>157</td>
<td>71.86</td>
<td>6.98</td>
<td></td>
</tr>
</tbody>
</table>

Source: Social survey for Rap, and SRERS’ cadastral studies, 2014.

3.2.3.3. Privately owned/used/possessed Land Parcels that are severely affected by the Project

More than 10% of the area of 94 privately owned/used/possessed land parcels are affected by pipeline construction, and this impact will continue throughout the operation period (20 years) of the project. The following Table gives the list of severely affected land parcels.

Table 3.20: List of Land Parcels severely Affected by the Project

<table>
<thead>
<tr>
<th>Land use Category</th>
<th>Number of Parcel</th>
<th>Total Area</th>
<th>Affected Area</th>
<th>Number of HHs</th>
<th>Number of PAPs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nos</td>
<td>ha</td>
<td>%</td>
<td>Nos</td>
<td>inhl.</td>
</tr>
<tr>
<td>Agricultural Parcels</td>
<td>41</td>
<td>11.5744</td>
<td>5.4124</td>
<td>41</td>
<td>200</td>
</tr>
<tr>
<td>Residential &amp; Homestead Land</td>
<td>53</td>
<td>6.0832</td>
<td>1.6949</td>
<td>53</td>
<td>202</td>
</tr>
<tr>
<td>Total</td>
<td>94</td>
<td>17.6576</td>
<td>7.1073</td>
<td>94</td>
<td>402</td>
</tr>
</tbody>
</table>

Source: Surveys of Consultant’s census survey team, and interview results.

3.2.3.4. Project affected Vulnerable PAPs

Total 16 households are determined as vulnerable during the surveys, 8 of which are female headed households and all of them are widow. While 14 PAPs within 9 vulnerable households have chronical disease, 9 vulnerable households are the pensioners. Worth to be noted that one-time allowance for vulnearbility is issued per household not per person. The detail is given in the following Table.
Table 3.21: List of Vulnerable PAPs

<table>
<thead>
<tr>
<th>Total Number of Vulnerable HHs</th>
<th>Total Pensioner in Total</th>
<th>PAP with Chronical disease in Total</th>
<th>Elderly Individual</th>
<th>Widows in Total</th>
<th>Number of Female Headed HHs in Total</th>
<th>Total number of Vulnerable PAPs in Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>9</td>
<td>14</td>
<td>1</td>
<td>10</td>
<td>8</td>
<td>23</td>
</tr>
</tbody>
</table>

Source: Surveys of Consultant’s census survey team, and interview results.

### 3.3 Summary of Project Impacts

- 16 of total 19 land parcels required to be acquired permanently for above ground facilities are owned by private land owners, the other three are owned government. Out of 16 private land parcels 14 are agricultural lands which provide livelihood for 12 families, and 2 parcels are residential parcels in which no houses and attachments exist. Eight (8) of 16 land parcels that suffer from this impact will permanently be acquired entirely. Six (6) of other eight (8) parcels that suffer from this impact are severely affected losing their parts more than 10%.
- Total of 402 PAPs (94 households) will face severe impact as more than 10% of their income generating land subjects to long-term temporary impact through servitude agreements.
- Total of 23 persons are qualified as vulnerable according to the census and socio-economic survey results.
- No access to the commercial facilities, homestead and farmland will be closed and/or damaged by the pipeline construction both during construction and operation period.
- Construction phase impacts (four years) are temporary in nature, and will adequately be compensated according to principles given in Chapter 5.5 (entitlement matrix).
- Total costs of mitigation measures calculated in accordance with principles set forth in the entitlement matrix (Chapter 5.5) will be paid to the PAPs in one time by AWM OJSC.

The project impacts are summarized below.

Table 3.22: Summary of the Project of Impacts

<table>
<thead>
<tr>
<th>Property</th>
<th>Description of Impact</th>
<th>Volume of Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Pre-construction Phase</td>
<td>No impact occured</td>
<td>No impact occured.</td>
</tr>
<tr>
<td>B. Construction Phase</td>
<td>Agricultural Lands losing their entire area due to permanent land acquisition for AGFs</td>
<td>7 privately owned agricultural land parcels and 1 privately owned residential land parcel will lose their entire area due to permanent land acquisition for AGFs. This impact is permanent in nature, and causes income loss and livelihood damage.</td>
</tr>
<tr>
<td></td>
<td>Properties Losing Part of the Lands Permanently For Above Ground Facilities (AGFs)</td>
<td>Approximately 9.66 hectares of land will be permanently be acquired for above ground facilities and their access roads within the project. 19 parcels will be affected by this impact, 16 of them is owned by a private landholder. The other 3 affected land parcels are owned by government and district municipalities.</td>
</tr>
<tr>
<td></td>
<td>Grazing and Pasture Lands Affected Permanently, Losing of Use</td>
<td>1 grazing and pasture lands (0.70 hectares) which is owned by the government suffer from this impact permanently. The relevant department of REP reported that there is no short or long-term lease agreement for grazing on this land. Impact is a long term impact as the land is purchased permanently by AGFs.</td>
</tr>
</tbody>
</table>

Source: Surveys of Consultant’s census survey team, and interview results.
### Social Impacts of the Project

#### Agricultural Lands Losing Part of Perennial Crops (fruit trees)
- The project will result in loss of 444 fruit trees in some parts of pipeline alignment.
  - The landholders will suffer temporarily from loss of income during the construction period for pipeline construction, and also during operation period for 20 years (see below operation period impacts).
  - However, this impact appears permanent in nature cumulatively as it will begin at the very beginning of construction period and last until end of the project life time (20 years after construction completed).

#### Agricultural Lands Losing Part of the Seasonal Crops
- The project will result in losing part of the seasonal crops on 89 private cultivated agricultural lots within the 20-m project corridor.
  - The landholders will suffer temporarily from loss of income during the construction period for pipeline construction, and also during operation period for 20 years (see below operation period impacts).
  - However, this impact appears permanent in nature as it will begin at the very beginning of construction period and last until end of the project life within 6m pipeline corridor (20 years after construction completed).

#### Impacted Residential Plots and Homestead Lands
- The project affected 60 residential parcels and homestead lands within the 6-m Project corridor in the city.
  - The landholders will suffer temporarily from loss of income during the construction period for pipeline construction, and also during operation period for 20 years (see below operation period impacts).
  - However, this impact appears permanent in nature as it will begin at the very beginning of construction period and last until end of the project life time (20 years after construction completed).

#### Privately owned non-residential land parcels (used for commercial purposes)
- As a result of project activities 2 non-residential land parcels will experience minor impact, as no structures be affected, as project ROW will require only small portion of land for pipeline.
  - No structures or access to structures will be affected, therefore project related activities will not cause interruption of any business activities, therefore no income loss is expected during construction /operation period.
### Affected Forest Area and Forest Blades

- 32 hectares of Government forest land is affected by the pipeline construction.
- This impact does not cause to loss of income and asset/livelihood damage.
- However, this impact appears permanent in nature due to right of access as it will begin at the very beginning of construction period and last until end of the Project life (20 years after construction completed).

### Affected Rivers’ Flood Plains

- The pipeline travels on the river flood plain in one localities including the catchment (0.09 ha) for passing the flood plains of the rivers along the project corridor.
- This impact will not cause to loss of income and asset/livelihood damage on the forest lands affected.
- However, this impact appears permanent in nature as it will last during Project life (20 years after construction completed).

### C. Operation Period (No severe impact is expected)

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Area of Impact</th>
<th>Description</th>
<th>Mitigation Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lacking income from the Loss of Perennial Crops due to Restriction of Use with Establishing Servitude on the Lands Affected</td>
<td>Residential (16) and Agricultural (18) private lands will suffer from this impact due to planting restriction and restriction of use within the 6-m and 20-m project corridor, to protect the pipelines from the plant roots and normal agricultural activities. This impact appears permanent in nature as it will last during Project life (20 years).</td>
<td>Impact magnitude is moderate as it will cause loss of income during the Project life. This impact has high mitigation potential as planting restriction doesn’t mean completely banning the agricultural activity and/or growing perennial crops on the restricted area, but it will re-arrange the agricultural activity on the restricted area during the Project life (20 years).</td>
<td></td>
</tr>
<tr>
<td>Lacking income from the Loss of Annual/seasonal Crops and/or subsistence farming due to Right of Access for routine maintenance activities with Establishing Servitude on the Lands Affected</td>
<td>Agricultural (89) lands and 60 residential / homestead lands will suffer from this impact due to right of Access within the 6-m pipeline corridor. This impact appears permanent in nature as it will last during Project life (20 years).</td>
<td>Impact magnitude is moderate as it will cause loss of income during the Project life. This impact has high mitigation potential as planting restriction doesn’t mean completely banning the agricultural activity and/or growing perennial crops on the restricted area, but it will re-arrange the agricultural activity on the restricted area during the Project life (20 years).</td>
<td></td>
</tr>
</tbody>
</table>

### D. Operation in case of Accidents and Emergency Situation

- Unanticipated events affecting planned activities may arise due to absence of emergency operation response plans, and emergency manager of the service provider (Rayon Sukanal Dept.).
- This impact will appear temporary and rare in nature as it will appear only in case of Accidents and Emergency Situation, and natural disasters such as floods, seismic activities, etc.
- No Impact, because emergency operation response plans, and emergency manager of the service provider (Rayon Sukanal departments - AZERSU) will be provided by Rayon Sukanal departments.

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16 Restriction of use impacts on the residential lands will last during operational life of the project (20 years). The costs of the mitigation measures are calculated taking into account the loss of income from trees cut, loss of lumber value of trees cut, loss of income from the subsistence farming on the homestead lands for 20 years, and right of access to 6m pipeline corridor for routine maintenance, and all costs of mitigation measures will be paid in one time prior to construction start.
Emergency operations sometimes require temporary access to the agricultural lands and homestead lands and gardens along the pipelines, which in turn cause unpredictable hazards and damages on the cultivated agricultural lands.

This impact will appear temporary and rare in nature as it will appear only in case of Accidents and Emergency Situation, and natural disasters such as floods, seismic activities, etc.

Minor - in nature as it will rarely occur during the Project life (20 Years).

The table with the Individual PAPs disaggregated according to the types of impact and provided mitigation costs is presented in Annex 5.
STAKEHOLDERS CONSULTATION
Overview

Stakeholders are defined as;

- Individuals; registered / unregistered private agricultural, homestead land, residential and non-residential (commercial and industrial) plots owners / lease holders that are either affected by and/or can affect the Project.

- Governmental and/or municipal agencies, departments, and institutions that are either affected by and/or can affect the project.

The project has direct and indirect stakeholders at national, district, village, and project levels.

In this chapter, an attempt is being made to analyze and assess the stakeholders’ views and perceptions gathered through field consultations, focus group discussions and meeting with key informants.

4.1 Direct and Indirect Stakeholders at Different Hierarchical Levels

The most significant stakeholder is the Project Affected Person (PAP) who is negatively/positively affected by the Project. The most significant and direct beneficiary groups at the local level include all kinds of water supply and waste water system users. The groups that frequently benefit from the system are all people living in the Project service area, private, governmental, and municipal institutions / departments and enterprises in the Project area. The regional economies as well as household economies will get positively influenced due to improved water supply and waste water system. The most significant direct affectees are the persons losing land/assets/livelihood etc.

At the national level the major direct stakeholder is Amelioration and Water Management Open Joint Stock Company (AWM OJSC), and AZERSU and its sub-departments. AZERSU is responsible for improving, maintaining, and managing the water supply and waste water systems of the country.

District level departments attached to AZERSU and AWM OJSC, local administrative units such as Rayon Executive Power (REP), municipalities are middle level direct stakeholders. All complaints about the problems of dilapidated systems and environment along the Project corridor are frequently brought up by the communities with the officers attached at district level organizations.

National Government Agencies and other organizations such as Cabinet Ministers, Ministry of Finance are also stakeholders.

In the process of consultation special attention was paid to consult PAPs groups in the vilages located along the drinking water transmission main and interceptor sewer, PAPs in the city and other vulnerable groups.

The civil society and local NGOs is also included in the indirect group of stakeholders.

The contractors, material suppliers can benefit from the construction work. The local communities can also benefit because of employment generated in their local areas in the construction site.

4.2 Stakeholder Covered in Social Survey

The views of the following stakeholders were analyzed.

- Direct stakeholders
- Direct beneficiary groups
- Indirect beneficiary groups
- National Level Direct Stakeholders
- Middle Level indirect stakeholders
- General Public, local communities
- All PAP families
- Water supply and waste water system users
- Civil society, NGOs, etc.
- AWM OJSC, AZERSU, Ministries and Policy decision makers
- REP, Municipalities, rayon level departments and officers
4.3 Overall Positive Impact Identified

- Sufficient treated and disinfected drinking water will be supplied to the Project area.
- Existing septic pits in gardens will be closed.
- Treated domestic waste water will be disposed to the environment.
- Leakages and seepages from the existing septic pits will be removed.
- Service area coverage is expanded.
- Centralized Fire fighting system will be provided.
- Maintenance requirements of the existing obsolete and insufficient facilities will not continue.
- Demand side & Supply side efficiency will be provided.
- Affordable user charges.
- Effective collection of user charges.
- Cost recovery will be possible.

4.4 Overall Negative Impact Identified

During the construction period there will be several negative impacts. These include:

- Disturbances to transportation system on the road network in the city for a short period till the construction is over.
- Traffic congestion and other related issues.
- Business activities will get disturbed during the construction period.
- There will be inconveniences due to dust, noise, heavy vehicle movements etc.
- Demolition of structures will create safety hazards for the owners of affected assets during construction period.
- There may be safety issues at the construction sites.
- Private lands may be acquired or restriction of use and planting restrictions are experienced during the operation period of the Project.
- Considerable construction related disputes among workers and villagers can occur.
- Dust and pollution during the construction period.

4.5 Views of Stakeholders

Consultation method chosen allowed flexibility to meet the unattended members of communities to pre-announced meetings such as engaging walk-through and road-side consultation sessions with the communities along the drinking water transmission main and interceptor sewer. This flexible consultation method provided the people to participate in consultation activities and inform them, who live in solitude, but located along the Project corridor.

Most of the respondents had knowledge about the project such as width of the pipeline ROW etc. However, it is found that the views expressed by them on project benefits were based on their personal views.

The field data collectors of the study team consulted various stakeholders under different stakeholder categories in order to obtain their views on the road development project.

The comments are presented in the following.

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Statements made by Stakeholders (Negative &amp; Positive)</th>
</tr>
</thead>
</table>
| Project Affected Persons (PAPs) | - Expect reasonable compensation payments for all affected properties such as lands, structures, trees etc.  
- Compensation should be fair and subject to transparency.  
- Expect that local economy will improve and new job opportunities will be created.  
- Express their concerns about the process for land acquisition, and establishing the servitude on their affected land.  
- Do not want, generally, permanent land acquisition. |
### Management of AWM OJSC, Construction Management Consultant (CMC), and Contractor’s tech. Staff

- Land acquisition will be a significant issue.
- The AWM OJSC will face lot of difficulties to settle social issues during construction period especially in the city area.
- The officers of the AWM OJSC and staff of CMC will be busy with the project implementation activities.
- Contractor’s tech staff mostly complained tha some landowners are reluctant to be in contact with them.

### System Users and General Public

- We welcome the project.
- We will have good quality, disinfected drinking water.
- I will close existing septic pit in my garden.
- Fire fighting will be easier than the existing situation.
- Service area is expanded.
- During construction, disturbances will occur from the construction activities on the streets in the city.
- We will face and/or faced a lot of difficulties during construction.
- Water supply and waste water system rehabilitation and construction will be beneficial, especially, woman, and of course our children.
- This development is necessary.

### Doctors

- We welcome the Project that will provide sufficient treated and disinfected drinking water to the city.
- The use of untreated drinking water would cause significant health problems in the area.
- But during the construction period the project authorities need to take measures to minimize health hazards caused by dust, waste and debris.

### Farmers

- We face a lot inconvenience for access to our farmlands during construction.
- We will experience the loss of income from the loss of productivity due to disturbances from the constructional activities.
- We do not want permanent land acquisition for the pipelines.
- We agree to give right of access to the our lots along the Project life cycle in return of a fair compensation.
- Transportation of our farm products will be affected during construction period.

### Business Community along Project Corridor

- The road sections near the junctions be inundated during the rainy seasons.
- The streets is busy and used by heavy vehicles fort he construction.
- This damages the road.
- Traffic congestion prevails in the morning and evening.
- Also vehicle users find difficulty in using the streets.

### 4.6 Remedial measures / Strategies to Mitigate the Negative Impacts

Some negative impacts are unavoidable in any of the development interventions and it is therefore vital to understand the situation and take possible measures to minimize such negative impacts. Some measures could be adapted are presented below based on responses of various stakeholders during the Social Survey.

- Implement some mechanism to reduce dust and noise due to heavy vehicle movement.
- Necessity of proper implementation of traffic rules and regulations to prevent accidents.
- Provisions of temporary spaces for access to farmlands and other small shop outlets in the city to continue their livelihood without interruptions.
- Make arrangements to keep smooth flow of traffic without unnecessary delays due to road closures and detours.
SNWSSP, REPUBLIC OF AZERBAIJAN
RAPs in 4 rayons - Lerik, Yardimli, Masalli, Jalilabad

Masalli, LA&MVP – CH 4; Stakeholders Consultation

- Attempt to undertake part of the construction work during night or on holidays in order to prevent/minimize disturbances to road users.
- Adhering to safety measures to prevent any health hazards or safety hazards due to demolition of structures/buildings, and trenching for the pipelines.

4.7 Consultation Strategies

Stakeholders’ participation is very vital throughout the project cycle. The project should maintain all records of all stakeholders consultations through a responsible officer attached to the project.

Pre - construction, Construction and Operation levels of the project are the most suitable stages of stakeholder participation.

The project should identify type of stakeholders to be consulted and the suitable project stages when consultation would be necessary. Suitable project levels and stakeholders of consultation are furnished in following Table.

Table 4.2: Stages of Stakeholders Participation

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
<th>Stage 4</th>
<th>Stage 5</th>
<th>Stage 6</th>
<th>Stage 7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Feasibility Level</td>
<td>Detail Design Level</td>
<td>SA Level</td>
<td>Land Acquisition Level</td>
<td>Construction Level</td>
<td>Defects Liability Level</td>
<td>Evaluation of Benefits</td>
</tr>
<tr>
<td>Primary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affectees (all categories)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>System Users</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Owners of common properties</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Wage Earners</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Vulnerable groups</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Others (if any)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Secondary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AWM OJSC</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Rayon Sukanal</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Land officers</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Owners of Business establishments</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Property Developers</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CBOs / NGOs Leaders</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Others (if any)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

4.8 Disclosure of Information

All information should be disclosed to all the stakeholders concerned. The project should follow the World Bank Operational Policy 17.50 related to disclosure of information.

All affectees should be consulted and inform regarding the nature of negative and positive impacts that would be created by the proposed project and the proposed mitigation to minimize negative impacts.

All affectees should be invited for awareness programs with relevant stakeholders to inform them regarding nature of impact on their livelihood, assets, properties and grievance redress mechanism as well as compensation packages.

The regional offices of the AWM OJSC will be used to disseminate all information related to the project. In addition the web sites of AWM OJSC and PIU will be used for wider dissemination of information.
As explained by stakeholders of the project along with their expected benefits would help to enhance livelihoods of the people. Meanwhile it is quite important to address the social issues and concerns taking remedial measures in order to obtain maximum benefits from the project.

### 4.9 Stakeholder and Public Hearing Consultation

Series of meetings that were held with the stakeholders both for scoping the resettlement / rehabilitation and land acquisition topics and to set forth the resettlement issues related to project options previously preferred. These meetings were held with AWM OJSC, Rayon Executive Power with attending of rayon departments of Ministry of Finance, MENR and relevant governmental departments, local NGOs, and Project Affected People (PAPs).

Pre-public hearing consultations and statutory meetings were held between February 24, 2014 and November 30, 2015. These consultations gave the consultant’s social team the opportunity to inform the public about the planned public hearings and to gather information on key issues in eight potentially affected communities (Musakuche, Banbashi, Yeyenkend and Arkivan villages and Masalli city).

Discussions and informative meetings on scoping, compensation, and mitigation measures with the PAPs and representatives of local municipalities continued throughout consultation period. For a list of these meetings, see following Table. This effort both confirmed and expanded on the list of potential issues to be considered within the assignment.

