

**Republic of Azerbaijan**

**State Committee on Affairs of Refugees and IDPs**

**Social Fund for Development of IDPs (SFDI)**

**Additional Financing to IDP Living Standards and Livelihood Project**

**Draft Final**

**RESETTLEMENT POLICY FRAMEWORK**

**December, 2015**

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## **ABBREVIATIONS AND ACRONYMS**

AA	-	Acquisition Authority
AF	-	Additional Financing
CBOs	-	Community Based Organizations
DMS	-	Detailed Measurement Survey
EA	-	Executive Agency
GoA	-	Government of Azerbaijan
GRC	-	Grievance Redress Committees
GRM	-	Grievance Redress Mechanism
IBRD	-	International Bank for Reconstruction and Development
IDPs	-	Internally Displaced People
LAL	-	Law of Azerbaijan Republic on Acquisition of Lands for States Needs (2010)
LAR	-	Land Acquisition and Resettlement
MENR	-	Ministry of Ecology and Natural Resources
MOF	-	Ministry of Finance
NGO	-	Non-Government Organization
OJSC	-	Open Joint-Stock Company
OP	-	Operational Policy
PAP	-	Project Affected People
PIU	-	Project Implementation Unit
RAP	-	Resettlement Action Plan
RPF	-	Resettlement Policy Framework
SCARI	-	State Committee on Affairs of Refugees and IDPs
SCPI	-	State Committee on Property Issues
SFDI	-	Social Fund for Development of IDPs
SIA	-	Social Impact Assessment
WB	-	World Bank

## **1. PROJECT DESCRIPTION**

The World Bank (WB) and the Government of the Republic of Azerbaijan agreed to start the preparation of Additional Financing for the IDP Living Standards and Livelihoods project, as a continuation to the Azerbaijan IDP Living Standards and Livelihoods Project. The Additional Financing will be used to finance additional activities under the Component A: Micro-projects and Component C: Livelihoods Support, as well as to establish new activities under Component B, which will be renamed *Social and Economic Infrastructure for IDP Settlements*. Component B is expected to be complementary to activities of Component C, and would support, generally, infrastructure that can have clear economic development impacts.

Under Component B, rehabilitation and renovation of community infrastructure and utilities are planned. Therefore, there are potential impacts on private and public properties. Precise impacts will be determined after the detailed sub-projects/investments are known and the respective design is completed during the project implementation phase. Investments will be determined using a mix of urban and community-driven development type of planning. Under the proposed Project, land acquisition and resettlement is expected to be minimal, as rehabilitation and renovation of infrastructure systems will largely take place within existing ROWs and on land owned by the state. However, it cannot be excluded that rehabilitation and renovation might result in some permanent and temporary impacts, especially impacts on livelihoods. RAPs will be prepared as needed when detailed impacts are known and as the investments have not been determined yet RPF is prepared. Any subsequent RAPs will have to be cleared by the Bank, consulted upon and disclosed prior to commencing any displacement of people or livelihoods or civil works on the subprojects. The RPF has been reviewed and cleared by the Bank, consulted upon, and disclosed in country and on the World Bank's InfoShop prior to appraisal of the project.

## **2. OBJECTIVES AND BASIC TERMS OF PREPARATION OF THE RPF**

### **2.1. Objectives**

This Resettlement Policy Framework (RPF) provides a framework to address possible adverse impacts related to land acquisition and resettlement under the Azerbaijan Living Standards and Livelihoods Project. The RPF reflects regulatory requirements of Azerbaijan as well as safeguards policies and procedures of the World Bank. Specific objectives of the RPF include:

- To provide details on the policies governing land acquisition, the range of adverse impacts and entitlements;
- To present a strategy for achieving the objectives of the resettlement/ land acquisition policy;
- To present a framework for implementation of the stated strategy to ensure timely acquisition of assets, payment of compensation and delivery of other benefits to project affected persons (PAPs);
- To provide details on the public information, consultation and participation, and grievance redress mechanisms in project planning, design and implementation;
- To provide identified sources and estimates of required resources for implementation of the RPF;
- To present a framework for supervision, monitoring and evaluation of resettlement implementation.