#### Table 4.3: Details of meetings held in the consultation process

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Department / Institution/Interested parties/General Public</th>
<th>Date</th>
<th>Number of Attending</th>
</tr>
</thead>
<tbody>
<tr>
<td>AWM OJSC, Baku Office</td>
<td>Env. And Social Specialist, and grievance redress expert from AWM OJSC, and Consultant’s team leader, and members of social team</td>
<td>February 24, 2014</td>
<td>8</td>
</tr>
<tr>
<td>AWM OJSC, Baku Office</td>
<td>Env. And Social Specialist, and grievance redress expert from AWM OJSC, and Consultant’s social team</td>
<td>March 17, 2014</td>
<td>6</td>
</tr>
<tr>
<td>REP Office, Masalli</td>
<td>REP, First Deputy of REP, representatives from AWM OJSC, and Consultant’s social team</td>
<td>April 18, 2014</td>
<td>9</td>
</tr>
<tr>
<td>Meeting Room at REP, Masalli</td>
<td>First Deputy of REP, Representatives from AWM OJSC, Consultant’s social team, rayon department of Ministry of Finance, regional representative from MENR (Lankaran region), Representatives from local NGOs (reps. From WUAs in Banbashi and Musakuch eaten villages), representative from Local press, PAPs from villages along the pipelines and Masalli city, and representatives from the local municipalities.</td>
<td>June 13, 2014</td>
<td>44</td>
</tr>
<tr>
<td>Meeting room at the Contractor's Camp</td>
<td>Representatives from AWM OJSC and Consultant’s social team, representatives from Contractor’s design team, and reps. from Municipalities (Banbashi and Yeyenkend).</td>
<td>June 14, 2014</td>
<td>5</td>
</tr>
<tr>
<td>Conference Hall of REP</td>
<td>First Deputy of REP, Representatives from AWM OJSC, Consultant’s social team, rayon department of Ministry of Finance, regional representative from MENR (Ismayilli region), and representatives from the rayon land department.</td>
<td>Sept 20, 2014</td>
<td>12</td>
</tr>
<tr>
<td>Road-side consultation in Banbashi village with the PAPs</td>
<td>Reps. From Consultant’s social team, AWM OJSC, Banbahsi Municipality, and PAPs from Banbashi village.</td>
<td>Sept 22, 2014</td>
<td>6</td>
</tr>
<tr>
<td>Consultation with the villagers from Musakuch at the site WWTP.</td>
<td>Reps. From Consultant’s social team, AWM OJSC, Musakuch village, and PAPs from Musakuch village.</td>
<td>Nov 07, 2014</td>
<td>11</td>
</tr>
<tr>
<td>Consultation with the villagers from Arkivan village</td>
<td>Reps. From Consultant’s social team, AWM OJSC, PAPs from Arkivan village.</td>
<td>Nov 11, 2014</td>
<td>6</td>
</tr>
<tr>
<td>Consultation with the PAPs from Musakuch</td>
<td>Reps. From Consultant’s social team, and PAPs from Musakuch.</td>
<td>March 13, 2015</td>
<td>5</td>
</tr>
</tbody>
</table>
Consultation method chosen allowed flexibility to meet the unattended members of communities to pre-announced meetings such as engaging walk-through and road-side consultation sessions with the communities along the drinking water transmission main and interceptor sewer. This flexible consultation method provided the people to participate in consultation activities and inform them, who live in solitude, but located along the Project corridor.
4.10 Raised Concerns

Generally, people were found to be aware of the need to upgrade the WSS systems, and indicated their support for the AWM OJSC. The proposed construction of the new systems met with particular support since it will reduce the health problems of the public in their region.

Generally, people tended to express concern about certain key issues in communities. Following a review and qualitative analysis of issues raised the Consultant's social team came to the following conclusions;

- Most problems to communities are typical, and
- The size and number of problems does not depend on the size of the community.

Priorities relating to general social impact of the project include, when compensation is paid for the damages occurred on their lands, loss of productivity on their cultivated lands, and land acquisition. Many people fear the government will delay payments for compensation, which in turn will cause struggle to provide their livelihood. Several people expressed concern about the process for land acquisition, and establishing the servitude on their affected land.

These consultations demonstrated that AWM OJSC faced inflated public expectations in respect to amount and form of compensations for the damages occurred, and land acquisition.

The most commonly raised concern is the compensation should be fair, and subject to transparency.

In general, the results of the consultation with PAPs and potential PAPs within the corridor of impact were successful because of the following reasons;
Almost all PAPs were consulted about the project impacts due to pipeline construction. Mainly, there were three options, one of which is “acquiring the land along the pipeline in 20m width” without establishing servitude and restriction of use, that AZERSU has been preferring this option, second option was “acquiring the land along the pipeline in 6m width” with establishing the servitude and restriction of use within the corridor of 7m after 3 m distance in either side of the pipeline, and third one was “establishing the servitude and restriction of use in 20m width along the pipelines, giving 6m right of acces, 3m on each side of the pipeline (3+3=6m).

Due to offered provisions the majority of PAPs gave preference to the third option which will:

- Allow permanent access to he land affected by pipeline construction throughout the operation period;
- Provide the land which is impacted by establishing servitude for right of access throughout the operation period and restriction of use would remain on hand of the PAP since the servitude will be established only for 20 years, and servitude and restriction of use will be nulled within the beginning of 21th year, unless AZERSU will desire to renew it and propose a new agreement with acceptable compensation.
- Provide adequate cash compensation which is payable in one time at the beginning of the project.
- Provide the ownerships of the used private lands for pipeline construction will remain vested with the existing landowner.
- Provide the restriction of use and other parties’ rights for use of the land to be defined in the servitude will not be extended without written consent of the current owner after the end of operational life of the project, and the servitude and rights given to AZERSU will automatically deem expired at the end of the project operation period (20 years).

*Because of the above reasons, all PAPs consulted preferred the third option which foresees to give right of access to AZERSU for 20 years within 6m pipeline corridor and restriction of use within 20m pipeline corridor out of the city.*

In addition, special attention has been given to PAPs whose lands will permanently be acquired for WWTP location in Musakuche village. Along with the general consultation process a separate consultation session has been arranged in these PAPs at November 07, 2014 for discussing the permanent acquisition procedure, and getting their opinions on acquiring the small land pieces left from Project requirement. Mainly the following PAPs were consulted in person;

All PAPs listed in the Table below stated clearly that their intent to sell the whole land instead of partial selling due to the reasons below;

- Land to be left from the project requirement will be a small piece of land, and the land left will not be productive to cultivate to grow wheat and other seasonal crops.
- Even if the land left from the project requirement is intended to cultivate, access to the land piece left would be longer than the existing one, and this would cause to increase the cultivation cost.

*Table 4.4: Consulted PAPs from Musakuche village and Permanent Acquisition Details of their Lands*

<table>
<thead>
<tr>
<th>PAPs</th>
<th>PAP from Village</th>
<th>Land Use Classification</th>
<th>Required Land for the Project</th>
<th>Whole land owned by the PAP according to its License</th>
<th>Land area to be left if permanent acquisition would be applied only to the required land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ibadov Shohret Allanveran</td>
<td>Musakuche</td>
<td>Private Agricultural Lot</td>
<td>0.33</td>
<td>0.41</td>
<td>0.08</td>
</tr>
<tr>
<td>Tagiyeva Sakine Memmed</td>
<td>Musakuche</td>
<td>Private Agricultural Lot</td>
<td>0.25</td>
<td>0.31</td>
<td>0.05</td>
</tr>
</tbody>
</table>
### Stakeholders Consultation

<table>
<thead>
<tr>
<th>Name</th>
<th>Lot Owner</th>
<th>Private Agricultural Lot</th>
<th>Area (ha)</th>
<th>Production (ha)</th>
<th>Profitability (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memedov Vasif Memed</td>
<td>Musakuche</td>
<td>Private Agricultural Lot</td>
<td>0.35</td>
<td>0.41</td>
<td>15.69</td>
</tr>
<tr>
<td>Memedov Memed Qadimali</td>
<td>Musakuche</td>
<td>Private Agricultural Lot</td>
<td>0.70</td>
<td>0.82</td>
<td>14.30</td>
</tr>
<tr>
<td>Haydarov Alişan Adalet</td>
<td>Musakuche</td>
<td>Private Agricultural Lot</td>
<td>0.09</td>
<td>0.10</td>
<td>15.97</td>
</tr>
<tr>
<td>Haydarov Adalet Cafer</td>
<td>Musakuche</td>
<td>Private Agricultural Lot</td>
<td>0.43</td>
<td>0.51</td>
<td>17.21</td>
</tr>
<tr>
<td>Kanberov Celal Adil</td>
<td>Musakuche</td>
<td>Private Agricultural Lot</td>
<td>0.41</td>
<td>0.51</td>
<td>19.90</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>2.56</td>
<td>3.08</td>
<td>0.52</td>
</tr>
</tbody>
</table>

Source: Consultant’s surveys and Cadastre Study by SRERS, 2014
5

MITIGATION MEASURES
Overview

The objective of this chapter is to discuss the mitigation measures to mitigate negative impacts. The principles and guidelines proposed are primarily aimed at avoiding or minimizing, to a possible extent, the hardships and impoverishment that may result from project’s intervention and mitigation of any adverse impact thereof at the household/community level. All decisions regarding design of construction work will be made, to the extent feasible, to facilitate the attainment of this objective.

Principles of Resettlement policies, principles to be followed by AWM OJSC, mitigation principles, mitigation of negative impacts and method and procedures adopted to mitigate negative impacts are discussed below.

5.1 Project Resettlement Principles and Scope of Mitigation

The basic resettlement principles of the resettlement for this project are as follows;

- The project affected persons (PAPs) are defined as those who stand to lose land, houses, structures, trees, crops, businesses, income and other assets, and suffer restrictions due to servitude as a consequence of improvements to/or improvement of this project.

- The cut off date for those who have legal title is the date of notification under the Law of Azerbaijan on acquisition of land for State needs dated April, 20, 2010 (Article 10.2 and 11). The date of census is the cut-off date (August 10, 2013) for those who do not have legal standing for eligibility of assistance under the project. People moving into the COI after this cut-off date will not be entitled to support. It is recognized that there will be a margin of error in the census, and any person who was not enumerated but can show documentation or evidence that he/she is rightfully an entitled person will also be included. The PIU of AWM OJSC and its rayon department is responsible for such verification. The cut off date for non-legal title-holders is the date of the start of the census survey which is August 10, 2013 (the said above Law, Article 11).

- All PAPs are equally eligible for cash compensation and rehabilitation assistance, irrespective of their land ownership status, to ensure that those affected by the Project shall be at least as well off, if not better off, than they would have been without the Project. Absence of a title will not be a bar to receiving compensation and livelihood assistance.

- All losses will be compensated at replacement cost, at market prices without deducting depreciation and salvage value for all losses (such as lands, crops, trees, structures, businesses, etc.). Alternatively, structures/assets etc. will be rebuilt by the project at replacement cost.

- Encroachers are defined as people owning lands and occupying legal or customarily recognized properties on public space in the RoW. All encroachers will be entitled as PAPs for compensation recognizing un-registered private users, see Chapter 5.5 – Entitlement Matrix.

- Squatters are defined as those that occupy space that is legally or customarily someone else’s. Squatters will also be entitled as PAPs for compensation recognizing un-registered private users, see Chapter 5.5 – Entitlement Matrix.

- Compensation should be paid in full in one time to affected people before any land acquisition and construction on the affected land start.

- PAPs will be systematically informed and consulted about the project, and the Land Acquisition Plan will be made available in both English and local languages to the affected persons and communities.

- The consultative process shall include not only those affected, but also the neighboring communities, representatives of AWM OJSC, AZERSU, and other government agencies of

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- The consultative process shall include not only those affected, but also the neighboring communities, representatives of AWM OJSC, AZERSU, and other government agencies of
the areas where the project is located, community leaders, local government, and community-based organizations (CBOs).

- Vulnerable groups\(^1\) (households below the recognized poverty line; disabled, elderly persons, widows, and female headed households) should be identified and included in the consultation process.

- PAPs facing severe impact, i.e. owners and legitimate possessors of land parcels where more than 10 % of income generating land will subject to permanent land acquisition, temporary long-term and/or short-term land use limitations under established easement (servitude Agreement).

- The Project will purchase, acquire lands and/or obtain right of access to the 20-m pipeline corridor for construction activities throughout the construction period (approx. 4 years).

- The Project will purchase, acquire lands and/or obtain right of access to the 6-m pipeline corridor for routine maintenance and repair activities throughout the operation period (20 years).

- Payment for purchasing of lands or compensation for acquired lands will be made at replacement value at current market prices plus 20% in addition to market prices (10% for landholdership for more than 10 years and 10% as willingness incentive to sell for state needs)\(^2\).

- Contractors will also follow the same principles (i.e. payment of compensation for all damages incurred etc.), and reinstate the damaged perimeter walls, hedgerows, entrances, sidewalks, concrete and/or asphalt pavements, walkways, and footpaths, and etc.

- The project will provide alternate access or detours wherever it is blocked during construction.

- The principles in this LA & MVP will also apply to all Project Affected Persons who may be affected through impacts on private/community land or other assets due to minor realignments\(^3\) of the pipelines and design changes in the further stages of the project.

- Where community owned facilities or restricting access to common property resources etc., result from project related interventions, the project will rebuild such facilities and provide alternative access.

- The Project executing agency (AWM OJSC) will bear the costs of implementing this Land Acquisition Plan.

5.2 Impact Mitigation Modalities

The following types of losses which are expected to result from Project intervention will be mitigated.

In place of affected access of public venues, minor road access will be rebuilt immediately and temporary access will be provided during construction period at the relevant locations by the contractor.

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1 Full definition of Vulnerable Groups is provided in the Definitions.
3 Referring to the principles given in this plan will be applied to all PAPs to be determined after completion of design works due to minor realignments of the pipeline or any changes on the designs in future phase of the project.
Affected privately owned trees will be compensated as mentioned in the entitlement matrix. Lands will be purchased or acquired and payment and compensations will be made at replacement value at the current market prices without any delay.

The project will identify and implement policies to mitigate any adverse impacts that may appear during implementation of the project.

5.3 Mitigation of Negative Impacts

Names of the project affected persons/ properties, and assets including sizes for lands are given in Chapter 7 and Annex 4. Impact magnitudes are also given in Table 3.3 of this report.

The final cost calculation for social impact mitigation is provided in Chapter 7 in this report. It is based on the methodology provided and discussed in this chapter. The Consultant has got assistance from a private land and crops valuation company as independent valuator.

As no impacts occurred on the pre-construction phase, the aspects to be mitigated include following:

1. Construction Phase impacts to be mitigated;
   - Permanent Losing only part of the land,
   - Losing part of perennial crops (trees - fruit or non-fruit),
   - Losing part of the seasonal crops,
   - Income loss from perennial crops by cutting the fruit and non-fruit trees in the homestead lands, gardens, and agricultural lands,
   - Income loss from losing seasonal crops on agricultural lands and homestead lands.

2. Operation Phase impacts to be mitigated;
   - Losing income from the loss of perennial crops due to Restriction of Use with establishing servitude on the lands affected,
   - Losing income from the loss of seasonal crops due to routine and emergency maintenance and repair activities.

5.3.1 For Construction Phase Impacts

Losing Part of the Land;

The permanent land acquisition is adopted only for siting of above ground facilities (AGFs). Measures taken to minimize the permanent land acquisition;

- Land required for siting of above ground facilities (AGFs) and their access roads is preferred to select municipal lands rather than privately owned land.

- Use of shortest possible routes to reach the site of AGF (identified in consultation with affected land owners/users) to minimize impacts on productive lands.

- Monitoring by AWM OJSC is provided by an assigned Consultant was in place during the Construction Phase, to check on adequacy of compensation measures with consideration of additional intervention in cases of hardship or difficulty attributable to the project.

To permanently acquire required lands the AWM OJSC will follow a transparent process as follows;

- The AWM OJSC determines that land is appropriate for the intended purpose.
- It will be at the replacement value at current market prices of the area.
- The seller will have the option to refuse it, but in this case, the AWM OJSC shall conduct additional research developing alternative designs to find another alternative which does not involve acquisition of this specific land parcel. After all these investigative efforts, if there will be no alternative other than acquisition of this land due to technical requirements, AWM OJSC will implement Land Acquisition Process to acquire the required land under the normal
procedure by legal avenue in accordance with the the Law of Azerbaijan on acquisition of land for State needs dated April, 20, 2010 and other relevant Laws.

- If any acquisition is carried out it will follow normal acquisition procedure without following any emergency procedure.

Accordingly:

Compensation for permanent land acquisition is based on project offered rates which are free-market rates. The land valuation is conducted by the Consultant’s valuation team (an independent company) after completion of cadastral studies by the State Real Estate Registry Service (SRERS), in accordance with the methods described in the Law dated April 20, 2010 on Acquisition of the Lands for State needs. Where leases are extant over state / municipal land to be acquired, users is entitled to the compensation. The state is responsible for compensation for the affected lands owned by the district municipalities along the Project corridor.

**Losing Part of Perennial Crops (fruit trees) & Income Loss from Losing them by Cutting Trees;**

Privately owned fruit trees have been valued according to the annual income of fruits multiplied to the number of years required to reach similar yield productivity and timber price at market.

Non -fruit (timber) trees on public/ municipality land will be valued at market timber price per tree. The following factors will be considered in the valuation process.

- Current market value of timber.
- Demand and current price of fruits.
- The life time of the trees.
- The present age of the trees and potential for productivity.

The total cost for the trees cut is provided in the Chapter 7 of this report.

**Losing Part of Seasonal Crops & Income Loss from Losing them on Agricultural and Homestead Lands;**

According to the results of the consultant’s crop survey, total of 3.25 hectare of cultivated land with annual/seasonal and perennial crops is affected by the Project during the construction.

As crops are typically grown on a rotational basis, the inventory included gathering information about land owners’ and users’ current crops, and planned crops over the forthcoming three years.

The following impacts of the Project on annual crops are taken into account when measures are adopted;

- Loss of in-ground crops at the time the construction contractor takes possession of the land.
- Loss of crops for subsistence use where they are grown in the construction corridor.
- Possible loss of access to some remaining parts of agricultural land where land is bisected or fragmented by the construction corridor, however, no severance impact occured on the agricultural lands.
- Loss of income for the construction period (assuming the construction period is four years),
- Some possible short-term (2-3 years) reduction in crop yields and income after construction is completed from the land affected by construction while soil structure and condition recover from construction disturbance,

The following mitigation measures is extended to affected people to offset impacts from loss of annual crops;
- Cash compensation to offset the loss of income from annual crops for the four-year construction period, and taking into account planned crop rotation, however, actual construction period is taken into account for determining the compensation amounts,

- Cash compensation to offset any reduction in yield that may be caused by project impacts on soils to be based on 30 percent of the annual crop yields defined, to cover the three year period following construction completion.

- Stripping and re-use of topsoil following construction completion. This measure is taken by the Construction contractor at his own expense.

- Contractual obligations for the contractor to fully reinstate project soils to their pre-project productivity levels. This measure is taken by the Construction contractor at his own expense.

- Monitoring by AWM OJSC’s Environmental and Social Department to check on adequacy of compensation measures with consideration of appropriate additional intervention in cases of hardship or difficulty attributable to the Project,

The total cost for losing part of annual/seasonal is provided in the Chapter 7 of this report.

5.3.2 Operation Period Phase Impacts

To avoid the permanent land acquisition of the lands required for the pipelines both in and out of the city, restriction of use and right of use (way leave) principles with establishing servitude on the affected lands is considered throughout the operation period of the project (20 years). For the detail of these principles, see Chapter 3.1.2.3 of this report.

Restrictions of Use will be applied to a 20-metre corridor (referred to as pipeline protection zone) in accordance with the SNIP II.04.02 (and 0.3) – 84 and 85. Restrictions will apply throughout the operational life of the project. Restrictions of use will be applied through agreements to be signed with each project affected land owner.

However, the following negative impacts will occur during the operation period on the public & private lands affected along the project corridor due to the routine maintenance activities planned along the Project corridor throughout the operation period (20 Years).

- Losing income from the loss of perennial crops due to Restriction of Use with establishing servitude on the lands affected;

- Losing income from the loss of annual / seasonal crops due to routine maintenance activities.

Nature of Impact

Restrictions of use will be applied in a 20-metre “protection zone” that extends along the drinking water transmission main and interceptor sewer (see Chapter 3.1.2.3 of this report). A 6-metre “protection zone” will apply along the drinking water and collector sewers which cross private homestead lands and gardens in the city. The restrictions will apply for the operational life of both drinking water and sewage pipelines, which are twenty years with the option for extension.

The restriction of use will affect present land-use practices along the pipelines where this practice will be applied as the households will not be allowed to re-establish trees cut and building any new structure along the 20-metre protection zone out of the city, and 6-metre protection zone inside the city with other types of restrictions.

Ownership of temporarily used private lands will remain vested with the existing land owners. Rights to use the land for drinking water mains, collector and interceptor sewer construction will be secured by the AWM OJSC by means of establishing servitude with each affected owner on each affected lands for Restriction of Use.
Upon completion of servitude process, priority rights for use of the land will remain at the previous owner, subject to the restrictions described in Chapter 3.1.2.3. Other side in servitude (Azersu and/or Rayon Sukanal Department) will have only rights for use of the land for repair, periodic maintenance throughout the normal operation and operation in case of accidents and emergency.

However, the restriction of use and other party’s rights for use of the land to be defined in the servitude will not be extended without written consent of the current owner after the end of operational life of the Project, otherwise the servitude and the rights given to Azersu and/or Rayon Sukanal department with the servitude will automatically deem expired at the end of the project’s operational period.

Summary Impacts which cause income losses:

- Restriction on building any structures in the protection zone.
- Alienation of an 6-metre strip over the pipeline for use of tree crops,
- Restriction on deep ploughing,
- Effective restriction on major irrigation extensions (deeper than 300 mm),
- Damage to crops in the event of emergency access along the pipeline.

Measures that are taken for mitigating the impacts during Normal & Emergency Operation period are as follows;

- Routine maintenance activities (periodic) should be planned in the manner which minimizes the loss of perennial and seasonal crops on the cultivated agricultural lands.
- The plans which arrange the periodic maintenance activities should include the appropriately designed access points to the 6-m pipeline corridor, to avoid the random access to the corridor for maintenance, which in turn causes to unrestraint damages and crop losses.
- The activities for periodic maintenance should include sensitive measures, to avoid the permanent and temporary loss and damages on the cultural properties along and nearby the pipelines and above ground facilities.

Cash Compensation covers;

- Loss of each tree (fruit and non-fruit) based on cost of sapling; inputs & labour to re-establish tree to maturity plus value of lost production for the total re-establishment period --normally three years.
- Compensation for annual crops including hayfields equivalent to 3 season’s production less input costs (irrespective of whether or not crop is in ground at time of establishing servitude) because the performance of the soil damaged during construction can reach to the same level before construction after three years soil recovery applications.
- Compensation for yield reduction for 2-3 year period of soil recovery following construction completion as one-off lump sum cash payment equivalent to 30 percent of a season’s crop production for three years because the soil
5.4 Impacts on Vulnerables Groups

To achieve the objectives of World Bank policy, the LA & MVP pays particular attention to the needs of vulnerable groups amongst PAPs, especially those recipients of targeted assistance, people below poverty line, landless, single elderly, females leading the households, people with disability and IDPs. Particular attention was paid to households headed by women and other vulnerable groups to ensure that the project provides appropriate assistance to help them improving their living standards.

The following activities have been undertaken to identify project affected vulnerable groups:

1. Vulnerable people were carefully identified and recorded during Census;
2. All vulnerable PAPs (landowners and land users) have been qualified as eligible to relevant compensation entitlements.
3. Additional onetime allowance beyond the regular mitigation costs as defined in chapter 7.
4. Additional technical assistance will be provided to ensure appropriate delivery of compensation.
5. Regular monitoring scheme will be exercised to avoid any unforeseen cases of hardship arising from the land acquisition, compensation and livelihood restoration processes.

Specific measures for each of the vulnerable groups are summarised in the following Table.

**Table 5.1: Assistance to Vulnerable Groups and Severely Affected PAPs**

<table>
<thead>
<tr>
<th>Vulnerable Group</th>
<th>Areas of Risk</th>
<th>Project Mitigation Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDPs †</td>
<td>Often reliant on informal agreements for shelter/land use At risk of being</td>
<td>As no IDP family affected by the Project directly and indirectly is detected along the Project corridor, no specific measures are recorded.</td>
</tr>
<tr>
<td></td>
<td>displaced where there is a prospect of compensation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Often very poor</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Limited social safety net</td>
<td></td>
</tr>
<tr>
<td>Informal Land Users</td>
<td>Legal entitlement to compensation under Azeri law for replacement costs and</td>
<td>Project assistance to achieve registration or at least, to get written agreements with land owners.</td>
</tr>
<tr>
<td></td>
<td>damaged movable assets only [Law on Acquisition of Lands for State Needs dated April 20, 2010, Article 7.3.5 and 7.5.].</td>
<td>Project will offer same compensation entitlements as to registered users, except providing compensation for land, but all non-land assets (movable/immovable) will be compensated.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>However, no informal land users have been detected during census in Masalli case.</td>
</tr>
<tr>
<td>Elderly couples or individuals</td>
<td>Reduced mobility may limit access to information, compensation collection,</td>
<td>Elderly specifically identified in census.</td>
</tr>
<tr>
<td></td>
<td>lodgement of complaint</td>
<td>Where necessary, the project will support mobile teams to manage signing of agreements and hand-to-hand compensation payment at place of residence.</td>
</tr>
<tr>
<td></td>
<td>May be vulnerable to pressure from family/relatives to divert income to family</td>
<td>Project will encourage use of bank accounts.</td>
</tr>
<tr>
<td></td>
<td>needs at expense of subsistence</td>
<td>Monitoring for effectiveness of the measures with consideration of appropriate additional intervention where warranted.</td>
</tr>
<tr>
<td></td>
<td>Physically vulnerable to theft or intimidation</td>
<td></td>
</tr>
<tr>
<td>Women-headed households abandoned by</td>
<td>Potential difficulties in securing compensation (where husband is nominated</td>
<td>As appropriate, the Project will provide assistance to help women:</td>
</tr>
<tr>
<td>husbands, now living abroad</td>
<td>as household head on land ownership papers)</td>
<td>- through their husbands, get Power of Attorney so that they can sign agreements and receive compensation in their husband’s absence; or</td>
</tr>
</tbody>
</table>
Social Impacts of the Project

- In case of missing husbands, assist women to apply to the District Court for appointment of a trustee.
- Monitoring teams will be given gender awareness training and will include women members.
- Capable family members of female headed HHs will be given priority in employment in project-related jobs.

<table>
<thead>
<tr>
<th>Vulnerable people</th>
<th>Potential difficulties for claiming their rights, and not meeting the required licences.</th>
<th>Vulnerable people will be given an allowance corresponding to 6 months of minimum subsistence income and priority in employment in project-related jobs. The allowance is to be calculated based on a 5 people family and the monthly-updated benchmarks indicated by the State Statistical Committee of Azerbaijan at time of LA &amp; MVP approval.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Severely affected PAPs</td>
<td>PAPs losing more than 10 % of income generating land</td>
<td>Severely affected PAPs will be provided additional one time allowance in the amount of mitigation cost equal to one year income from the affected area.</td>
</tr>
</tbody>
</table>

1. IDPs: Internal Displaced Persons.

Important Notice: Survey Team was not able to locate and interview possessors of 7 project affected land parcels, due to the reason that these persons were absent during the surveys (census, socio-economic survey and inventory of project affected assets).

These land parcels are enumerated, relevant cash compensation is included in the LA& MVP implementation budget.

According to the State Cadastre these land parcels are registered as "unclaimed", meaning that their legitimate possessors have not yet applied for registration of private ownership rights.

During LA& MVP implementation period PIU will put more efforts to reach out and locate absent PAPs. Most likely among them some will be vulnerable persons, eligible to additional one time allowance as determined in this document.

AWM OJSC, as authorized buyer for and on behalf of Azerbaijan Government, is obliged that all vulnerable PAPs including those that may be in addition identified during LA & MVP implementation period is provided with appropriate cash compensation and required technical assistance as presented in the document.

5.5 Summary of Entitlements

The following entitlement matrix is arranged specifically for this Project, outlining compensation entitlements to type of loss. Four categories has been identified in accordance with the following cases:

- Entitlements for Permanent Acquisition of Land for Above Ground Facilities and Permanent Access Roads
- Entitlements for Temporary Use of Land in 20-metre Pipeline Corridor, and Construction Contractor’s Camp Site and Warehouse during Construction Period

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4 The Entitlement Matrix is prepared and developped based on the principles of the project RPF dated Feb. 29, 2008. However, certain modifications have been made in accordance with requirements of WB OP Policy 4.12 Involuntary Resettlement, and New Azerbaijani Law on acquisition of land for state needs dated April 20, 2010, and the wishes of the PAPs as the Project RPF focuses only on land acquisition alternative, not restriction of use for turning the land back to the original landowner after expiring the servitude, and to provide the PAPs to continue to use the land for their subsistings. Otherwise, All PAPs who suffer from restriction of use during project life time (20 years), would loose their assets by the effect of permanent land acquisition. In addition, each PAP who suffers from Restriction of use, is provided with a cash compensation of at least 20% (for 20m pipeline corridor) and 80% (for 6m pipeline corridor) of land replacement value together with cash compensation of other crop damages that occur during construction, and for soil recovery and sapling, if there are any perennial crop.
- Entitlements for Rights of Access – 20-m and 6-m strip over the Pipelines & Restriction of Use over 20 m corridor during 20 years
- Additional Compensation Entitlements for Vulnerable and Severely Impacted PAHs who suffer from the Restriction of Use and Right of Access over 20-m and 6-m corridor

Entitlements for project affected people (PAPs) are summarized in the following Tables.

**Table 5.2: Entitlements for Permanent Acquisition of Land for Above Ground Facilities and Permanent Access Roads**

<table>
<thead>
<tr>
<th>Type of Loss</th>
<th>Compensation Entitlements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Private Land Owners</strong></td>
<td>Registered User</td>
</tr>
<tr>
<td>Eligibility</td>
<td>-Land owner with registered land ownership certificate</td>
</tr>
<tr>
<td></td>
<td>-Land owner with passport (or registrable) ownership documentation.</td>
</tr>
<tr>
<td></td>
<td>-Land owner with right to ownership from long possession.</td>
</tr>
<tr>
<td></td>
<td>-Person with notarized Power of Attorney to act on behalf of absentee/ incapacitated owner</td>
</tr>
<tr>
<td></td>
<td>-Trustee appointed by Civil Court to act for a missing land owner</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss of Land</td>
<td>-Cash compensation based on “project offered rates”; or,</td>
</tr>
<tr>
<td></td>
<td>-where impact is significant, choice of replacement land parcel (if available) or</td>
</tr>
<tr>
<td></td>
<td>-cash compensation for total land parcel.</td>
</tr>
<tr>
<td>Loss of Immovable Assets</td>
<td>-Cash compensation at full replacement value; or</td>
</tr>
<tr>
<td></td>
<td>-Replacement of the asset equivalent to that lost to the project (eg. artesian wells) – to be agreed on a case-by-case basis.</td>
</tr>
<tr>
<td>Loss of Trees and Perennial Crops</td>
<td>-Cash compensation to cover loss of each tree/vine/shrub based on cost of sapling; inputs &amp; labor to re-establish tree/vine/shrub to maturity plus value of lost production for the total re-establishment period.</td>
</tr>
<tr>
<td></td>
<td>-Cash compensation to cover loss of each tree/vine/shrub based on cost of sapling; inputs &amp; labor to re-establish tree/vine/shrub to maturity plus value of lost production for the total re-establishment period.</td>
</tr>
<tr>
<td>Loss of annual crops, including Hayfields</td>
<td>Cash compensation for annual crops equivalent to one season’s production less input costs (irrespective of whether or not)</td>
</tr>
</tbody>
</table>

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² Project affected forest areas (forest blazes) are included in compensation entitlements. In fact some section of the pipeline from catchment travels through the forest area. Although pipeline ROW is already owned by the AZERSU with existing pipeline. New pipeline will be installed along the old pipeline in the existing RoW. However, existing ROW will need to be registered at the SRERS, requiring cadastral surveys and preparation of other formal documents required for completion legal actions for the ROW registration at the SRERS.

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Aim_Texas_Trading/OMG/AzBaku_RAPs/ISM_LA&MVP387_17
### Loss of Pasture

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Compensation Entitlements</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Land owner with registered land ownership certificate</td>
<td>- State agricultural enterprise with registered lease over state or municipal land</td>
</tr>
<tr>
<td>- Land owner with passport (or registerable) ownership documentation.</td>
<td>- Private users with verbal or informal agreement with land owner</td>
</tr>
<tr>
<td>- Land owner with right to ownership from long possession.</td>
<td>- Private users of state or municipal land without lease or formal agreement</td>
</tr>
<tr>
<td>- Person with notarized Power of Attorney to act on behalf of absentee/</td>
<td>- Private users of private land without agreement of landowner (subject to reasonable</td>
</tr>
<tr>
<td>incapacitated owner</td>
<td>verification)</td>
</tr>
<tr>
<td>- Trustee appointed by Civil Court to act for a missing land owner</td>
<td>- State Land</td>
</tr>
<tr>
<td></td>
<td>- State Funds forest land</td>
</tr>
<tr>
<td></td>
<td>- State Funds agricultural land</td>
</tr>
<tr>
<td></td>
<td>- Municipal land</td>
</tr>
</tbody>
</table>

### Additional Compensation for Vulnerable PAHs

- Cash compensation equivalent to six months of minimum subsistence income which is official poverty line in Azerbaijan is US$3.31 a day or 100AZN/- per month in December, 2015, per affected vulnerable family.

- Cash compensation equivalent to six months of minimum subsistence income which is official poverty line in Azerbaijan is US$3.31 a day or 100AZN/- per month in December, 2015, per affected vulnerable family.

- Cash compensation equivalent to six months of minimum subsistence income which is official poverty line in Azerbaijan is US$3.31 a day or 100AZN/- per month in December, 2015, per affected vulnerable family.

### Additional Compensation for PAHs Severely Affected

- Cash compensation equivalent to additional one time allowance in the amount of mitigation cost equal to one year income from the affected area.

- Cash compensation equivalent to additional one time allowance in the amount of mitigation cost equal to one year income from the affected area.

- Cash compensation equivalent to additional one time allowance in the amount of mitigation cost equal to one year income from the affected area.

### Minimum Total Compensation

- Minimum compensation payment will be 500 AZN

### Notarization & Registration Costs

- Cost covered by the Project
- Cost covered by the Project
- Cost covered by the Project

### Abbreviation

LAT: Land Acquisition Team of AWM OJSC.

### Table 5.3: Entitlements for Temporary Use of Land in 20-metre Pipeline Corridor, and Construction Contractor’s Camp Site and Warehouse during Construction Period

<table>
<thead>
<tr>
<th>Type of Loss</th>
<th>Compensation Entitlements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility</td>
<td>- State agricultural enterprise with registered lease over state or municipal land</td>
</tr>
<tr>
<td></td>
<td>- Private users with verbal or informal agreement with land owner</td>
</tr>
<tr>
<td></td>
<td>- Private users of state or municipal land without lease or formal agreement</td>
</tr>
<tr>
<td></td>
<td>- Private users of private land without agreement of landowner (subject to reasonable verification)</td>
</tr>
<tr>
<td>Loss of Land</td>
<td>- No permanent Acquisition of Land</td>
</tr>
<tr>
<td>Loss of Immovable Assets</td>
<td>- Cash compensation at full replacement value; or</td>
</tr>
<tr>
<td></td>
<td>- Replacement of the asset equivalent to that lost to</td>
</tr>
<tr>
<td></td>
<td>- Where asset may have been installed or erected by the user, triangular negotiation (LAT, user &amp; land owner) to agree</td>
</tr>
<tr>
<td></td>
<td>- Where asset may have been installed or erected by the user, triangular negotiation (LAT, user &amp; land owner) to agree</td>
</tr>
<tr>
<td></td>
<td>- Cash compensation at full replacement value; or</td>
</tr>
<tr>
<td></td>
<td>- Replacement of the asset equivalent to that lost to</td>
</tr>
<tr>
<td>Impact</td>
<td>Description</td>
</tr>
<tr>
<td>--------</td>
<td>-------------</td>
</tr>
<tr>
<td>Loss of Trees and Perennial Crops</td>
<td>- Cash compensation to cover loss of each tree/vine/shrub based on cost of sapling; inputs &amp; labor to re-establish tree/vine/shrub to maturity plus value of lost production for the total re-establishment period, and soil recovery for 3 years after construction.</td>
</tr>
<tr>
<td>Loss of Annual Crops, including Hayfields</td>
<td>- Cash compensation for annual crops equivalent to 3 season’s production less input costs (irrespective of whether or not crop is in ground at the time servitude to be established). Where crop/crop incomes are otherwise shared with owner, triangular negotiation (LAT, User &amp; land owner) to agree equitable basis for distributing compensation based on historical arrangements between owner &amp; user – based on 3 season’s production.</td>
</tr>
<tr>
<td>Loss of Pasture</td>
<td>- Cash compensation equivalent to 3 season’s pasture production, based on value of grass consumption/sheep/year x stocking rate (sheep/ha).</td>
</tr>
<tr>
<td>Minimum Total Compensation</td>
<td>Minimum compensation payment will be 500 AZN.</td>
</tr>
<tr>
<td>Notarization &amp; Registration Costs for establishing Servitude on affected lands</td>
<td>Cost covered by the Project, Cost covered by the Project, Cost covered by the Project.</td>
</tr>
</tbody>
</table>

**Abbreviation:** LAT: Land Acquisition Team of AWM OJSC.
### Table 5.4: Entitlements for Rights of Access – 20-m and 6-m strip over the Pipelines & Restriction of Use over 20 m corridor for 20 Years

<table>
<thead>
<tr>
<th>Type of Loss</th>
<th>Compensation Entitlements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Eligibility</strong></td>
<td><strong>Private Land Owners</strong></td>
</tr>
<tr>
<td>- Land owner with registered land ownership certificate</td>
<td>- Land owner with registered land ownership certificate</td>
</tr>
<tr>
<td>- Land owner with passport (or registrable) ownership documentation.</td>
<td>- Land owner with right to ownership from long possession.</td>
</tr>
<tr>
<td>- Land owner with right to ownership from long possession.</td>
<td>- Person with notarized Power of Attorney to act on behalf of absentee/ incapacitated owner</td>
</tr>
<tr>
<td>- Next of kin awarded temporary ownership rights by Civil Court</td>
<td></td>
</tr>
<tr>
<td><strong>Restriction of use (20-metre corridor)</strong></td>
<td>Cash compensation equivalent to 20 percent of the &quot;project offered rate&quot; for the subject land</td>
</tr>
<tr>
<td><strong>Right of Access (6-metre pipeline strip)</strong></td>
<td>Cash compensation equivalent to 80 percent of the &quot;project offered rate&quot; for the subject land</td>
</tr>
</tbody>
</table>

### Table 5.5: Additional Compensation Entitlements for Vulnerable and Severely Impacted PAHs who suffer from the Restriction of Use and Right of Access over 20-m and 6-m corridor

<table>
<thead>
<tr>
<th>Type of Loss</th>
<th>Compensation Entitlements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Additional Compensation for Vulnerable PAHs</strong></td>
<td><strong>Private Land Owners</strong></td>
</tr>
<tr>
<td>Cash compensation equivalent to six months of minimum subsistence income which is official poverty line in Azerbaijan is $3.31 per month in December 2015, per affected vulnerable family</td>
<td>Cash compensation equivalent to six months of minimum subsistence income which is official poverty line in Azerbaijan is $3.31 per month in December 2015, per affected vulnerable family</td>
</tr>
<tr>
<td><strong>Additional compensation for PAHs severely Affected</strong></td>
<td>Cash compensation equivalent to additional one time allowance in the amount of mitigation cost equal to one year income from the affected area.</td>
</tr>
</tbody>
</table>

Entitlements for State/Municipal owned land is incorporated in the document in accordance to the procurement procedures defined in accordance to the requirements of Azerbaijani Legislation.
IMPLEMENTATION MECHANISM
Overview

Overall responsibility for planning and execution of land acquisition / compensation and income rehabilitation / restoration rests with AWM OJSC. The Cabinet of Ministers of Azerbaijan commissioned AWM OJSC with the Cabinet Minister Decree No 75 dated May 03, 2013 as Executing Agency for performing the land acquisition, and other relevant resettlement activities. Implementation Unit (PIU) created by AWM OJSC specifically for the SNWSSP II of Azerbaijan.

The PIU has trained personnel on implementation of this Resettlement and Land Acquisition Plan.

The construction supervision unit of PIU also will play an active role in the implementation of this plan. Institutional arrangements and their responsibilities for implementation of resettlement activities are summarized and given below.

6.1 Implementation Plan

Implementation will commence with a public awareness program. The PIU will ensure that this plan will be implemented properly. The implementation of this plan involve at least following agencies, including:

- AWM OJSC (PIU) as Authorized Purchaser,
- Ministry of Finance as Monitoring Agency commissioned by the Law on acquisition of lands for state needs dated April 20, 2010,
- State Real Estate Registry Services as authorized agency for registering of all lands and immovable properties in all country,
- Local governments (Rayon Executive Power),
- Relevant District Municipalities,
- Local CBOs and NGOs, and
- WB.

In accordance with the Law on acquisition of lands for state needs dated April 20, 2010, the implemetnation plan should follow a path (implementation mechanism) shown in the following Figure. See mentioned Law Article 43.4, 44.1.1, and 44.1.7.