As the specific investments have not been determined, the impacts in the project locations are not known. Therefore, this RPF is prepared to serve as a guidance document for further resettlement documents to reflect summary of all policy and legislative requirements related to involuntary resettlement. Once the detailed designs of the subprojects are finalized, and if any impacts on land, livelihoods or access are identified, SFDI will also need to develop Resettlement Action Plans (RAPs) detailing the social impacts of the subproject and indicating how they will be mitigated.

This RPF provides a framework to ensure that affected communities are meaningfully consulted, have participated in the planning process and that individuals and households that are negatively affected by the project are adequately compensated to the extent that their pre-displacement incomes have been restored and that the process is a fair and transparent one.

This RPF was consulted on in-country on 20-21 November 2015, disclosed in country in Azeri and English and on the Bank's InfoShop. Paper copies of the RPF in Azeri language will be available at offices of local authorities and IDP community organizations.

## **2.2. Involuntary Resettlement Requirements under the World Bank Involuntary Resettlement Policy (OP 4.12)**

The World Bank 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<sup>1</sup>;
- Affected persons should be fully informed and consulted on impacts and planned mitigation measures, as well as should have opportunities to participate in planning and implementing resettlement programs;
- 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<sup>2</sup>, and appropriate assistance should be provided to help them adapt to changed circumstances caused by the project;
- 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 leveling and demolition.
- Project Affected Persons should be assisted to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

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<sup>1</sup> "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

<sup>2</sup> Vulnerable groups also include persons below the poverty line, the elderly and ethnic minorities

### 3. LEGAL AND POLICY FRAMEWORK

#### 3.1. National Legal Framework

Legislation in Azerbaijan on land acquisition and resettlement consists of the Constitution of the Republic of Azerbaijan, Land Code, Civil Code, the Law on Land Acquisition for State Needs, and other normative-legal acts and international contracts supported by the Republic of Azerbaijan.

**The Constitution:** Recognizes the citizens' right to own, use and dispose property. It also recognizes three type of property ownership in Azerbaijan - state, municipal and private (Article 13). It guarantees that no one will be dispossessed of their property without their consent or decision by the court of law and that alienation of private property for state needs will be allowed only after payment of fair compensation to the owner (Article 29).

**The Land Code:** It stipulates that all damages caused by acquisition of land (compulsory purchase) or temporary detention, as well as limiting the rights of owners, users and lessees or deterioration of the quality of soil should be fully paid to land owners or users. In addition, costs derived from early termination of its obligations against third parties should also be paid to the affected person. Disputes relating to compensation, is being considered in a court in accordance with the procedure established by the legislation.

**The Civil Code:** Articles 246, 247, 248 and 249 state the provisions for acquisition of lands for state needs. The Code requires the Decree on acquisition of lands for state needs should be registered in state real estate registration. It also states that Executive Agency should; a) send official notifications to all affected persons about land acquisition; b) pay full compensation to the affected persons within 90 days after the agreement made with the rightholder; c) assist relocated people; and d) pay compensation for affected assets on the market rates (in case it is not possible to identify market rates, replacement prices is used).

The Civil Code states that affected person can select one or more type of compensations, such as land by land, cash compensation and provision of dwelling. It also states that any rights to real estate must be registered with the State. The Code also stipulates that expropriation of lands for state needs can only be done after resolution of the relevant courts.

**The Flat Code:** The Code states that acquisition of residential lands and residential building on the land should be acquired by the provisions of the Land Acquisition Law (see below).

**Law of Azerbaijan Republic on Acquisition of Lands for States Needs (LAL, 2010):** Specifically address matters related to involuntary resettlement (IR), including the process and institutional arrangement for land acquisition, compensation and valuation, consultation requirements, entitlements of various categories of displaced persons and grievance redress mechanism. The law considers various categories of displaced persons, including those without state registration, renters, non-formal long-term users of land, and persons who have no legal rights on the land that they live in.

**Law on Land Lease:** The law states that (Article 16) when the leased land is acquired for state needs, another land plot having a same size and of similar quality can be provided to lessee. Losses incurred in the affected land shall be paid in accordance with the legislation.