The major events in the course of implementation is summarized in the following Table;

<table>
<thead>
<tr>
<th>Activities</th>
<th>Time (Days)</th>
<th>Location</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1 – Submission of Consultant</td>
<td>0 Days</td>
<td>Baku</td>
<td>Land Acquisition Consultant</td>
</tr>
<tr>
<td>Step 2 – Preparation of Comments for LA&amp;MVP</td>
<td>Within 15 days after submission of LA&amp;MVP</td>
<td>Baku</td>
<td>AWM OJSC &amp; MOF</td>
</tr>
<tr>
<td>Step 3 – Refering the LA&amp;MVP to Valuation Commission with comments</td>
<td>Within 30 days after submission of LA&amp;MVP</td>
<td>Ismayilli</td>
<td>AWM OJSC &amp; MOF</td>
</tr>
<tr>
<td>Step 4 – Approval of Costs by Valuation Commission, holding series of meeting with PAPs</td>
<td>Within 60 days after submission of LA&amp;MVP</td>
<td>Ismayilli</td>
<td>Valuation Commission</td>
</tr>
<tr>
<td>Step 5 – Sending of approved costs to AWM OJSC by the Valuation Commission</td>
<td>Within 75 days after submission of LA&amp;MVP</td>
<td>Ismayilli</td>
<td>Valuation Commission</td>
</tr>
<tr>
<td>Step 6 – Submission of approved costs to MOF by AWM OJSC</td>
<td>Within 90 days after submission of LA&amp;MVP</td>
<td>Baku</td>
<td>AWM OJSC</td>
</tr>
<tr>
<td>Step 7 – Obtaining approval from MOF for the final costs and assigning to Land Acquisition Team in Rayon</td>
<td>Within 105 days after submission of LA&amp;MVP</td>
<td>Baku</td>
<td>AWM OJSC</td>
</tr>
<tr>
<td>Step 8 – Arranging Public Awareness Program by Land Acquisition Team</td>
<td>Within 105 days after submission of LA&amp;MVP</td>
<td>Ismayilli</td>
<td>Land Acquisition Team</td>
</tr>
<tr>
<td>Step 9 – Accomplishing full compensation</td>
<td>Within 135 days</td>
<td>Ismayilli</td>
<td>Land Acquisition</td>
</tr>
<tr>
<td>Step</td>
<td>Description</td>
<td>Time Frame</td>
<td>Team</td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
<td>------------</td>
<td>------</td>
</tr>
<tr>
<td>10</td>
<td>Implement Land Transfer Procedure</td>
<td>Within 135 days after submission of LA&amp;MVP</td>
<td>Ismayilli AWM OJSC, Land Acquisition Team, SRERS</td>
</tr>
<tr>
<td>11</td>
<td>Grievance Redressing</td>
<td>Throughout the Project period (Construction plus operation period)</td>
<td>Project Area AWM OJSC, PIU, AZERSU, Rayon Sukanal Department, Rayon Executive Power</td>
</tr>
<tr>
<td>12</td>
<td>Internal Monitoring</td>
<td>Throughout the Project period</td>
<td>Project Area AWM OJSC, MOF, AZERSU, Rayon Sukanal Department, Rayon Executive Power</td>
</tr>
<tr>
<td>13</td>
<td>External Monitoring</td>
<td>At the end of Land Acquisition Process</td>
<td>Independent External Monitoring Panel, MOF, AWM OJSC, PIU, AZERSU</td>
</tr>
</tbody>
</table>

Figure 6.1: Implementation Mechanism *(Illustrated by Consultant’s Team)*
### 6.2 Institutional Roles and Responsibilities

Planning, formulation and successful implementation requires the roles and responsibilities of different stakeholders and interest groups to be clearly defined and communicated.

Overall responsibility for planning and execution of land acquisition / compensation and income rehabilitation / restoration rests with AWM OJSC. Roles and responsibilities for the tasks of planning and execution of land acquisition / compensation and income rehabilitation / restoration are summarized in the following Table.

**Table 6.2: Land Acquisition & Resettlement Roles and Responsibilities**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Purpose</th>
<th>Period</th>
<th>Responsible Authority</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application for land allocation for the project</td>
<td>To secure Azerbaijan Government approval for allocation of land for the project</td>
<td>Planning</td>
<td>AWM OJSC</td>
<td>AWM OJSC</td>
</tr>
<tr>
<td>Research of Land Title and ownership details</td>
<td>Identification of Project affected land, parcels, landowners and users</td>
<td>Planning</td>
<td>AWM OJSC, SCPI, SRERS</td>
<td>AWM OJSC researches title and ownership information. SCPI, SRERS assist with GIS database development</td>
</tr>
<tr>
<td>Census of Project Affected Households</td>
<td>To provide a record of all households &amp; enterprises eligible for compensation</td>
<td>Planning</td>
<td>Consultant, Land Acquisition Team</td>
<td>Land Acquisition Team</td>
</tr>
<tr>
<td>Notification and Preliminary Consultation with affected community</td>
<td>Meetings to advise landowners / users of the need to acquire their lands, and explain procedures to be followed</td>
<td>Planning</td>
<td>AWM OJSC, and Consultant</td>
<td>Land Acquisition Team with assistance from district executive authority and village representatives</td>
</tr>
<tr>
<td>Socio-economic Survey of affected people</td>
<td>To assess affected households living standards &amp; livelihood sources as a basis for identifying impacts, and establishing a monitoring baseline</td>
<td>Planning</td>
<td>AWM OJSC, and Consultant</td>
<td>International Consultant together with National social assessment consultant</td>
</tr>
<tr>
<td>Preparation of LA&amp;MVP</td>
<td>To comply with national / international good practice, ational regulations / WB OP 4.12, and lender requirements</td>
<td>Planning</td>
<td>AWM OJSC, and Consultant</td>
<td>International Consultant and Land Acquisition Team</td>
</tr>
<tr>
<td>Signing of preliminary Memorandum of Understanding (MOU)</td>
<td>MOU with each affected owner / user agreeing that the Project corridor land may be acquired, with a description of affected area &amp; its condition including crops, trees and other immovable assets.</td>
<td>Planning</td>
<td>AWM OJSC</td>
<td>AWM OJSC signs the MOUs with owners and leaseholders</td>
</tr>
<tr>
<td>Survey &amp; Loss assessment</td>
<td>To assess all lands, assets, livelihood impacts as basis for valuation</td>
<td>Planning</td>
<td>Consultant’s social survey and valuation Team</td>
<td>Consultant’s social survey and valuation Team</td>
</tr>
<tr>
<td>Valuation of Land, assets, and livelihood to be lost</td>
<td>To define amount of compensation payable for temporary and permanent use of land</td>
<td>Planning</td>
<td>Consultant’s social survey and valuation Team</td>
<td>Land acquisition team and Consultant’s social survey and valuation Team</td>
</tr>
<tr>
<td>Final negotiation of compensation</td>
<td>Based on the recommendation of the Consultant’s valuation team, the Land Acquisition team negotiates final</td>
<td>Pre-construction</td>
<td>AWM OJSC Land Acquisition Team</td>
<td>Land Acquisition Team</td>
</tr>
<tr>
<td>#</td>
<td>Activity</td>
<td>Receptors</td>
<td>Source of Impact</td>
<td>Impact Assessment</td>
</tr>
<tr>
<td>-----</td>
<td>----------------------------------------------</td>
<td>------------------------------------</td>
<td>-------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>Construction period</td>
<td>Host population, local staff, in-migrated personnel</td>
<td>In-migration of new workers of contractors</td>
<td>Process of integration of host and in-migrated communities may experience some social tension</td>
</tr>
<tr>
<td>2</td>
<td>Mobilization of local staff for commencemennt of works activities</td>
<td>Local job seekers</td>
<td>Contractor will not require as large staff to satisfy all job seekers in project influence area</td>
<td>High expectation on job opportunities may disappoint local population leading to complaints and dissatisfaction</td>
</tr>
<tr>
<td>3</td>
<td>Earth works and pipeline construction activities</td>
<td>Business owners, hired personnel within project COI</td>
<td>Earth works and operating machinery temporarily limit access to</td>
<td>Construction works takes longer than planned, limited access to road side</td>
</tr>
<tr>
<td>#</td>
<td>Activity</td>
<td>Receptors</td>
<td>Source of Impact</td>
<td>Impact Assessment</td>
</tr>
<tr>
<td>-----</td>
<td>----------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>----------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>businesses facilities</td>
<td>business force them to temporarily suspend business activities</td>
</tr>
<tr>
<td>4</td>
<td>Earth works, construction and maintenance activities</td>
<td>Users of water, electricity and natural gas</td>
<td>Existing linear structures may get damaged during construction or operation period</td>
<td>Temporary cut of water supply, electricity or natural gas may cause discontent of local population and if not addressed timely and accordingly may cause some social protests</td>
</tr>
<tr>
<td>5</td>
<td>Earth works and construction activities</td>
<td>Local population mainly pregnant women, mothers with younger kinds and oddlers, elderly people and and people with disability</td>
<td>As a result of negligence of workers and/or, construction supervisors open holes, tranches left uncover to create threat for physical well ness of people within project affected area.</td>
<td>Open tranches, uncovered holes, pipes, other construction materials and machinery left in wrong places may cause physical damages of local people and their assets (cattle, vehicles etc).</td>
</tr>
<tr>
<td>6</td>
<td>Routine or urgent maintenance activities</td>
<td>Owners/users of land/assets that may be affected during the earth works, construction or maintenance period</td>
<td>As a result of negligence of workers and/or, construction supervisors extra land (private or public assets) may be occupied and even damaged</td>
<td>Loss of income or assets caused by unauthorized intervention and occupation of territory outside of the compensated area</td>
</tr>
</tbody>
</table>

6.2.1 Compensation and Disbursement Mechanism

AWM OJSC with financial support from Government of Azerbaijan and implemented through the Land Acquisition Team will pay all compensation/entitlements as laid out in the entitlement matrix to all eligible affected persons/households.

Regardless whether an affected person/household is registered user, all title holders and non-title holders will be compensated according to entitlement matrix (see Chapter 5.5 of this report).

All the payments will be made by AWM OJSC through bank transfers.

6.3 Grievance Redress Mechanism

This Chapter will illustrate the measures and procedures needed to redress or mitigate grievances.

The sole purpose of the measures of redresses recommended is to avoid economic and social hardships to people resulting from the construction effects of the project. In order to accomplish this purpose, it is essential that the mitigation measures recommended in this report should be followed closely by the project implementing agency. All of the recommended mitigation measures are essential and none is significantly more important than the others. Some adverse impacts like resettlement of people are not likely to occur due to the scope of this project. This, notwithstanding, will be essential that certain measures recommended are closely followed prior to actual implementation of the scheduled work.

On the basis of the social research and monitoring conducted before, the note below provides a draft for the grievance redress measures, steps and procedures to be adopted by the AWM OJSC.
6.3.1 Proposed Grievance Redress Steps and Procedures

Maintaining of Complaint Register

Care will always be taken to prevent grievances rather than going through redressal system. Grievance can be minimized through careful project design and implementation by ensuring active participation and consultation with PAPs, establishing rapport between the community and AWM OJSC through frequent interactions, transparency and monitoring.

As a first step of the grievance redress steps a complaint register will be maintained in each Resident Engineer’s (RE) office. On receiving a complaint, it will be registered at the RE’s office and complaint will be given a reference number. Then RE will review the complaint received and its documentation and also make arrangements to redress it. If the issue cannot be handled / settled by the RE himself / herself the complaint will be referred to the Grievance Redress Committee.

Establishment of a Grievance Redress Mechanism Committee (GRC)

Grievance Redress Committees (GRC) will be formed by the AWM OJSC in the rayon or other appropriate project location consisting of the following members as given in Table.

Table 6.4: Positions and Duties of the GRC Members

<table>
<thead>
<tr>
<th>Designation / Official Position</th>
<th>Function in the Committee</th>
<th>Task assigned</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Director – AWM OJSC</td>
<td>Chairman</td>
<td>Chairing the GRC Meetings, making recommendations and for action</td>
<td>Grievance Notice should be Headed within a month</td>
</tr>
<tr>
<td>2 Officer, representing AWM OJSC, at the project area</td>
<td>Secretary, Chief engineer or Executive Engineer can act as the secretary of GRC.</td>
<td>Maintaining minutes, Correspondence on Decisions by the GRC</td>
<td></td>
</tr>
<tr>
<td>3 Representative from Local Government (Executive Power)</td>
<td>Member</td>
<td>To represent local authority, and its concerns.</td>
<td></td>
</tr>
<tr>
<td>4 Representative from local municipalities</td>
<td>Member</td>
<td>To represent district municipalities, and its concerns.</td>
<td></td>
</tr>
<tr>
<td>5 Representative from MOF of rayon department</td>
<td>Member</td>
<td>To represent monitoring authority, and its concerns.</td>
<td></td>
</tr>
<tr>
<td>6 Representative from a local community organization (CBO)</td>
<td>Member</td>
<td>To represent local community, and its concerns.</td>
<td></td>
</tr>
<tr>
<td>7 A representative of Local PAPs</td>
<td>Member</td>
<td>To represent the concerned PAPs</td>
<td></td>
</tr>
</tbody>
</table>

Resident Engineer (RE) – He/She could also attend as a non-member to offer his observations if requested and clarify the matters related to the claims based on the field investigation of applications and show the implication that may emerge in project implementation.

Contractors Representative - He/She could also attend as a non-member. If requested and clarify the matters and answers and make comments regarding the related issue.

Creation of Awareness of the Grievance Redress Mechanism

AWM OJSC should inform the relevant PAPs/Communities, Local Executive Powers, Municipalities and rayon officers of MOF, Resident Engineer, and Contractor about the existence of grievance redress mechanism.

AWM OJSC should prepare flyers indicating:

- Project brief including the benefits of the rehabilitated road for the public,
- Procedures for registering a complaint,
- Categories of persons, institutions and property/assets affected that can claim compensation,
- Explanation of those who would not be considered as an affected person, property etc.
• The address of the authority to receive and register the application with the name of the officer in-charge, address, and telephone/fax numbers to contact.

Receiving Application for Redress

The applications regarding grievances for redressal can be submitted to the Resident Engineer (RE) on week days during office hours. These applications are registered in the RE’s office with all details such as names of the person, type of grievances etc. The RE along with the social safeguards staff will be responsible for the resolution of the grievance at the local level and if required will request a meeting of the GRC and inform the other committee members regarding the grievance registered and actions taken so far.

A copy of the application for redress should be sent promptly to Director/AWM OJSC and Secretary/GRC with the observation of the RE.

6.3.2 Redress Committee Meetings, Hearings, Proceedings and Recommendations

Depending on the applications to be considered, Redress Committee Meetings will be held in the Office of the Resident Engineer on the Thursday of every second week of the month at 2.00 p.m. If this day falls on a holiday, the meeting will be held on the following day at 2.00 p.m. In some cases, a need will arise to hold more than one sitting. In such instances, Director of GRC will schedule additional meetings and inform the applicant early in writing. Schedule must be strictly adhered to. If a member cannot attend a scheduled sitting, a representative should be sent. Minutes of the meetings, including the decisions taken regarding redress or otherwise, will be recorded by the GRC Secretary.

Minutes should be signed by all members of GRC. Applications, investigation reports, minutes of meetings and the decisions of the GRC on each of the application for redress should be maintained in the office of the Director / AWM OJSC for future reference.

6.3.3 Implementation of Decision of GRC

The minutes of the GRC signed by the GRC members are maintained at the office of the Director of GRC. The recommendations along with other issues will be sent to the Project Director at the PIU of AWM OJSC within a week after the GRC meeting. The same information will also be sent to the relevant applicants for his information.

The recommendations will be implemented before the construction work is started in the sections where affected persons have claimed for redress.

6.3.4 Monitoring and Evaluation Mechanism

Monitoring and evaluation are vital activities of the project. The project has the responsibility to implement all activities identified and on time. The objectives of monitoring of the LA&MVP are to;

1. Ensure all activities of the LA&MVP are implemented,
2. Ensure that the standard of living of affectees is restored or improve,
3. Monitor whether the time lines are being met,
4. Assess whether mitigation efforts are sufficient,
5. Identify construction related problems or potential problems, and
6. Identify methods of responding immediately to mitigate hardships.

The monitoring and evaluation of the mitigation process is carried out by the AWM OJSC. The SNWSSP II project office and the consultant’s office are responsible for implementing a suitable program for monitoring and evaluation of the social impact mitigation with active participation of the staff of RE’s office in the respective sub-project areas.

The staff attached to the RE’s offices is involved in supervision of the construction activities and also mitigation of negative impacts. One of the main roles assigned to this group is frequent monitoring of the field condition on impact mitigation.
The reports they prepare based on their monitoring are sent to AWM OJSC project Office located in Baku.

The monitoring indicators consist of activities, performance and outcome as laid out in the entitlement matrix to ensure that the affected persons are identified in the LA&MVP and receive the compensation on time for those that they eligible for (see Table for monitoring & evaluation indicators).

In addition the Grievance Redressal Meetings will be closely monitored to ensure that all complaints are resolved on time and in a satisfactory manner. The conflict filter, that is a part of the project, will also be monitored.

The specific objectives of the M&E program are:

- to ensure that the existing livelihood system of APs is not disturbed;
- to monitor whether the timelines are being met;
- to assess if compensation, rehabilitation measures are sufficient;
- to identify problems or potential problems;
- to identify methods of responding immediately to mitigate problems.

Furthermore, the M&E program will:

a) record and assess project inputs and the number of persons affected and compensated, and
b) confirm that former subsistence levels and living standards are being re-established.

A set of indicators is shown in the following Table;

Table 6.5: Monitoring & Evaluation Indicators

<table>
<thead>
<tr>
<th>Type</th>
<th>Indicator</th>
<th>Examples of Variables</th>
</tr>
</thead>
</table>
| Process Indicator | Consultation, Participation, & Grievance Resolution                     | - Number of consultation and participation programs held with various stakeholders on entitlements, valuation as per replacement value etc.  
                   |                                                                           | - Grievances by type and resolution.                                                   
                   |                                                                           | - Number of field visits by AWM OJSC staff, GRC members.                              
                   |                                                                           | - Number of NGOs/civil society organizations participating in Project.               |
| Procedures in Operation |                                                              | - Joint asset verification/quantification procedures in place.                      
                   |                                                                           | - Effectiveness of compensation delivery system.                                      
                   |                                                                           | - Coordination between AWM OJSC and other line agencies.                             |
| Outcome Indicator | No. of lands plots purchased, acquired and compensated.                | - Area of agricultural, nonagricultural lands acquired or purchased.                  
                   | Amount of compensations out of the total resettlement budget.              | - Area of other private lands purchased or acquired.                                 
                   |                                                                           | - Area (and type) of state lands acquired.                                            
                   |                                                                           | - Total quantity of land to be purchased and acquired.                              |
| Structures       |                                                                          | - Number, type and size of structures belongs private parties affected and also replaced / paid compensation by AWM OJSC. 
                   |                                                                          | - Number, type and size of common structures affected and also replaced / paid compensation by AWM OJSC. 
                   |                                                                          | - Number, type and size of government structures affected and also replaced / paid compensation by AWM OJSC. 
| Trees & Crops    |                                                                          | - Number of owners compensated by type of loss.                                     
                   |                                                                          | - Number of replacement of structures and amount of compensation paid as replacement cost by the AWM OJSC. 
| Compensation & Rehabilitation |                                                      | - Number and type of crops and trees in private land acquired and compensated.   
                   |                                                                          | - Number and type of crops and trees in government or other common lands acquired or purchased. |
Internal Monitoring

Internal monitoring will be conducted by AWM OJSC with the involvement of project office, construction supervisory consultant office and especially the RE’s office in the project area.

The resettlement specialists with support from staff of construction supervision and also the environmental officers hired by the contractors will collect information from the project site and reflect them in the form of a monthly or quarterly progress report to assess the progress and results of LA&MVP implementation, and adjust the work program, where necessary, in case of any delays or problems.

Baseline census, socio-economic survey and the land purchasing and acquisition data will provide the necessary benchmark for field level monitoring. The methods that will be used to carry out field level monitoring include:

a) Review of census / information for all PAPs;
b) Consultation and informal interviews with PAPs;
c) In-depth case studies;
d) Informal sample survey of PAPs;
e) Key informant interviews; and
f) Community public meetings.

The project will appoint an independent external social expert (consultant) on resettlement to carry out field level monitoring.

External Monitoring – Third party validation

External monitoring or third party validation will be conducted by an independent external body. Objective of Third Party Validation (TPV) will be to validate the results of the internal monitoring system and to measure the effectiveness of implementing the RAP on the lives of PAPs. Special attention will be paid on issues of land acquisition and restriction of use. AWM OJSC will make arrangement to conduct TPV at two stages. The first TPV will be carried out once the entire land acquisition process is completed. The second one will be conducted at the end of the project.

Management Information System (MIS)

The SNWSSP II project office in Baku should maintain a computer based data base, on all construction activities of the project. Some information on mitigatory actions of social impacts is also included in the data base. However the AWM OJSC will enhance the data on resettlement issues and the actions taken for mitigation of such issues. The information reported by each RE office will be used to develop the data base.

Reporting Requirements

The Project Management Unit of the SNWSSP II office is the overall responsible organization for reporting of the project progress and other aspects to the Bank.

Each RE office will prepare progress reports and submit to Baku based offices, Project Director’s office and the construction supervisory consultant’s office. The Project director’s office will send progress reports to the Bank based on the report submitted by the supervisory consultant. This reporting will be carried out quarterly or biannually.
Awareness Programs

It is important to pay special attention to provide real information about the proposed project and activities for all parties through awareness programs in project area in this project (see following Table). The awareness programmes should cover following groups:

- General Public
- Villagers
- Community leaders/ Religious leaders
- Project affected parties
- Beneficiary community of the project influenced area
- Government Institutes and Government Officers
- Project implementing, executing, supervising agencies (AWM OJSC, PIU, and Consultant Etc.)
- Private Sector
- System Users
- Security Forces
- Local Politicians
- Labors
- Contractors
- CBOs and NGOs

Table 6.6: Awareness Programs for targeted groups

<table>
<thead>
<tr>
<th>Target Group</th>
<th>When &amp; Where to Conduct</th>
<th>Information need to be disseminated</th>
<th>Trainers</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Public, Community Leaders, Religious Leaders, Villagers, Beneficiary community of the project influence area, System Users, Private sector, Security forces, Local Politicians, CBOs and NGOs</td>
<td>It should be conducted before commencement of construction. This program should have each section of the project</td>
<td>1. WB policies in this regards. 2. Proposal to rehabilitate the systems. 3. New service area of the project 4. Funding agency 5. Commencement date 6. Target end date 9. Possible threats to each group of people. 10. The type of support expected from the public during the construction phase 11. Safety measures. 12. Grievance Redress Mechanism 13. Negative impacts during the construction phase 14. Mitigatory measures to be taken 15. Compensation packages 16. Awareness about the LA&amp;MVP 17. Targeted benefits after completion of the project 18. Creation of job opportunities for local people 19. Additional income generation activities during the project</td>
<td>Resettlement Experts attached to the Environmental Section of AWM OJSC and Environment and Social Specialist of PIU.</td>
</tr>
<tr>
<td>Project Affected Parties (PAPs)</td>
<td>It should be conducted before commencement of road construction. This program should have each section of the project.</td>
<td>1. Proposal to rehabilitate the systems. 2. New Service Area of the Project 3. Land acquisition process 4. Compensation packages 5. Commencement date of construction 6. Target end date 7. Possible threats to each group of people. 8. The type of support expected from the public during the construction phase 11. Grievance Redress Mechanism 12. Negative impacts during the construction phase 13. Mitigatory measures to be taken</td>
<td>Resettlement Experts attached to the Environmental Section of AWM OJSC and Environment and Social Specialist of PIU.</td>
</tr>
</tbody>
</table>
| **RAs in 4 rayons** – Lerik, Yardimli, Masalli, Jalilabad | **14. Awareness about the LA&MVP**<br>15. Targeted benefits after completion of the project<br>16. Creation of job opportunity for local people<br>17. Additional income generation activities during the project<br>18. Funding agencies |<br>**Government institute and Government officers**<br>It should be conducted before commencement of road construction.<br>This program should have each section of the project. | **1. Proposal to rehabilitate the systems.**<br>2. NewProject Service area<br>3. Expected administrative support to the project<br>4. Approvals need to be obtained<br>5. Compliance of policies available in the government and the World Bank to mitigate negative impacts.<br>6. Land acquisition process<br>7. Compensation packages<br>8. Commencement date of construction<br>9. End date of the project<br>10. Possible threats to each group of people.<br>11. The type of support expected from the public during the construction phase<br>12. Grievance Redress Mechanism<br>13. Negative impacts during the construction phase<br>14. Mitigatory measures to be taken<br>15. Awareness about the LA&MVP<br>16. Targeted benefits after completion of the project<br>17. Creation of job opportunity for local people<br>18. Additional income generation activities during the project | **Resettlement Experts**<br>attached to the Environmental Section<br>of AWM OJSC and Environment and Social Specialist of PIU. |<br>**Project implementing, executing, supervising agencies (AWM OJSC, PIU, Consultant, Etc.)**<br>It should be conducted before commencement of construction and it should have for each group of laborers related to contractor. | **1. Importance of ensuring safety of the community.**<br>2. Compliance of WB policies in this regards.<br>3. Land acquisition process and compensation packages<br>4. Possible threats to each group of people.<br>5. Vulnerable families<br>6. Ensure villager’s livelihood minimizing construction related disturbances.<br>7. Labor laws and rights.<br>8. Creation of job opportunities for local people<br>9. Implementation of Grievance redress mechanism<br>10. Social activities monitoring plans<br>11. Implementation of mitigatory measures for mitigating negative social impacts<br>12. Ensure villager’s livelihood minimizing construction related disturbances. | **Hired Social Development expert**<br>Resettlement experts<br>attached to the Environmental Section<br>of AWM OJSC |<br>**Labors**<br>It should be conducted before commencement of construction and it should have for each group of laborers related to contractor. | **1. Importance of ensuring health seeking behavior.**<br>2. WB policies in this regards.<br>3. Possible threats to each group of people.<br>4. Safety measures.<br>5. Child and women rights and abuses.<br>6. Ensure villager’s livelihood minimizing construction related disturbances. | **Social specialists**<br>attached to the Environmental Section<br>of AWM OJSC and PIU. **Medical health officers**<br>**Traffic police officers**<br>**Hired social development and gender specialists.** |<br>The PIU should focus special attention to raise awareness among the key stakeholders of the project. The major aspects to be covered by training programs are given in following Table.
Table 6.7: Major Aspects to be Included to Awareness / Training Programs

<table>
<thead>
<tr>
<th>Training Aspects</th>
<th>Target Groups</th>
<th>Trainers</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Bank Social Safeguards Policies</td>
<td>AWM OJSC staff, Environmental Section staff of AWM OJSC, PIU staff, Consultants, Contractors, Staff from Local REP, Rayon Land officers form SRERS, Rayon representatives of AWM OJSC.</td>
<td>Social Development Experts of World Bank.</td>
</tr>
<tr>
<td>Implementation of LA &amp; MV Plan – SNWSSP II</td>
<td>AWM OJSC staff, PIU staff, Consultants staff, Contractors, Staff from Local REP, Rayon Land officers form SRERS Community, NGOs and CBOs</td>
<td>Resettlement specialists attached to Environmental Section of AWM OJSC and Social Specialist attached to PIU.</td>
</tr>
<tr>
<td>Involuntary Resettlement Policy of Azerbaijan</td>
<td>AWM OJSC staff, PIU staff, Consultants staff, Contractors, Staff from Local REP, Rayon Land officers form SRERS Community, NGOs and CBOs</td>
<td>Hired Resettlement and Social Development experts and Gender specialists.</td>
</tr>
<tr>
<td>Traffic Management &amp; Prevention of Safety Hazards</td>
<td>AWM OJSC Staff, Environmental Section Staff of AWM OJSC, PIU staff, Consultants, Staff from Local REP, Rayon Land officers form SRERS and Contractors.</td>
<td>Experts attached to the Planning Unit of the AWM OJSC.</td>
</tr>
<tr>
<td>Relocation of Utilities</td>
<td>AWM OJSC staff, PIU staff, Consultants staff, Contractors, Staff from Local REP</td>
<td>Resource Persons from Utility Agencies</td>
</tr>
</tbody>
</table>

6.4 Strategies to Obtain Community Support to Minimize Negative Social Impacts through Awareness Programs

The NWSSP II will provide funds for a wide range of training programs on social safeguards of the project.

Training programs will be organized by the project management unit by obtaining services from outside experts for AWM OJSC staff, PIU staff, Consultants staff and Contractor to raise their awareness of social safeguards policies. These awareness programs will help them to deal effectively with negative social issues raised by the public.

The training programs include public awareness programmes, local seminars and workshops.

The capacity building programs on social safeguards will be conducted in each of the section of the project. The information related to Land Acquisition and Monetary Valuation (LA&MV) Plan will be disseminated for the public information on the project and its implications. Suggested mitigatory measures for negative social impacts will be discussed during the awareness programmes.

All information about the project activities will be provided to help minimize negative impacts and obtain support of the community affected. The Resident Engineer and staff members will closely contacts with the project affected families, the community, community leaders, religious leaders and local politicians of the project area. Several training programs / awareness programs will be conducted for the contractor and laborers to make them aware of the project and their role in dealing with social issues.

The contractor will be provided with all information of the project including negative impacts that may emerge during the construction period and entitlement policies to minimize the negative impacts.
COST CALCULATION FOR MITIGATION OF NEGATIVE IMPACTS
Overview

The overall responsibility for implementing mitigatory measures of the Project Implementation Unit (PIU), created specifically for the SNWSSP II. The Construction Supervision Unit also plays an active role in the implementation of the resettlement activities.

Under requirements of the Consultant's Equal Employee (EO) Policy, the local professionals are involved in this part of the assignment. A local firm for determining the market value of the lands to be permanently acquired, annual, seasonal, and perennial crops damaged during construction is selected from the qualified local land valuation firms which have sufficient experience on land, and annual/seasonal crop valuation. No open tender process is followed.

Accordingly, Rec-Invest, LLC which has sufficient experiences on valuation procedures and process for such this project in Azerbaijan, has been awarded for performing the independent valuation of current prices of the lands, other immovable assets (including main buildings and attachments), trees, crops affected, and their productivities and yieldings. A contract has been signed with Rec-Invest, LLC in September 01, 2014.

7.1 Market Values of Lands, Yield, and Other Cost Items

The unit prices and total amounts related to acquisition of lands affected are figured out as follows;

1. On-the-spot investigations with representative of AWM OJSC, examining the last land selling and buying unit prices in the local market.
2. Measuring the length of the pipes traversing the lands and calculating the number of square meter and hectare for each of the land parcels in accordance with the results of the study conducted by cadastre team of SRERS.
3. Examine the current conditions of the properties affected.
4. Examine the last selling and buying unit prices in the local market.
5. Examine the productivity and yield of the lands with respect of the annual / seasonal crops.
6. Examine the yields of the fruit trees growing in the area.
7. Examine the market values of the annual / seasonal / perennial crops growing in the area.
8. Analyzing current prices of seeds and droppings (fertilizer, manure, etc.) in the area.
9. Examine labor and equipment costs related to cultivation in the area.

The following market values are used for the cost calculations conducted on basis of guidelines, methodology, and the principles for compensation entitlements discussed in Chapter 5.

Market Values of Lands Impacted

Market values of land categories impacted by the Project is given in the following Table.

Table 7.1: Impacted Lands Market Values Used in the Cost Calculations

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$/ m²/AZN</td>
</tr>
<tr>
<td>Agricultural lots for seasonal / annual crops</td>
<td>0.40</td>
</tr>
<tr>
<td>Agricultural lots for perennial crops</td>
<td>0.40</td>
</tr>
<tr>
<td>Residential and Homestead lands in the city</td>
<td>12 - 15</td>
</tr>
<tr>
<td>Non-residential plots in the city</td>
<td>18</td>
</tr>
<tr>
<td>Municipal and/or Government Grazing Lands</td>
<td>0.15</td>
</tr>
<tr>
<td>Useless Lands (salty lands)</td>
<td>0.10</td>
</tr>
<tr>
<td>Flood Plains</td>
<td>0.10</td>
</tr>
<tr>
<td>Forest, excluding trees (timber values)</td>
<td>0.15</td>
</tr>
</tbody>
</table>

Source: Consultant's social surveys, and survey results of Consultant's valuation team.
Yield and Market Values of Annual Crops (Grain)

The yield and market values of annual crops (grain) cultivated in the area is given in the following Table.

Table 7.2: Yield and Market Values of Annual Crops (Grain)

<table>
<thead>
<tr>
<th>Sort</th>
<th>Yield</th>
<th>Market Price</th>
<th>Estimated total average income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ton/hectare per annum</td>
<td>Summer</td>
<td>Winter</td>
</tr>
<tr>
<td>Wheat</td>
<td>3.5</td>
<td>212</td>
<td>371</td>
</tr>
<tr>
<td>Barley</td>
<td>3.5</td>
<td>160</td>
<td>320</td>
</tr>
<tr>
<td>Rye</td>
<td>3.5</td>
<td>160</td>
<td>320</td>
</tr>
</tbody>
</table>

Source: Consultant's social surveys, and survey results of Consultant's valuation team.

Yield and Market Values of Seasonal Crops (Clover) from Agricultural Lots

The yield and market values of seasonal crops (clover) cultivated in the area is given in the following Table.

Table 7.3: Yield and Market Values of Seasonal Crops (Clover)

<table>
<thead>
<tr>
<th>Sort</th>
<th>Yield stock/hectare per season</th>
<th>Market Price</th>
<th>Estimated total average income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 stock</td>
<td>2 stock</td>
<td>3 stock</td>
</tr>
<tr>
<td>Clover</td>
<td>180</td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Consultant's social surveys, and survey results of Consultant's valuation team.

Market Values of Seasonal Crops from Homestead Lands (Various Vegetables) for Subsistence Farming

Market values of seasonal crops (various vegetables) cultivated in the homestead lands for subsistence farming are given in the following Table.

Table 7.4: Market Values of Seasonal Crops (various vegetables) from Homestead Lands

<table>
<thead>
<tr>
<th>Sort</th>
<th>Est. Income or Benefit loss from Homestead Land for 1 Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various Vegetables grown in the Homestead Lands for subsistence farming</td>
<td>240.00</td>
</tr>
</tbody>
</table>

Source: Consultant’s social surveys, and survey results of Consultant’s valuation team.

Yield and Market Values of Perennial Crops (Fruit and non-fruit trees)

The yield and market values of perennial crops (fruit and non-fruit trees) cultivated in the area is given in the following Table.

Table 7.5: Yield and Market Values of Perennial Crops (Fruit and non-fruit trees)

<table>
<thead>
<tr>
<th>Sort</th>
<th>Timber Values of Trees (25 years)</th>
<th>Yield</th>
<th>Market Price of Crop</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AZN / Tree kg/annum</td>
<td>AZN / kg</td>
<td></td>
</tr>
<tr>
<td>Grape</td>
<td>55.00</td>
<td>100.00</td>
<td>0.65</td>
</tr>
<tr>
<td>Pear</td>
<td>44.00</td>
<td>65.00</td>
<td>0.60</td>
</tr>
</tbody>
</table>

1As a result of inventory of project affected fruit bearing trees the approximate age and productivity was assessed in the presence of PAPs. Majority of trees were confirmed to be relatively younger. The PAPs will receive 3 - 15 AZN sapling cost per each affected fruit tree to purchase 2-3 years of good quality sapling.
Walnut | 66.00 | 85.00 | 2.40
Hazelnut | 66.00 | 40.00 | 3.45
P. granete | 44.00 | 40.00 | 0.65
Mulberry | 44.00 | 125.00 | 0.72
Quince | 50.00 | 35.00 | 0.50
Apricot | 50.00 | 55.00 | 1.45
Plum | 44.00 | 40.00 | 0.45
Fig | 50.00 | 50.00 | 1.25
Apple | 44.00 | 80.00 | 0.35
Cherry | 50.00 | 45.00 | 0.80
Peach | 50.00 | 40.00 | 0.70
Persimmon | 50.00 | 75.00 | 0.75
Rose trees | 28.00 | 0.00 | 0.00
Plane Trees | 22.00 | 0.00 | 0.00
Various immature trees | 17.00 | 0.00 | 0.00

Source: Consultant’s social surveys, and survey results of Consultant’s valuation team.
*Each Rose sapling yields 6 rose per year.

Labor and Other Cultivation & Harvesting Costs Costs

Labor and other cultivation and harvesting costs of 1 hectare agricultural land are given in the following Table.

Table 7.6: Labor and Other Cultivation Costs for 1 Hectare Agricultural Land

<table>
<thead>
<tr>
<th>Cost Items</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AZN/ha annum</td>
</tr>
<tr>
<td><strong>Labor Costs</strong></td>
<td></td>
</tr>
<tr>
<td>Plowing</td>
<td>40.00</td>
</tr>
<tr>
<td>Weeding</td>
<td>35.00</td>
</tr>
<tr>
<td>Seeding</td>
<td>25.00</td>
</tr>
<tr>
<td>Harvesting</td>
<td>45.00</td>
</tr>
<tr>
<td>Transport</td>
<td>20.00</td>
</tr>
<tr>
<td>Fertilizing</td>
<td>20.00</td>
</tr>
<tr>
<td><strong>Sub-total I</strong></td>
<td><strong>185.00</strong></td>
</tr>
<tr>
<td><strong>Other Costs</strong></td>
<td></td>
</tr>
<tr>
<td>Watering</td>
<td>70.00</td>
</tr>
<tr>
<td>Cost of sapling per tree</td>
<td>15</td>
</tr>
<tr>
<td>Seed</td>
<td>125</td>
</tr>
<tr>
<td>Fertilizer</td>
<td>50.00</td>
</tr>
<tr>
<td>Pest Control</td>
<td>70.00</td>
</tr>
<tr>
<td><strong>Sub-total II</strong></td>
<td><strong>330</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>515</strong></td>
</tr>
</tbody>
</table>

Source: Consultant’s social surveys, and survey results of Consultant’s valuation team.

Cost of Soil Recovery for Agricultural Lands and Homestead Lands Following Construction (3 Years Period)

Cost of soil recovery for yield reduction following construction completion for 3 years period is calculated both for 1 hectare agricultural and homestead lands using above unit prices per hectare per annum, which are as follows;
Table 7.7: Cost of Soil Recovery for 1 Hectare Agricultural Land and Homestead Lands

<table>
<thead>
<tr>
<th>Cost Items</th>
<th>Agricultural Lands</th>
<th>Homestead Lands</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AZN/annum per hectare</td>
<td>AZN/annum per 100 sq.m</td>
</tr>
<tr>
<td>Plowing</td>
<td>40.00</td>
<td>4</td>
</tr>
<tr>
<td>Weeding</td>
<td>35.00</td>
<td>2</td>
</tr>
<tr>
<td>Fertilizing</td>
<td>20.00</td>
<td>3</td>
</tr>
<tr>
<td>Watering</td>
<td>70.00</td>
<td>8</td>
</tr>
<tr>
<td>Fertilizer</td>
<td>50.00</td>
<td>02</td>
</tr>
<tr>
<td>Pest Control</td>
<td>70.00</td>
<td>4</td>
</tr>
<tr>
<td>Total - per hectare</td>
<td>285.00</td>
<td>23</td>
</tr>
</tbody>
</table>

Source: Consultant’s social surveys, and survey results of Consultant’s valuation team.

The following calculations are conducted using the unit prices determined by Consultant’s land and crop valuation team (local firm). Cost calculation for lands is conducted on the basis of guidelines and methodology discussed in Chapter 5 of this report.

If any land owner is not willing to sell his/her land to the AWM OJSC, the AWM OJSC can take actions to acquire the required land under normal acquisition procedure of the Law on acquisition of lands for state needs dated April 20, 2010.

**Severe Impact Allowance**

Households whose lands are affected more than 10% of total area are entitled additional one time allowance in the amount of mitigation cost equal to one year income from the affected area (see Table 5.1 and 3.18).

Table 7.8: Severe Impact Allowances

<table>
<thead>
<tr>
<th>Description</th>
<th>No of PAPs</th>
<th>No of HHs</th>
<th>Severe Impact Allowance (AZN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Severe Impact Allowances for Private Agricultural Lands</td>
<td>190</td>
<td>39</td>
<td>7,529.43</td>
</tr>
<tr>
<td>Severe Impact Allowances for Private Homestead Lands</td>
<td>208</td>
<td>55</td>
<td>13,088.41</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>398</strong></td>
<td><strong>94</strong></td>
<td><strong>20,617.84</strong></td>
</tr>
</tbody>
</table>

**Vulnerability Allowances**

Though there is no household falling under the official poverty line (which in Azerbaijan is US$3.31 a day or 100AZN/- per month in December 2015). Total of 17 HHs are determined as Vulnerable in Masalli. The amount of vulnerability assistance to vulnerable households is 13,800.00AZN (see Table 5.1 and 3.19). Vulnerability allowance is equal to 100AZN per month based on the US$ 3.31 per day for seven days a week or a period of six months per family.

Table 7.9: Vulnerability Allowances

<table>
<thead>
<tr>
<th>Description</th>
<th>No of PAPs</th>
<th>No of HHs</th>
<th>Vulnerability Allowance per HH (AZN)</th>
<th>Total Amount (AZN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vulnerability Allowance to 18 HHs</td>
<td>23</td>
<td>17</td>
<td>600</td>
<td>13,800.00</td>
</tr>
</tbody>
</table>
7.2 Cost Calculation for the Lands to be permanently acquired for Above Ground Facilities (AGFs)

While three (3) parcels required for AGFs are owned district municipalities and government, sixteen (16) parcels to be permanently acquired are owned by private land holders. Twelve cost items are defined for calculation of costs of mitigation of this impact;

1. Cost 1: Costs of permanent land acquisition for AGFs;
2. Cost 2: First additional payment for willingness to sell the property for state needs (10% of the market price of the land to be acquired, see Chapter 51, and Azerbaijani Law on Acquisition of Lands for State Needs dated April 20, 2010, Article 32.3);
3. Cost 3: Second additional payment for Landholderhips more than 10 years (10% of market price of the land to be acquired, see Chapter 51, and Azerbaijani Law on Acquisition of Lands for State Needs dated April 20, 2010, Article 66)
4. Cost 4: Costs of Loss of Crops form Agricultural Lands (during construction period - 4 Years)
5. Cost 5: Cost of Soil Recovery for 3 Years following Construction
6. Cost 6: Cost of Preparing Land to levels similar to those of the lands acquired 100%
7. Cost 7: Costs of Loss of Crops for One year for the Lands to be acquired instead of current Land permanently acquired 100% for the project
8. Cost 8: Costs of Loss of Subsistence Farming from Homestead Land (during construction period - 4 Years)
9. Cost 9: Cost of Loss of Perennial Crops (Trees Cutting)
10. Cost 10: Severe Impact Allowance
11. Cost 11: Vulnerability Allowance
12. Cost 12: Cost of Registration expenditure for the land to be bought instead of the current land permanently acquired 100%

Summary of the costs are given in the following Table. For calculation detail, see Annex 4;
Table 7.10: Costs of Mitigation Measures for the Lands to be permanently Acquired for AGFs

<table>
<thead>
<tr>
<th>Land Owner</th>
<th>Land Use Category</th>
<th>Number of Parcel Affected</th>
<th>Total Area Used by the Project (ha)</th>
<th>Total Costs of Permanent Land Acquisition for AGFs ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>River bank</td>
<td>1</td>
<td>0.0870</td>
<td>87.00</td>
</tr>
<tr>
<td>Government</td>
<td>Grazing Land</td>
<td>1</td>
<td>0.7000</td>
<td>1,050.00</td>
</tr>
<tr>
<td>Government</td>
<td>Useless</td>
<td>1</td>
<td>2.6259</td>
<td>2,625.90</td>
</tr>
<tr>
<td>Private</td>
<td>Agricultural Land</td>
<td>14</td>
<td>4.0011</td>
<td>65,549.51</td>
</tr>
<tr>
<td>Private</td>
<td>Residential</td>
<td>2</td>
<td>0.0978</td>
<td>27,596.01</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>19</strong></td>
<td><strong>7.5118</strong></td>
<td><strong>96,908.42</strong></td>
</tr>
</tbody>
</table>

1 According to land & kadastre department of REP, there is no short and long term leasing agreement with any private real and/or legal person for using of grazing land for grazing purposes.
2 100% of 7 of 14 privately owned agricultural parcels and 1 of 2 residential parcel will permanently be acquired for WWTP construction. See Annex 4.

Source: Consultant’s social surveys, and survey results of Consultant’s valuation team.

7.3 Cost Calculation for Private Lands Affected

Costs of Mitigation Measures for Private Agricultural Lands Affected

89 private agricultural lots are affected negatively along the pipelines in Masalli. Seven cost items are defined for calculation of costs of mitigation of this impact:

1. Cost 1: Cost of Restriction of Use for 7-m pipeline strip in either side of the pipeline throughout the operation period (20 Years);
2. Cost 2: Cost of Right of Access and Restriction of Use for 6-m pipeline strip throughout the operation period (20 Years);
3. Cost 3: Cost of Loss of Annual /Seasonal Crop during Construction Period (3 Years);
4. Cost 4: Cost of Soil Recovery for 3 Years Period following Construction;
5. Cost of Loss of Perennial Crops.
6. Costs of Severe Impact Allowances
7. Costs of Vulnerability Allowances

Summary of the cost calculation for private agricultural lands affected by the pipeline construction is given in the following Table, and for detail of the calculation see Annex 4.

Table 7.11: Total Costs of the Mitigation Measures for Private Agricultural Lands Affected

<table>
<thead>
<tr>
<th>Land Owner</th>
<th>Land Use Category</th>
<th>Number of Parcels</th>
<th>Total Costs of Mitigation Measures</th>
<th>Corrected Amount According to Minimum Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Private</strong></td>
<td>Agricultural Land Parcels (Annual / Perennial)</td>
<td><strong>89</strong></td>
<td><strong>90,455.44</strong></td>
<td><strong>110,710.17</strong></td>
</tr>
</tbody>
</table>

Source: Consultant’s social surveys, and survey results of Consultant’s valuation team.

Costs of Mitigation Measures for Private Residential and Homestead Lands Affected

Six cost items are defined for calculation of costs of mitigation of this impact;
1. Cost 1: Cost of Right of Access and Restriction of Use for 6-m pipeline strip throughout the operation period (20 Years);

2. Cost 2: Cost of Loss of Subsistence Farming during Construction Period (3 Years);

3. Cost 3: Cost of Soil Recovery for 3 Years Period following Construction;


5. Severe Impact Allowance

6. Vulnerability Allowance

Summary of the cost calculation for private residential & homestead lands affected by the pipeline construction is given in the following Table, and for detail of the calculation see Annex 4:

<table>
<thead>
<tr>
<th>Land Owner</th>
<th>Land Use category</th>
<th>Number of Parcels</th>
<th>Total Costs of Mitigation Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private</td>
<td>Residential &amp; Homestead Land</td>
<td>60</td>
<td>319,958.81</td>
</tr>
</tbody>
</table>

Source: Consultant’s social surveys, and survey results of Consultant’s valuation team.

Costs of Mitigation Measures for Loss of Perennial Crops (Trees Cutting)

Four cost items are defined for calculation of costs of mitigation of this impact;

1. Cost 1: Costs of timber value of trees cut;
2. Cost 2: Cost of Sapling and cultivation, including labor costs after construction
3. Cost 3: Cost of Loss of Crop for 4 Years Construction Period
4. Cost 4: Cost of Loss of Crop for 1 - 3 Years Maturity Period after Construction Period
5. Cost 5: Cost of Yield reduction for 3 years and soil recovery (30% of crop production for 1 - 3 years following construction)

Detail of the cost calculation is given in Annex 4.

Costs of Mitigation Measures for Private Non-residential Lands Affected

One cost items are defined for calculation of costs of mitigation of this impact;

1. Cost of Right of Access and Restriction of Use for 6-m pipeline strip throughout the operation period, (see Chapter 5.3.1 & 5.3.2);

Detail of the cost calculation is given in Annex 4.

<table>
<thead>
<tr>
<th>Land Owner</th>
<th>Total Costs of Mitigation Measures</th>
<th>Corrected Amount According to Minimum Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Masalli Canned Food Factory</td>
<td>4,939.92</td>
<td>4,939.92</td>
</tr>
<tr>
<td>2 Master Cooperative</td>
<td>7,286.40</td>
<td>7,286.40</td>
</tr>
</tbody>
</table>
7.4 Costs of Mitigation Measures for Governmental and Municipal Lands Affected by the Pipeline Construction

One cost items are defined for calculation of costs of mitigation of this impact;

1. Cost 1: Cost of Right of Access and Restriction of Use for 6-m pipeline strip throughout the operation period (20 Years), (see Chapter 5.3.1 & 5.3.2)

Summary of the cost calculation for government/municipal grazing, useless, and agricultural lands affected by the pipeline construction is given in the following Table, and for detail of the calculation see Annex 4;

Costs of Mitigation Measures for Government and Municipal Forest Lands Affected

Table 7.14: Costs of Mitigation Measures for Government and Municipal Forest Lands

<table>
<thead>
<tr>
<th>Land Owner</th>
<th>Total Costs of Mitigation Measures</th>
<th>Corrected Amount According to Minimum Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AZN</td>
<td>AZN</td>
</tr>
<tr>
<td>Government</td>
<td>253.92</td>
<td>253.92</td>
</tr>
<tr>
<td>Total</td>
<td>253.92</td>
<td>253.92</td>
</tr>
</tbody>
</table>

Source: Consultant’s social surveys, and survey results of Consultant’s valuation team.

Costs of Mitigation Measures for Government and Municipal Useless Lands Affected

Table 7.15: Costs of Mitigation Measures for Government and Municipal Useless Lands

<table>
<thead>
<tr>
<th>Land Owner</th>
<th>Total Costs of Mitigation Measures</th>
<th>Corrected Amount According to Minimum Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AZN</td>
<td>AZN</td>
</tr>
<tr>
<td>1 Government - VWR administration</td>
<td>30.96</td>
<td>30.96</td>
</tr>
<tr>
<td>2 Government - VWR Administration</td>
<td>2,625.90</td>
<td>2,625.90</td>
</tr>
<tr>
<td>Total</td>
<td>2,656.86</td>
<td>2,656.86</td>
</tr>
</tbody>
</table>

Source: Consultant’s social surveys, and survey results of Consultant’s valuation team.

Costs of Mitigation Measures for Government and Municipal Grazing Lands Affected

Table 7.16: Costs of Mitigation Measures for Government and Municipal Grazing Lands

<table>
<thead>
<tr>
<th>Land Owner</th>
<th>Total Costs of Mitigation Measures</th>
<th>Corrected Amount According to Minimum Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Masalli</td>
<td>1,050.00</td>
<td>1,050.00</td>
</tr>
<tr>
<td>Total</td>
<td>1,050.00</td>
<td>1,050.00</td>
</tr>
</tbody>
</table>

Source: Consultant’s social surveys, and survey results of Consultant’s valuation team.

Costs of Mitigation Measures for Government and Municipal Agricultural Lands Affected

Table 7.17: Costs of Mitigation Measures for Government and Municipal Agricultural Lands

<table>
<thead>
<tr>
<th>Land Owner</th>
<th>Total Costs of Mitigation Measures</th>
<th>Corrected Amount According to Minimum Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Masalli City Municipality</td>
<td>537.32</td>
<td>537.32</td>
</tr>
</tbody>
</table>

Source: Consultant’s social surveys, and survey results of Consultant’s valuation team.
7.5 Costs of Other Mitigation Measures

Costs for Public Awareness Program in Rayon

At least two public awareness programs shall be conducted in the Rayon during performance of Land Valuation Team and Land Acquisition Team of AWM OJSC.

Table 7.18: Costs of Public Awareness Programs

<table>
<thead>
<tr>
<th>Public Awareness Program</th>
<th>Estimated Cost (AZN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program 1 - cost of first public awareness program during performance of Land Valuation Team (LVT)</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Program 2 - cost of second public awareness program during performance of Land Acquisition Team (LAT)</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Total Costs of 2 Programs</td>
<td>3,000.00</td>
</tr>
</tbody>
</table>

Source: Consultant’s own estimation.

Costs to be Incurred during Performance of Valuation Commission (VC) & Land Acquisition Commission (LAC) to be established in the Rayon

The Valuation Commission (VC) will work approximately 120 days (four months), and Land Acquisition Commission 180 days in each of the rayon. An administrative cost will occur during their performances. The costs to be incurred during their performances are detailed in the following Table:

Table 7.19: Costs to be Incurred during Performance of Valuation Commission

<table>
<thead>
<tr>
<th>Cost Items</th>
<th>Unit</th>
<th>Quantity</th>
<th>Unit Price (AZN)</th>
<th>Total Amount (AZN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Office Lease in rayon</td>
<td>Month</td>
<td>10</td>
<td>350</td>
<td>3500</td>
</tr>
<tr>
<td>2 Office Furniture &amp; Equipment</td>
<td>LS</td>
<td>1</td>
<td>5000</td>
<td>5000</td>
</tr>
<tr>
<td>3 Office Overheads</td>
<td>LS/month</td>
<td>10</td>
<td>800</td>
<td>8000</td>
</tr>
<tr>
<td>4 Local Transportation Costs</td>
<td>Month</td>
<td>10</td>
<td>750</td>
<td>7500</td>
</tr>
<tr>
<td>5 Drafting &amp; Reproduction</td>
<td>LS</td>
<td>1</td>
<td>5000</td>
<td>5000</td>
</tr>
<tr>
<td>5 Per Diem - 1 secretary, and 1 driver</td>
<td>staff/month</td>
<td>20</td>
<td>750</td>
<td>15000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>44,000</td>
</tr>
</tbody>
</table>

No wages and/or salaries are assessed for the members of the commissions as all members of the commissions will be assigned among existing personnel of the relevant institutions (see Figure 6.1).

Source: Consultant’s own estimation.

Estimated Notarization Costs

Since all notarization costs to be incurred for notarization of the agreements to be signed between AWM OJSC and PAPs and governmental and municipal institutions will be covered by the Project, the following notarization costs will occur;

Table 7.20: Estimated Costs to be Incurred during Performance of Valuation Commission for registration the land transactions

<table>
<thead>
<tr>
<th>Cost Items</th>
<th>Unit</th>
<th>Quantity</th>
<th>Unit Price (AZN)</th>
<th>Total Amount (AZN)</th>
</tr>
</thead>
</table>

Am_Texas_Trading/OMG/AzBaku_RAPs/MAS_LA&MVP/387_18
Estimated Costs of Notarization of the Agreements

<table>
<thead>
<tr>
<th>Nos</th>
<th>AZN</th>
<th>AZN</th>
</tr>
</thead>
<tbody>
<tr>
<td>177</td>
<td>25.00</td>
<td>4,425.00</td>
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</tbody>
</table>

Estimated Costs of Registration cost in SRERS

<table>
<thead>
<tr>
<th>Nos</th>
<th>AZN</th>
<th>AZN</th>
</tr>
</thead>
<tbody>
<tr>
<td>177</td>
<td>165.00</td>
<td>29,205.00</td>
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Total

<table>
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<th>AZN</th>
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</thead>
<tbody>
<tr>
<td>33,630.00</td>
</tr>
</tbody>
</table>

Source: Consultant’s own estimation.

Costs for Social Safeguard Training Program

Social safeguards training program shall be conducted for AWM OJSC regional officers, PIU Project engineers, Consultant, local executive power and relevant govt. officers in the Project area.

Cost for 1 Training program: AZN3,000.00

Cost for Monitoring and Evaluation (M&E) of Social Safeguards including Grievance Redress Mechanism (GRM)

Cost of M&E of social safeguards and implementation of GRM: AZN15,000.00

Provisional Sum for Additional Measures

Based on requests, complaints received by the community or PAP sor institute to improve safety;

Provisional Sum: AZN62,500.00

7.6 Total Costs of Mitigation Measures for Project Affected Properties and PAPs

In the projections and calculations conducted in this report, the investment for project’s social impacts (permanent land acquisition and other resettlement measures) totalling of AZN 707,764.16 (US$ 450,805.20) will be required in Masalli case. Details of the costs of mitigation measures are given in the following Table.

### Table 7.21: Total Costs of Mitigation Measures

<table>
<thead>
<tr>
<th>Cost Items</th>
<th>Costs of Mitigation Measures</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>AZN</td>
</tr>
<tr>
<td>1</td>
<td>Costs of Mitigation Measures for the Lands to be permanently Acquired for AGFs</td>
</tr>
<tr>
<td>2</td>
<td>Costs of the Mitigation Measures for loss of annual / seasonal &amp; perennial crops on privately owned agricultural Lands affected by the project</td>
</tr>
<tr>
<td>3</td>
<td>Costs of Mitigation Measures for Private Residential &amp; Homesteaded Lands Affected</td>
</tr>
<tr>
<td>4</td>
<td>Costs of Mitigation Measures for Private Non-residential Lands Affected</td>
</tr>
<tr>
<td>5</td>
<td>Costs of Mitigation Measures for Governmental and Municipal Lands Affected</td>
</tr>
<tr>
<td>6</td>
<td>Public Awareness Programs (estimated) in Rayon</td>
</tr>
<tr>
<td>7</td>
<td>Costs to be Incurred during Performance of Valuation Commission (VC) &amp; Land Acquisition Commission (LAC) to be established in the Rayon</td>
</tr>
<tr>
<td>8</td>
<td>Estimated Notarization &amp; Registration Costs</td>
</tr>
<tr>
<td>9</td>
<td>Social Safeguards Training Program</td>
</tr>
<tr>
<td>10</td>
<td>Cost for Monitoring and Evaluation (M&amp;E) of Social Safeguards including Grievance Redress Mechanism (GRM)</td>
</tr>
<tr>
<td>11</td>
<td>Provisional Sum for Additional Measures</td>
</tr>
<tr>
<td>Total Costs of Mitigation Measures</td>
<td>707,764.16</td>
</tr>
</tbody>
</table>

Source: Consultant’s calculation results and his own estimations.
ANNEXE

ANNEX 1 - Census and Set Questionnaire for Socio-economic Survey

ANNEX 2 - Working Paper on Reporting Format & Procedure (WPRF&P) for RAP Monitoring

ANNEX 3 - Terms of Reference of the Assignment

ANNEX 4 - Calculation Details of Costs of Mitigation Measures

ANNEX 5 - Consolidated Table for PAPs (excel sheet), including cost calculations for mitigation
ANNEX 1

Census and
Set Questionnaire for Socio-economic Survey
SECTION A – LAND TENURE

1. Is the property,
   □ Residential House
   □ Business Enterprise
   □ Business with Residence
   □ Agricultural Land
   □ Forestry Land
   □ Other (please specify)

2. Would you mind explaining to me, does a member of your household own this land plot?
   □ Yes (go to Question No. 2.1).
   □ No, we are not owners (go to Question No. 2.3).

2.1 Do you have documents to support this? Non-beneficiary Affected Persons (BN APs) do not have to show these documents.
   □ Type of document
     a) land certificate
     b) land title
     c) other
     d) don’t know
     e) none

   Person(s) whose name in the document is;
   a) Mother / Father (M / F)
   b) Joint
   c) Don’t know

2.2 How did the household come to own the land?
   □ Land transfer by;
     a) M / F
     b) Joint transfer

   Government allocation to;
   a) M / F
   b) Joint allocation

   □ Inherited by M / F
2.3 If no, who is the owner?

☐ Public property?
  a) Government
  b) Village land

☐ Private
  a) Relative, Name & Location (Village / Town / District) of Owner: .................
  b) Friend, Name & Location (Village / Town / District) of Owner: .................

☐ Private other, Name & Location (Village / Town / District) of Owner: .................

2.4 Do you have permission to use it?

☐ Yes, renting:
  a) Monthly rent: .................AZN / Month
  b) Deposit paid: .................AZN / Month

☐ Yes, live free with agreement of owner.

☐ No, live without petition from anyone.

☐ No, squatting – owners do not permit.

☐ Other (please specify).

☐ Unknown

3. How long have you been on this land? ............... years

3.1 If less than five years, where did you live before?

 a) Village: .........................
 b) District: .........................
 c) Rayon: .........................

4. Apart from this land, do you have any other land nearby and somewhere else? (If No, go to Question 5.)

4.1 What do you use it for?

☐ Homestead

☐ Commercial

☐ Residential / Commercial

☐ Agricultural
4.2 **What is the distance from here to that land?** ............. km

5. **How many households live here?** .............

   (If more than one, please complete a separate census questionnaire for each additional household.)

**SECTION B – HOUSEHOLD SOCIO-ECONOMIC DATA**

6. **What is your household’s ethnicity?**

   □ Turk
   □ Talish
   □ Russian
   □ Other (please specify)

7. **What language(s) are spoken in your household?** ..............................................

8. **Please provide details of your household members in the following way**
   (Enter respondent’s name in row 1) * and **
### Household Members

<table>
<thead>
<tr>
<th>Name - Last Name</th>
<th>Relationship to H.H.</th>
<th>Age</th>
<th>Marital Status</th>
<th>Physical Condition</th>
<th>Level of Education</th>
<th>Income Source</th>
<th>Location of Business / Employment</th>
<th>Average Monthly Income</th>
<th>Over the last six months</th>
<th>Illness Occasions</th>
</tr>
</thead>
<tbody>
<tr>
<td>M: Mother</td>
<td>1 - Head</td>
<td></td>
<td>1 - Single</td>
<td>1 - Blind</td>
<td>1 - Junior High School</td>
<td>Gov Employee</td>
<td>District area</td>
<td>600 AZN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F: Father</td>
<td>2 - Spouse</td>
<td></td>
<td>2 - Married</td>
<td>2 - Deaf /Dumb</td>
<td>2 - Vocational College</td>
<td>State Enterprise</td>
<td>Another district</td>
<td>500 AZN</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3 - Son/Daughter</td>
<td></td>
<td>3 - Widowed</td>
<td>3 - Single Amputee</td>
<td>3 - Technical College</td>
<td>Employer</td>
<td>Another district</td>
<td>400 AZN</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4 - Other Relative</td>
<td></td>
<td>4 - Widowed</td>
<td>4 - Multiple Amputee</td>
<td>4 - Graduate School</td>
<td>Other</td>
<td>Another district</td>
<td>300 AZN</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5 - Non-relative</td>
<td></td>
<td>5 - Widowed</td>
<td>5 - Chronic Illness</td>
<td>5 - Other</td>
<td>Other</td>
<td>Another district</td>
<td>200 AZN</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6 - Staff</td>
<td></td>
<td>6 - Widowed</td>
<td>6 - Casual Laborer</td>
<td>6 - Other</td>
<td>Other</td>
<td>Another district</td>
<td>100 AZN</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7 - Non-relative</td>
<td></td>
<td>7 - Widowed</td>
<td>7 - Trader in market</td>
<td>7 - Other</td>
<td>Other</td>
<td>Another district</td>
<td>50 AZN</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8 - Other</td>
<td></td>
<td>8 - Widowed</td>
<td>8 - Unpaid Family worker</td>
<td>8 - Other</td>
<td>Other</td>
<td>Another district</td>
<td>20 AZN</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9 - Other</td>
<td></td>
<td>9 - Widowed</td>
<td>9 - Unemployed</td>
<td>9 - Other</td>
<td>Other</td>
<td>Another district</td>
<td>10 AZN</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10 - Other</td>
<td></td>
<td>10 - Widowed</td>
<td>10 - Retired / Sick / Too Old</td>
<td>10 - Other</td>
<td>Other</td>
<td>Another district</td>
<td>5 AZN</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>11 - Other</td>
<td></td>
<td>11 - Widowed</td>
<td>11 - Other (describe)</td>
<td>11 - Other</td>
<td>Other</td>
<td>Another district</td>
<td>2 AZN</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*In completing the Table, ensure that the person being interviewed is in fact the HH head, whether it is effectively a woman or elderly headed HH (where all members apart from the adult woman and elderly member(s) are less than 20 years old. Also ask if there are any HH members who are working elsewhere and sending remittance. Make sure the amounts they send back to the family are recorded.*

**M: Mother  - F: Father  - HH: Household  - AZN: Azeri Manat**

### 9. Please show the breakdown of your household’s average monthly expenses in AZN

<table>
<thead>
<tr>
<th>Category</th>
<th>Average Monthly Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food &amp; Drinks</td>
<td></td>
</tr>
<tr>
<td>Clothing &amp; Footwear</td>
<td></td>
</tr>
<tr>
<td>Housing</td>
<td></td>
</tr>
<tr>
<td>Household utensils &amp; Operations</td>
<td></td>
</tr>
<tr>
<td>Medical Care</td>
<td></td>
</tr>
<tr>
<td>Transport &amp; Communication</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>Recreation</td>
<td></td>
</tr>
<tr>
<td>Alcohol &amp; Tobacco</td>
<td></td>
</tr>
<tr>
<td>Paying of Credit / Loans</td>
<td></td>
</tr>
<tr>
<td>Other (Please specify)</td>
<td></td>
</tr>
</tbody>
</table>

Total Average Monthly Expenses

(Review this total to see that they are not greater than the average monthly income)

### 10. In an average year, how much would you estimate you are self-sufficient for various products?

- [ ] Rice  % or _______ months per year (convert to %)
- [ ] Vegetables  % or _______ months per year (convert to %)
11. Do you currently have any outstanding loans / debts? If yes, who to?

☐ Family
☐ Friends
☐ Crops sold in advance of harvest
☐ Bank
☐ Other (please specify)

12. Does any member of your household currently have any major illness?

<table>
<thead>
<tr>
<th>Illness</th>
<th>Age</th>
<th>Treated Y / N</th>
<th>Improved Y / N</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Illness</th>
<th>Age</th>
<th>Treated Y / N</th>
<th>Improved Y / N</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

13. Do you have any concerns about health issues in your household?

______________________________________________________________________________________________________________________________

______________________________________________________________________________________________________________________________

14. What is the source of drinking water and cooking water of your household?

☐ Piped Water
☐ Private Well
☐ Well / Borehole
☐ Collect from nearby water sources (river / stream / dam)
☐ Rain Water
☐ Other (please specify)
15. How does your household access electricity?

- [ ] Electricity Power Grid (own meter)
- [ ] Electricity Power Grid (shared meter)
- [ ] Generator
- [ ] Battery
- [ ] Have no electricity
- [ ] Other (please specify)

16. What type of sanitation does your household use?

- [ ] Household Pit Latrine
- [ ] Connected to Sewage Network
- [ ] None
- [ ] Other (please specify)

17. How far is the nearest school? ................................ km

18. How far is the nearest operational health clinic? ...................... km

19. How far is the nearest market? .......................................... km

20. What types of transport do you own?

- [ ] Truck
- [ ] Car
- [ ] Motorcycle
- [ ] Bicycle
- [ ] Animal Cart
- [ ] Tractor
- [ ] Other (please specify)

21. In a month, how many times would your household use the following transport services?

- [ ] Truck .......................... trips
Masalli_SIAR – Annex 2, Census and Socio-economic Questionnaire

22. What type of good / assets do you have in your home? (Please tick or cross all items)
- [ ] Hand Pump
- [ ] Refrigerator
- [ ] Gas Stove
- [ ] Radio
- [ ] Sewing Machine
- [ ] Telephone
- [ ] Mobile Phone
- [ ] Color TV
- [ ] Satellite Antenna
- [ ] Computer

23. Are there any communal resources in this district / village that you use? What do you use them for?

<table>
<thead>
<tr>
<th>Forest</th>
<th>Ponds / Canals / Rivers</th>
<th>Vacant Land</th>
<th>Other (Please specify)</th>
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</thead>
<tbody>
<tr>
<td>[ ] Grazing</td>
<td>[ ] Irrigation Water</td>
<td>[ ] Grazing</td>
<td>[ ]</td>
</tr>
<tr>
<td>[ ] Fuel Collection</td>
<td>[ ] Domestic Water</td>
<td>[ ] Fuel Collection</td>
<td>[ ]</td>
</tr>
<tr>
<td>[ ] Collection of Plants / Herbs</td>
<td>[ ] Fishing</td>
<td>[ ] Collection of Plants / Herbs</td>
<td>[ ]</td>
</tr>
<tr>
<td>[ ] Other - Please specify</td>
<td>[ ] Livestock Watering</td>
<td>[ ] Other - Please specify</td>
<td>[ ]</td>
</tr>
<tr>
<td></td>
<td>[ ] Fish Raising</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SECTION C – OPINIONS ON PROJECT IMPACT

24. Given the impacts we have just measured, do you expect any significant negative effect to your livelihood or lifestyle as a result of the project?

24.1 If yes, please describe the nature and severity of the impact.

25. What skills would be useful to you to improve your livelihood when this project is improved?

26. What skills would be useful for other male and female members of your household?

27. Do you expect any significant positive effects on your livelihood or lifestyle as a result of the project?

27.1 If yes, please describe the nature of the impact.

SECTION D – IMPACT ON BUSINESSES (Only for affected Enterprises)

28. Could you please tell us more about any business that you operate from this property?

28.1 What type of business is this? Please describe.

28.2 How long have you been operating this business? ........ years

28.3 Do you have a business license? Y / N

28.4 What is the average monthly profit? ........ AZN / Month

28.5 How many members of your household work in this business? ........
28.6 How many additional employees do you have? ..........

29. Given the impacts to your business premises that we have just measured; do you expect any negative effects to your business?

29.1 If yes, would the effect be temporary or permanent? Temporary/Permanent

29.2 Please describe the effect.

...........................................................................................................................................................................
...........................................................................................................................................................................
...........................................................................................................................................................................

29.3 What measures would be needed to help restore business income from this impact?

...........................................................................................................................................................................
...........................................................................................................................................................................
...........................................................................................................................................................................
...........................................................................................................................................................................

30. Do you expect any positive effect to your business?

...........................................................................................................................................................................
...........................................................................................................................................................................
...........................................................................................................................................................................
...........................................................................................................................................................................
...........................................................................................................................................................................

Interviewer Name

Signature

Date

Survey Processing

<table>
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<th>Data Entry</th>
<th>Checked against Database</th>
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<td></td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td></td>
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</table>
ANNEX 2

CONSULTING SERVICES FOR PREPARATION OF SOCIAL IMPACT ASSESSMENT AND LAND ACQUISITION & MONETARY VALUATION REPORT FOR WATER SUPPLY AND WASTEWATER INVESTMENTS IN FOUR RAYONS (LERIK, YARDIMLI, MASALLI, JALILABAD)

Baku, May, 2016
<table>
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<th>: Working Paper on Reporting Format &amp; Procedure for RAP Monitoring</th>
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<tr>
<td><strong>Status</strong></td>
<td>: Final</td>
</tr>
<tr>
<td><strong>Date</strong></td>
<td>: May, 2016</td>
</tr>
<tr>
<td><strong>Project Name</strong></td>
<td>: Second National Water Supply &amp; Sanitation Project (SNWSSP) of Republic of Azerbaijan</td>
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<tr>
<td><strong>Client</strong></td>
<td>: Amelioration &amp; Water Management Open Joint Stock Company (AWM OJSC) of Republic of Azerbaijan</td>
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<tr>
<td><strong>Loan Number</strong></td>
<td>: 4937 – AZ</td>
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<td><strong>Project ID</strong></td>
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<tr>
<td><strong>Consultancy</strong></td>
<td>: Preparation of Resettlement Action Plans for Water Supply and Wastewater Investments in Four Rayons (Lerik, Yardimli, Masalli, and Jalilabad)</td>
</tr>
<tr>
<td><strong>Consultant</strong></td>
<td>: Aim Texas Trading LLC, Engineering Department Overseas Management Group, Central Asia Division</td>
</tr>
<tr>
<td><strong>Reference</strong></td>
<td>: CA\Az\Baku\SNWSSP-Az\RAPs-Draft/MAS/LA&amp;MVP-387/18</td>
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<td><strong>Date of Contract</strong></td>
<td>: January 24, 2014</td>
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</table>
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<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
<th>Description</th>
</tr>
</thead>
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<td>AWM OJSC</td>
<td>Amelioration and Water Management Open Joint Stock Company</td>
<td></td>
</tr>
<tr>
<td>BP</td>
<td>Bank Procedures</td>
<td></td>
</tr>
<tr>
<td>COI</td>
<td>Corridor of Impact</td>
<td></td>
</tr>
<tr>
<td>EIA</td>
<td>Environmental Impact Assessment</td>
<td></td>
</tr>
<tr>
<td>IDP</td>
<td>Internally Displaced Person</td>
<td></td>
</tr>
<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
<td></td>
</tr>
<tr>
<td>IMT</td>
<td>Internal Monitoring Team</td>
<td></td>
</tr>
<tr>
<td>LA</td>
<td>Land Acquisition</td>
<td></td>
</tr>
<tr>
<td>LAT</td>
<td>Land Acquisition Team</td>
<td></td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring &amp; Evaluation</td>
<td></td>
</tr>
<tr>
<td>MEI</td>
<td>Ministry of Economy and Industry of Azerbaijan</td>
<td></td>
</tr>
<tr>
<td>MENR</td>
<td>Ministry of Ecology and Natural Resources of Azerbaijan</td>
<td></td>
</tr>
<tr>
<td>MOF</td>
<td>Ministry of Finans</td>
<td></td>
</tr>
<tr>
<td>MOH</td>
<td>Ministry of Health of Azerbaijan</td>
<td></td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
<td></td>
</tr>
<tr>
<td>PAP</td>
<td>Project Affected People</td>
<td></td>
</tr>
<tr>
<td>PAF</td>
<td>Project Affected Family</td>
<td></td>
</tr>
<tr>
<td>PIU</td>
<td>Project Implementation Unit</td>
<td></td>
</tr>
<tr>
<td>RAP</td>
<td>Resettlement Action Plan</td>
<td></td>
</tr>
<tr>
<td>RC</td>
<td>Regional Commissioner</td>
<td></td>
</tr>
<tr>
<td>RPF</td>
<td>Resettlement Policy Framework</td>
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<tr>
<td>ROW</td>
<td>Right of Way</td>
<td></td>
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<tr>
<td>SLCC</td>
<td>State Land and Cartography Committee</td>
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<tr>
<td>SCRI</td>
<td>State Committee for Refugees and IDPs</td>
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<tr>
<td>SIAR</td>
<td>Social Impact Assessment Report</td>
<td></td>
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<tr>
<td>SNWSSP</td>
<td>Second National Water Supply and Sanitation Project</td>
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<tr>
<td>SUDAC</td>
<td>State Urban Development and Architecture Committee</td>
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<td>SSC</td>
<td>State Statistical Committee</td>
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<td>TOR</td>
<td>Terms of Reference</td>
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<td>WB</td>
<td>World Bank</td>
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<tr>
<td>WB OP</td>
<td>World Bank Operational Policy</td>
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<tr>
<td>WSS</td>
<td>Water Supply and Sanitation</td>
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</tbody>
</table>
1. Background

This Working Paper is a part of the assignment on preparation of Social Impact Assessment and Land Acquisition & Monetary Valuation Plan Report for Water Supply and Waste Water Investments in four rayons (Lerik, Yardimli, Masalli, and Jalilabad) of Azerbaijan.

The project’s social impacts are related to land acquisition and temporary disruption of economic activities and land degradation along the Project corridor, and these will be addressed in the Resettlement Action Plans (RAPs) to be prepared for the Project rayons. Other social impacts are addressed in the Environmental Impact Assessment (EIA) reports prepared for the mentioned investments.

Requirements for monitoring and evaluation of the implementation of the RAPs for Water Supply and Waste Water Investments in the Project rayons are defined in the following instruments:

- World Bank Operational Policy OP / BP 4.12, and their annexe,
- IFC Handbook, and
- The laws and regulations of Azerbaijan relating to resettlement and land acquisition.

The project RAP will encompass the impacts and mitigation measures for all sub-projects in the project rayons, and establish the broad framework for the project’s resettlement monitoring.

This Paper describes the actions and logistical preparations necessary to implement the RAP monitoring and evaluation program. Except where necessary for clarity, this paper does not repeat the content of the RAPs, but refers to them.

The logistical demands and time required to conduct RAP monitoring over approximately 1,475 kilometres of pipeline through four rayons (Lerik, Yardimli, Masalli, and Jalilabad) should not be underestimated. However, if basic data collection, record keeping and grievance procedures are made an integral part of project operations and administration at the outset, the task can be made relatively straightforward.

2. Purpose of this Working Paper

The objectives of this Working Paper are as follows:

- To describe the concrete steps necessary to implement the monitoring and evaluation program.
- To define organizational resources and logistical requirements for internal and external monitoring.
- To expand on the framework to be established in the RAP in terms of monitoring implementation.

3. RAP Monitoring Approach

Various models for undertaking RAP monitoring are considered as part of the RAP planning phase, with particular consideration of the role and composition of the External Monitoring...
Panel. A management consensus is reached that the RAP monitoring process should be set up to provide practical guidance and troubleshooting advice to the projects’ management teams on how to solve problems that arise during the land acquisition and reinstatement process, rather than simply to identify areas of compliance and non-compliance.

For this reason, it was determined that a panel comprised of international resettlement and social development experts would best meet the needs of the project. The Expert Panel will also undertake a compliance review.

### 3.1 Monitoring Framework

There are three components of the RAP monitoring framework for the Project:

1. **Internal Monitoring** by Environmental and Social Experts of AWM OJSC’s in conjunction with the environmental and social experts of the Consultant, and augmented by inputs from community affected.

2. **Monitoring** by a three persons Expert Monitoring Panel.

3. **RAP completion audit** (External Monitoring) by an Independent Expert Monitoring Panel.

However, only the first two components will be fulfilled within the performance period of this assignment.

### 3.2 Performance Indicators

The following subjects, indicators, and variables are the key instruments for arranging a RAP monitoring report;

**Table 1: Performance Indicators for Monitoring & Evaluation**

<table>
<thead>
<tr>
<th>Subject</th>
<th>Indicator</th>
<th>Variable</th>
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</thead>
<tbody>
<tr>
<td>1. Land</td>
<td>Acquisition of Land</td>
<td>Area of cultivated land acquired for project development.</td>
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<tr>
<td></td>
<td></td>
<td>Area of communal land acquired for project development.</td>
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<tr>
<td></td>
<td></td>
<td>Area of private land acquired.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Area of government land acquired.</td>
</tr>
<tr>
<td>2. Buildings /</td>
<td>Acquisition of Buildings</td>
<td>Number, type and size of private buildings acquired.</td>
</tr>
<tr>
<td>Structures</td>
<td></td>
<td>Number, type and size of community buildings acquired.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number, type and size of government buildings acquired.</td>
</tr>
<tr>
<td></td>
<td>Acquisition of Other Structures</td>
<td>Number, type and size of other private structures acquired.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number, type and size of other community structures.</td>
</tr>
</tbody>
</table>
| 3. Trees & Crops| Acquisition of Trees             | Number and type of trees
<table>
<thead>
<tr>
<th>Page</th>
<th>Destruction of Crops</th>
<th>Compensation, Reestablishment and Rehabilitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Crops destroyed by area, type and ownership</td>
<td>Number of owners compensated by type of loss.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Amount compensated by type and owner.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of replacement houses constructed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Size, construction, durability and environmental suitability of replacement houses.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wastewater connection.</td>
</tr>
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<td></td>
<td></td>
<td>Water supply Access.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of replacement businesses constructed.</td>
</tr>
<tr>
<td>5</td>
<td>Number, type of plants lost.</td>
<td>Re-establishment of community resources</td>
</tr>
<tr>
<td></td>
<td>Number of seedlings supplied by type.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of trees planted.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Number of homesteads affected by hazards and disturbances from construction.</td>
<td>Social/ Demographic</td>
</tr>
<tr>
<td>7</td>
<td>Consultation Program operation</td>
<td>Consultation</td>
</tr>
<tr>
<td></td>
<td>Number of local meetings.</td>
<td>Changes to homestead structure</td>
</tr>
<tr>
<td></td>
<td>Type of issues raised at local meetings.</td>
<td>Population migration</td>
</tr>
<tr>
<td></td>
<td>Involvement of local community in AWM OJSC development planning.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of participating NGOs.</td>
<td>Changes to access</td>
</tr>
<tr>
<td>8</td>
<td>Staffing</td>
<td>Changes to health status</td>
</tr>
<tr>
<td></td>
<td>Number of Government of Azerbaijan ministry officials available by function.</td>
<td>Changes to educational status</td>
</tr>
<tr>
<td></td>
<td>Number of office and field equipment, by type.</td>
<td>Changes on Homestead earning capacity</td>
</tr>
<tr>
<td></td>
<td>Effectiveness of compensation delivery system.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of land transfers effected.</td>
<td>Grievances resolved</td>
</tr>
<tr>
<td></td>
<td>Co-ordination between local community structures, AWM OJSC and Government of Azerbaijan officials.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Information dissemination</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffing, equipment, documentation of Information Centres.</td>
<td></td>
</tr>
<tr>
<td>Activities of Information Centres.</td>
<td></td>
</tr>
<tr>
<td>Number of people accessing Information Centres.</td>
<td></td>
</tr>
<tr>
<td>Information requests, issues raised at Information Centres.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grievances resolved</th>
<th>Number of grievances resolved.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of cases referred to court.</td>
<td></td>
</tr>
</tbody>
</table>
4. Monitoring Tasks

Social impacts for the project are related to land acquisition, losing seasonal / annual and perennial crops and related incomes, cutting of a number of trees and related incomes, and temporary disruption of economic activities along the pipeline route.

The project will involve resettlement and/or relocation of the people only in Yardimli and Lerik rayons, but not public / private institution, community and IDPs in all project rayons (Lerik, Yardimli, Masalli, and Jalilabad).

The project will also involve social and economic impacts on the households and nearby community due to the restriction of use along the pipelines.

The monitoring and evaluation procedure should include internal and external monitoring and evaluation.

4.1 Internal Monitoring Teams

4.1.1 Objectives

The objectives of internal monitoring are:

- To measure and report progress against the RAP schedule,
- To verify that agreed entitlements are delivered in full to affected people,
- To identify any problems, issues or cases of hardship resulting from the resettlement process, and to develop appropriate corrective actions, or where problems are systemic refer them to the management team,
- To monitor the effectiveness of the grievance system,
- To periodically measure the satisfaction of project affected people.

4.1.2 Activities

It is recommended that an Internal Monitoring Team (IMT) should be established for a period of 36 months by AWM OJSC, and be appointed to monitor and evaluate implementation of compensation and resettlement process, and to verify that compensation, resettlement and rehabilitation have been implemented in accordance with the agreed RAP.

The IMT should also involve the complaints and grievance procedures to ensure concerns raised by PAPs are addressed. The following activities for the Internal Monitoring Team (IMT) should be undertaken:

1. Liaison with the Land Acquisition Team, construction contractor, local NGOs, and project affected communities to review and report progress against the RAP.
2. Verification that land acquisition and compensation entitlements are being delivered in accordance with the RAP.
3. Verification that agreed measures to restore or enhance living standards are being implemented.
4. Identification of any problems, issues, or cases of hardship resulting from the resettlement process.

5. Assessment of project affected peoples’ satisfaction with resettlement outcomes through household interviews.

6. Collation of records of grievances, follow-up that appropriate corrective actions have been undertaken and that outcomes are satisfactory.

7. When required, assist with verification activities to support the expert panel, and


4.1.3 Implementation

The way in which internal monitoring is implemented will vary between countries. Internal monitoring teams’ activities might involve 30 percent of time in the office and 70 percent of time in the field.

Typical office review activities might entail;

- Liaison with Land Acquisition Teams to collate up-to-date information on land acquisition progress such as agreement signing, compensation disbursement, RAP Funds milestones and disbursement, land areas under construction, land areas reinstated and the like.

- Review of RAP Fund milestones and disbursement, including liaison with organizations or agencies undertaking RAP Fund activities.

- Review of grievance register and basic analysis of grievance types, numbers, and closures, and,


Fieldwork activities might entail:

- Liaison with the Community Liaison officers to gather information about progress, incidents, grievances and issues.

- Spot checking on complainants who had lodged grievances to verify outcomes of corrective actions.

- Liaising with and learning from local NGOs.

- Conduct semi-structured interviews with a cross-section of affected households including vulnerable groups to verify receipt of entitlements, review effectiveness of measures, assess satisfaction with outcomes.

- Conduct interviews with other key informants, and,
• Issues identification.

4.2 RAP Expert Monitoring Panel

It is proposed that the external monitoring panel should consist of, at least, the following international and national resettlement and social development experts for monitoring of the land acquisition and resettlement activities / measures taken in the relevant monitoring (generally semi-annual) period;

• An international Resettlement and Land Acquisition Expert,
• An international Socio-economic Expert,
• A national Legal & Land Acquisition Expert.

Given that the duration of the RAP monitoring period is at least 3 years after commissioning of the project, the new panel(s) should be established for the subsequent external monitoring land acquisition and resettlement activities / measures.

Whilst the primary purpose of the Expert Monitoring Panel is to provide an external review of implementation activities undertaken in terms of the RAPs, the panel will also provide an overview of other activities undertaken to address social impacts identified in the Social Impact Assessments (SIARs). This will ensure that a holistic overview of the monitoring of social impacts is obtained, any significant issues are not missed, and any necessary corrective actions are applied synergistically.

4.2.1 Objectives

The RAP will identify the following objectives for the expert monitoring panel;

• To assess overall compliance with the RAP.
• To verify that measures to restore or enhance project affected peoples’ quality of life, and livelihood are being implemented and to gauge their effectiveness.
• To assess the extent to which the quality of life and livelihoods of affected communities have been restored.

The panel will also assess overall compliance with other mitigation measures to address social impacts contained in the SIARs. RAP monitoring reviews will encompass the social management related commitments that require actual visits and interaction with community members in order to verify whether the commitment has been implemented or complied with. Social commitments that can be verified on project sites through discussion with project personnel, and by review of project documentation, will remain as part of the semi-annual monitoring visits.

The types of commitments that would be verified within the RAP monitoring program include;

• Infrastructure and services - reinstatement of damaged infrastructure and compensation process; project use of water not affecting communities; and roads used by project are maintained in reasonable condition.
4.2.2 Activities

The RAP will identify the following activities for the expert monitoring panel:

- Review of internal monitoring procedures and reporting to ascertain whether these are being undertaken in compliance with the RAP.

- Review internal monitoring records as a basis for identifying any areas of non-compliance, any recurrent problems, or potentially disadvantaged groups or households.

- Review grievance records for evidence of significant non-compliance or recurrent poor performance in resettlement implementation.

- Discussions with AWM OJSC Environmental Department staff, and others involved in land acquisition, compensation disbursement or livelihood restoration to review progress and identify critical issues.

- Interview a representative cross-section of affected households and enterprises to gauge the extent to which project affected people’s standards of living and livelihood have been restored or enhanced as a result of the Project.

- Interviews with a cross section of affected community people and key informants to ascertain effectiveness of non-RAP related social measures which will be defined in the SIARs and RAP.

- Assess overall compliance with the RAP requirements and WB OP 4.12.

- Attend close out meetings with the AWM OJSC Environmental Department staff to feed back key findings in each site.

- Meet with and liaise with contractor community liaison teams to discuss on-the-ground implementation challenges, and

- Receive notification of the changes, and review such changes for social and RAP implications, and advise accordingly.

The expert monitoring panel will also undertake a review of the following monitoring activities:

- Community liaison - Community awareness of project activities; complaints procedures; construction camp rules; recruitment process; project traffic speed limits; pre-warning of noisy activities and other planned disruptions; procurement process and regular community meetings.

- Grievance management – follow up of grievances reported; community awareness of complaints procedures and complaints close out.

The main findings of the monitoring visits will be supplied to the RAP Expert Panel ahead of each review.
- Review the monitoring reports (internal and external), audits and Action Tracking System as a basis for identifying any non-compliance or recurrent problems with respect to overall social issues (including, but not limited to: employment and labour; economic environment; public safety; and, access to project benefits and opportunities; induced social impacts; health- e.g., vulnerable groups; social conflict and grievance resolution).

- Review the monitoring reports as a basis for assessing the overall contribution of these “value-added” programs towards sustainable social development of project affected communities, and

- Review the reports on on-going consultation, and other RAP monitoring reports with respect to consultation, as a basis for providing an external overview of the effectiveness of overall community liaison and identifying any critical issues that need to be addressed.

4.2.3 Implementation

The logistics and time that would be taken for the three person Expert Monitoring Panel to visit (as a panel) all three countries every six months would be onerous on the project and the panel. The following alternative approach will be followed;

Every six months;

- The Expert Monitoring Panel will initially convene in person and discuss the review agenda - overall and rayon-by-rayon.

- Each Expert Monitoring Panel member will then travel to one of the four rayons along - this will be done on a rotational basis so that each panel member will review a different rayon, each six monthly period.

- In-country, a panel member will;
  - Spend time in the project office reviewing internal monitoring reports, grievance registers, interviewing internal monitoring team members, project / government officers, NGOs as necessary to assess functioning of monitoring and grievance systems, assess progress against the RAPs and social issues addressed in the SIARs and identify issues arising.
  - Brief/ prepare terms of reference for asset and livelihood restoration verification surveys, when required.
  - Spend a period in field interviews with affected people, local NGOs, key informants, project field staff, contractor’s Community Liaison Officer(s), and the like

- All panel members will then re-convene to run through rayon findings and develop key conclusions and recommendations.

- Panel members will return to home offices to draft and finalize the semi-annual external monitoring report, and
• All panel members would sign-off on the final draft of each report.

Based on the above, the input from each expert monitoring panel member would be approximately 30 days per semi-annual monitoring report.

The report will include an overview section which brings together key themes, and discusses, explains differences in approaches and other rayon issues.

Expert Panel review reports will be available for public disclosure within 60 days of field trips having been completed.

### 4.3 RAP Completion Audit

A key objective of the RAP is that resettlement actions and mitigatory measures should lead to sustainable restoration or enhancement of affected peoples’ pre-project living standards and income levels. At such time as affected peoples’ quality of life and livelihood can be demonstrated to have been sustainably restored, the resettlement process can be deemed “complete”.

Resettlement planning for the project assumes that livelihood restoration of affected landowners will be complete when the productivity of agricultural land affected by pipeline construction has been fully restored and community and all cash and in-kind compensations are delivered to all PAPs. This is anticipated to occur within three years of project construction completion.

It is proposed that the resettlement completion audit be conducted by the Expert RAP Monitoring Panel 36 months following project construction completion or at such time as the Expert RAP Monitoring Panel determines affected peoples’ living standards, and income levels have been fully restored, or all cash and in-kind compensations are delivered to all PAPs, whichever occurs earlier.

### 5. Reporting

Reporting Requirements are defined in the following Table.

**Table 2: Reporting Requirements**

<table>
<thead>
<tr>
<th>Report Type</th>
<th>Frequency</th>
<th>To be prepared By</th>
<th>For</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal RAP Monitoring Report</td>
<td>Quarterly, 36 months after construction completion, or at such time as living standards &amp; livelihood restoration &amp; all cash / in-kind compensation are complete.</td>
<td>AWM OJSC’s Internal Monitoring Team (IMT)</td>
<td>AWM OJSC management; may also be reviewed by Expert Rap Monitoring Panel during RAP Semi-annual monitoring reviews</td>
<td>10-15 page report (plus supporting documentation) summarizing progress against the RAP; outline of any issues and agreed related actions; summary schedule of grievance status; minutes of any stakeholder or affected people consultations or meetings.</td>
</tr>
<tr>
<td>RAP Completion Audit Report</td>
<td>36 months after construction completion, or at such time as the Expert RAP Monitoring Panel assess living standards &amp; livelihood restoration &amp; all cash / in-kind compensation are complete.</td>
<td>Expert RAP Monitoring Panel</td>
<td>AWM OJSC and WB</td>
<td>RAP Completion Audit to verify AWM OJSC will comply with undertakings defined by the RAP and that land acquisition and compensation has been completed in accordance with the WB OP / BP 4.12 principles.</td>
</tr>
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</table>

AWM OJSC and WB
6. Organization

An organizational framework for the AWM OJSC’s RAP monitoring is illustrated in the following Figure;

![Figure 1: RAP Monitoring Organizational Framework](image)

7. Logistics

For each semi-annual visit by an expert panel member, the following types of logistical support will be required to cover 3-4 days of office reviews and approximately 7-10 days of fieldwork. Semi-annual visits will occur for the three-year period after construction completion, or at such time as living standards & livelihood restoration & all cash / in-kind compensation are complete.

- Visa and arrivals documentation,
- HSE and security inductions,
- In-country transport,
- Orientation / local guides – for locating particular land parcels or affected households or officials,
- Interpreting and occasional translation of documents, and
- Field accommodation.

8. Implementation Actions

Key actions for implementing the monitoring process are as follows;
• Review and firm up monitoring arrangements for the Project rayons,
• Prepare Terms of Reference for internal monitoring (where required),
• Confirm RAP monitoring budgets (all Project rayons),
• Confirm composition and commission RAP Expert Monitoring Panel members,
• Convene RAP Monitoring Panel to agree (i) monitoring protocols; (ii) input, output, process and outcome performance indicators; (iii) basic report formats; and, (iv) internal monitoring team training requirements,
• Update monitoring budgets and identify associated logistical support requirements,
• Prepare and conduct internal monitoring team training sessions,
• Walk-through fieldwork and first internal monitoring report preparation (all four Project rayons), and
• Conduct first external monitoring review.

9. Review & Reporting Schedule

An indicative program for ongoing monitoring reviews and report delivery is summarised in following Table. The timing varies slightly from the RAP in order to;

• Shift external monitoring reviews outside of periods of sever weather in the country of in the region, and

• To reflect the fact that the first internal monitoring review will be late November, 2013 as to be documented in the RAP. Some notes on the program are as follows;

  – The schedule below assumes that the construction is completed within a three year construction period from first quarter of 2012 for Masalli, Yardimli, Lerik, and Jalilabad rayons, to the second quarter of 2017.

  – Internal review reports should be completed and available ahead of the semi-annual expert monitoring reviews.

  – In the event, the expert consultant team determines that livelihood restoration is completed earlier than the second quarter of 2017; the Expert Panel can perform the Completion Audit at that time.
Figure 2: Schedule of Internal and External Monitoring

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<td>3</td>
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</tbody>
</table>

1. Internal Review
   - Review
   - Review Period
   - Report Issued

2. External Review
   - Review
   - Review Period
   - Report Issued

3. Completion Audit
```
Terms of Reference of the Assignment
TERMS OF REFERENCE
FOR THE SOCIAL IMPACT ASSESSMENT & LAND ACQUISITION
AND MONETARY VALUATION (PLAN) REPORT (LA&MVP) FOR
WATER SUPPLY AND WASTEWATER SYSTEM INVESTMENTS IN 4
RAYONS (LERIK, YARDIMLI, MASALLI, JALILABAD) WITHIN
SECOND NATIONAL WATER SUPPLY AND SANITATION PROJECT
(SNWSSP)

Project Background

The Government of Azerbaijan is implementing the Second National Water Supply and Sanitation Project. The objective of the Project is to improve access to safe, reliable, and sustainable water supply and sanitation (WSS) services in 8 regions (rayons) (Aghsu, Ismayilli, Shabran, Siyazan, Jalilabad, Masalli, Lerik, and Yardimli) across Azerbaijan. The project is part of the Government’s efforts to improve infrastructure services in order to improve the living conditions of people in secondary towns and cities and to support local economic growth and poverty reduction.

Objective

The objective of this assignment is to prepare Social Impact Assessment Reports & Land Acquisition and Monetary Valuation Report for any sub-project sites, where construction and rehabilitation activities under the project will entail land acquisition. This assignment includes 4 project sites such as Lerik, Yardimli, Masalli and Jalilabad rayons. The assignment also entails development of Land Acquisition (LA) monitoring procedure and preparation and disclosure of LA monitoring reports. All reports will be prepared in accordance with the Resettlement Policy Framework (RPF) developed for this project, which is attached as an annex to this TOR.

Description of the Services

The aim of this assignment is to support improvement of SNWSSP of Azerbaijan, and reduce the adverse environmental and social impacts of the project (SNWSSP). Duration of the services will be 7 (seven) months.

The Assignment will include the following tasks.
Task 1: Social Impact Assessment
Task 2: Preparation of Land Acquisition and Monetary Valuation (Plan) Reports (LA&MVPs) for each of the project rayons,
Task 3: Development of Land Acquisition (LA) monitoring procedure,
Task 4: Preparation and disclosure of LA monitoring report after 6 months from the assignment start.

The Consultant will work on the tasks in close cooperation with the Social and Communication Coordinator of the PIU and the Public Relations officers of Sukanal Departments in each rayon. Major elements of the tasks are described below.
Social Impact Assessment Reports (SIARs)

To identify and assess the magnitude of potential impacts associated with or resulting from Project activities, the Consultant will obtain from the Client (i) the design plans for the construction and rehabilitation works at each sub-project (ii) the cadastral maps showing land ownership at the sites, and will assess the following

1. Identify sources of impacts and the impacts themselves that are generated by any aspect of the Project;
2. Create a census of persons potentially negatively affected by the project, with an inventory of land and other property assets, which may be lost as a result of the project activities;
3. Liaise with the SNWSSP team to discuss alternative designs, which would mitigate the those negative project impacts and losses
4. Create a profile of project affected persons (PAP) including the baseline conditions before the project in terms of their living conditions and livelihood situation;

The impacts will be subject to assessment in terms of duration, likelihood and consequences. The impacts will be specified for the preparatory works, closure / decommissioning, construction / rehabilitation works, normal operation, operation in case of accidents and emergency situations.

Development of Land Acquisition and Monetary Valuation Reports (LA&MVPs)

The Consultant will work on this task in close cooperation with the Social Communication Specialist of the PIU. is the LA&MVPs are the document, in which the PIU specifies the procedures that it will follow and the actions that it will take to mitigate adverse effects, compensate losses of lands to be acquired, and provide development benefits to persons and communities affected by the project.


OP 4.12 recognizes that land acquisition and involuntary resettlement is an integral part of project design that should be dealt with from the earliest stages of project preparation based on the following principles:

- Land acquisition and involuntary resettlement should be avoided.
- Where land acquisition and involuntary resettlement is unavoidable, all people affected by it should be compensated fully and fairly for lost assets.
- Land acquisition and involuntary resettlement should be conceived as an opportunity for improving the livelihoods of the affected people and undertaken accordingly.
- All people affected by land acquisition and involuntary resettlement should be consulted and involved in resettlement planning to ensure that the mitigation of adverse effects as well as the benefits of resettlement are appropriate and sustainable.

The key objective of LA&MVPs for the SNWWS project is to ensure that any potential adverse impacts arising from land acquisition activities are mitigated and, where possible, avoided through early recognition of and response to the issues. The
LA&MVRs will ensure that land acquisition and compensation activities within the project meet the WB/IFC policy guidelines and procedures and are in accordance with the national legal framework.

The Consultant will prepare Land Acquisition and Monetary Valuation (Plan) Reports (LA&MVPs) based to the following outline:

**Introduction**
- Briefly describe the project.
- List project components including associated facilities (if any).
- Describe project components requiring land acquisition, give overall estimates both for land acquisition and compensation for other assets lost from the project activities.

**Minimizing Land Acquisition**
- Describe efforts made to minimize land acquisition.
- Describe the results of these efforts.
- Describe mechanisms used to minimize land acquisition during implementation.

**Census and Socioeconomic Surveys**
- Provide the results of the census, assets inventories, natural resource assessments, and socio-economic surveys.
- Summarize consultations on the results of the various surveys with affected people.
- Describe need for updates to census, assets inventories, resource assessments, and socio-economic surveys, if necessary, as part of LA monitoring and evaluation.

**Legal Framework**
- Describe all relevant local laws and customs that apply to resettlement.
- Identify gaps between local laws and World Bank Group policies, and describe project specific mechanisms to address conflicts.
- Describe entitlement policies for each category of impact and specify that land Acquisition implementation will be based on specific provisions of agreed (LA&MVPs).
- Describe method of valuation used for affected structures, land, trees, and other assets.
- Prepare entitlement matrix.

**Land Acquisition Sites**
- Does the project require community relocation sites? Have affected people been involved in a participatory process to identify sites, assess advantages and disadvantages of each site, and select preferred sites?
- Does the project involve allocation of agricultural land or pasture/rangeland?
- Give calculations relating to site requirements and availability for land acquisition.
- Describe mechanisms for: 1) procuring, 2) developing and 3) land acquisition, including the awarding of title or use rights to the lands that will partially and/or entirely be acquired for the project needs.
- Have the host communities been consulted about the Land Acquisition and Monetary Valuation?
- Have they participated in the identification of likely impacts on their communities, appropriate mitigation measures?
\textbf{Income Restoration}

- Are the compensation entitlements sufficient to restore income streams for each category of impact? What additional economic rehabilitation measures are necessary?
- Briefly spell out the restoration strategies (if required) for each category of impact and describe their institutional, financial, and technical aspects.
- Describe the process of consultation with affected populations and their participation in finalizing strategies for income restoration (if required).
- How do these strategies vary with the area of impact?
- Does income restoration require change in livelihoods? Describe the process for monitoring the effectiveness of the income restoration measures.
- Describe any social or community development programs currently operating in or around the project area. If programs exist, do they meet the development priorities of their target communities? Are there opportunities for the project proponent to support new programs or expand existing programs to meet the development priorities of communities in the project area?

\textbf{Institutional Arrangements}

- Describe the institution(s) responsible for delivery of each item/activity in the entitlement policy; implementation of income restoration programs (if required); and coordination of the activities associated with and described in the LA&MVPs.
- State how coordination issues will be addressed in cases where land acquisition is spread over a number of jurisdictions? Identify the agency that will coordinate all implementing agencies. Does it have the necessary mandate and resources?
- Describe the external (non-project) institutions involved in the process of land acquisition and the mechanisms to ensure adequate performance of these institutions.
- Discuss institutional capacity for and commitment to land acquisition.
- Describe mechanisms for ensuring independent monitoring, evaluation, and financial audit of the Land Acquisition and for ensuring that corrective measures are carried out in a timely fashion.

\textbf{Implementation Schedule}

- List the chronological steps in implementation of the Land Acquisition, including identification of institutions responsible for each activity and with a brief explanation of each activity.
- Prepare a month-by-month implementation schedule of activities to be undertaken as part of land acquisition implementation.
- Describe the linkage between land acquisition implementation and initiation of civil works for each of the project components.

\textbf{Participation & Consultation}

- Describe the various stakeholders.
- Describe the process of promoting consultation/participation of affected populations and stakeholders in land acquisition preparation and planning.
- Describe the process of involving affected populations and other stakeholders in implementation and monitoring.
- Describe the plan for disseminating LA&MVPs information to affected populations and stakeholders, including information about compensation for lost assets, eligibility for compensation, resettlement assistance, and grievance redress.

\textbf{Grievance Mechanism}
• Describe the step-by-step process for registering and addressing grievances and provide specific details regarding a cost-free process for registering complaints, response time, and communication modes.
• Describe the mechanism for appeal.
• Describe the provisions for approaching civil courts if other options fail.

**Monitoring & Evaluation Procedure**

The procedure can include internal and external monitoring and evaluation.

*For the internal monitoring procedure:*
• Describe the internal/performance monitoring process.
• Define key monitoring indicators derived from baseline survey.
• Provide a list of monitoring indicators that will be used for internal monitoring.
• Describe institutional (including financial) arrangements.
• Describe frequency of reporting and content for internal monitoring.
• Describe process for integrating feedback from internal monitoring into implementation.

*For the external monitoring procedure:*
• Define methodology for external monitoring.
• Define key indicators for external monitoring.
• Describe frequency of reporting and content for external monitoring.
• Describe process for integrating feedback from external monitoring into implementation.
• Describe arrangements for final external evaluation.

**Costs & Budgets**
• Provide a clear statement of financial responsibility and authority.
• List the sources of funds for land acquisition and describe the flow of funds.
• Ensure that the budget for land acquisition is sufficient and included in the overall project budget.
• Identify land acquisition costs, if any, to be funded by the government and the mechanisms that will be established to ensure coordination of disbursements with the land acquisition and the project schedule.
• Prepare an estimated budget, by cost and by item, for all land acquisition costs including planning and implementation, management and administration, monitoring and evaluation, and contingencies.
• Describe the specific mechanisms to adjust cost estimates and compensation payments for inflation and currency fluctuations.
• Describe the provisions to account for physical and price contingencies.
• Describe the financial arrangements for external monitoring and evaluation including the process for awarding and maintenance of contracts for the entire duration of land acquisition process.

**Annex**
• Copies of census and survey instruments, interview formats, and any other research tools.
• Information on all public consultation including announcements and schedules of public meetings, meeting minutes, and lists of attendees.
Examples of formats to be used in monitoring and reporting on land acquisition implementation.
Disclosure schedule and procedure for the land acquisition monitoring reports.

Development of Land Acquisition Monitoring Procedure

The Consultant will support the PIU during implementation of Land Acquisition (LA) and its monitoring. The internal monitoring of LA implementation will be carried out by the PIU. Regular consultation with affected persons will allow the PIU to monitor the adequacy and effectiveness of the LA's compensation packages, livelihood restoration efforts, and development initiatives.

A format for the LA monitoring reports developed by the Consultant should be acceptable for the World Bank and the AWM OJSC of Azerbaijan. A procedure of disclosure of LA monitoring reports will be agreed with the World Bank and the PIU.

Preparation and disclosure of LA monitoring report after 6 months from the assignment start.

After 6 months from the assignment start, the Consultant in cooperation with the PIU will prepare the LA monitoring report.

The monitoring objectives are as follows:

- To assess overall compliance with the (LA&MVPs);
- To verify that measures for restoration or enhancement of project affected communities'/people's quality of live and livelihood are being implemented;
- To evaluate effectiveness of the implemented measures and recommend adjustments.

Thus the report will describe progress achieved in implementation of the LA and possible suggestions for updating of the (LA&MVPs).

The report will be made available for the public.
Calculation Details of Costs of Mitigation Measures
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ANNEX 5

Consolidated Table for PAPs (excel sheet), including cost calculations for mitigation
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