**Law on valuation activity:** The law states that valuation of real estate is mandatory in cases of land acquisition for state needs and the results of the valuation are to be reflected in a valuation report.

**Decree of the President on additional activities regarding to implementation of the Law on "Acquisition of Lands for State Needs" dated 15 February 2011:** The Decree stipulates additional provisions for the implementation of the Land Acquisition Law. It also assigns government agencies for responsibilities of relevant executive bodies which are defined with generic words in the Law on Land Acquisition for State Needs. .

**Decree of the President No. 506-3 QD dated 7 December 2007** regarding to amendments in the Civil Code: It requires the provision of 20% additional compensation to the calculated market price of the acquired property.

**Cabinet of Ministers' Resolution No.45 24 February 2012:** It stipulates guidelines for preparation of resettlement plan, as well as shows sample content of a resettlement plan and resettlement guideline.

**Cabinet of Ministers' Resolution (No. 55 21 April 2011):** It reflects guidelines and criteria for the selection of a planner (person or entity who prepares resettlement plan or guideline).

In addition to land acquisition and resettlement related legislative acts there are several legal and normative documents on matters related to refugees and the Internally Displaced People (IDP):

- The law of the Republic of Azerbaijan “On status of refugees and internally displaced (persons displaced within the country) persons”, May 21, 1999. The law provides general principles and defines the legal status and rights of IDP and non-IDP refugees, describes main principles and mechanisms of state assistance to these people.
- The law of the Republic of Azerbaijan “On social protection of internally displaced persons and persons equated to them”, May 21, 1999. The Article 2 defines that those refugees who came from outside the territory of Azerbaijan due to conflict with Armenia are provided the equal entitlements and legal status as IDPs. The same law defines measures regarding the provision of shelters for IDP and non-IDP refugees and the social protection of IDPs, in addition to the associated responsibilities of the State.
- Presidential Order #187, “About the State Committee of Azerbaijani Republic on Affairs of Refugees and IDPs”, February 1, 2005. It defines role and functions of the State Committee on Affairs of Refugees and IDPs (SCRI) as a central executive body responsible for the implementation of state policies on the settlement, repatriation and the social protection of IDPs and non-IDP refugees, in addition to the improvement of their household conditions
- Presidential Order #298, “About additions made to the “State Program on Improvement of living conditions of refugees and compelled immigrants and on employment increase”, July 1, 2004. It describes additional measures to improve living condition of IDPs.

All of the above stated three legislative acts define legal status and rights of IDPs. They also stipulate social protection activities for IDPs, such as provision of accommodation, employment, social protection, monthly allowances, soft loans. In order to provide accommodation, the Government constructed 36 settlements for IDPs and rehabilitated IDP settled buildings. All of the such buildings and lands attached to them are owned by the State. IDPs have only use rights on the places they settled<sup>3</sup>.

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<sup>3</sup>Government has provided residential houses and attached lands to IDPs in 36 newly constructed settlements.

Government has constructed all these houses and other improvements and has full ownership rights on these houses and attached lands, however IDPs have only user rights on these properties with non limited period. Allocated land plot per IDP family is either 0.06 ha or 0.12 ha. People can grow crops and raise livestock on lands. All IDPs have formal land use rights.

### 3.2. Comparison of Azerbaijan Laws on Land Acquisition & Involuntary Resettlement and World Bank's OP 4.12

Most of the provisions of the World Bank's OP 4.12 requirements are covered under national legislation of Azerbaijan; however there are a few differences, as presented in below Table 1:

**Table 1: Comparison of Azerbaijan Laws on Land Acquisition & Involuntary Resettlement and World Banks's OP 4.12**

No	Requirements of Azerbaijan Laws and Regulations	Requirements under WB OP 4.12	Measures to bridge gaps
1	Compensations for affected assets are calculated at market price or replacement value (in case of both principles are applicable, the one that provides higher cost is used in determination of compensation). In addition to the calculated amount several percentages are added (20% bonus, 10% premium for voluntary sale, 5-10% for physical displacement and etc).	Replacement cost is calculated which is the amount sufficient to replace lost assets and cover transaction costs	Compensation amount at least equivalent to the replacement cost will be paid to affected persons
2	PAPs who have no recognizable legal right or claim to the land they are occupying receive resettlement allowances but are not compensated for real estate losses	Lack of title should not be a bar to compensation and/or rehabilitation. People with no recognizable legal right or claim to the land they are occupying receive rehabilitation and assistance.	Compensation for affected structures and resettlement assistance should be provided to people with no recognizable legal right or claim to the land they are occupying
3	Additional compensation, between 5-10% according to the number of years lived in the affected house, is required for relocated households who have been staying in their affected residence for at least 5 years	No such additional compensation is required	Additional compensation will be calculated as per Azerbaijan legislation
4	As per the Decree of the President of Azerbaijan, an additional 20% compensation amount shall be added on the market value of the affected property.	Replacement cost that is sufficient to replace lost assets and cover transaction costs should be calculated	20% additional compensation will be calculated on top of the market value or replacement cost will be provided, whichever is higher
5	Under the national legislation, in cases where the number of people to be relocated 100 metres away from their land exceeds 200, a resettlement plan is to be prepared. In other cases, only a resettlement manual will be prepared.	RAPs/abbreviated RAPs <sup>4</sup> will be prepared in line with the provisions of the World Bank OP4.12. In particular, a census, socioeconomic survey and consultation with PAP will be conducted while preparing abbreviated RAP and its implementation will be monitored and reported, irrespective of numbers of people affected.	RAPs (or abbreviated RAPs) will be prepared as per WB requirements
6	Public meetings are to be conducted to discuss land expropriation proposal at the preparatory stage.	Public consultation and participation is an integral part of WB's policy which is a continuous process at conception, preparation, implementation and postimplementation period.	Information dissemination and public consultations will be a continuous activity and will be conducted as reflected in

<sup>4</sup> Abbreviated Resettlement Action Plan can be prepared where impacts are minor (the affected people are not physically displaced and less than 10 percent of their productive assets are lost) or less than 200 people are displaced



			RPF and RAPs.
7	No additional provisions for severely affected PAPs and vulnerable groups	Special provisions may have to be made for severely affected and vulnerable groups	Additional assistance will be provided for vulnerable and severely affected PAPs as per RPF provisions (see entitlement matrix)

#### **4. PRINCIPLES AND OBJECTIVES GOVERNING RESETTLEMENT PREPARATION AND IMPLEMENTATION**

The generic principles of the World Bank’s Operational Policy 4.12 on involuntary resettlement and relevant Azeri legislation will be respected in this Resettlement Policy Framework. In this regard, the following key principles of resettlement will be applied:

- 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;
- All land acquisition and resettlement process should comply with Azerbaijan Legislation and World Bank rules and regulations;
- Compensation for land, structures or other assets will be paid at replacement cost
- Resettlement planning and implementation should follow requirements of the Resettlement Policy Framework. Clear and transparent procedures should be used in determination of compensation and Resettlement Action Plan (or abbreviated Resettlement Action Plan) should be disseminated to all stakeholders and consulted with affected persons;
- Affected persons should be fully informed and consulted on impacts and planned mitigation measures, as well as should have opportunities to participate in planning and implementing resettlement programs;
- Particular attention should be paid to vulnerable groups and appropriate assistance should be provided. Inclusion of vulnerable groups in project planning and implementation should be ensured by relevant participation and consultation in a language, location and format that is accessible and affordable to those groups;
- Screening of land acquisition and resettlement Screening for and addressing impacts will include for both formal and informal land users and lack of legal title should not be a bar to compensation or alternative forms of assistance in lieu of compensation;
- Restoration of Project Affected Persons' livelihoods and standards of living.

Apart from these key principles, following measures will be employed under the project to ensure compliance with OP4.12:

- Compensation for land and other affected assets will be provided at replacement cost to eligible Project Affected Persons, without deduction for depreciation, taxes, fees, or any other purposes;
- Clear procedure is followed to determine compensation for temporary loss of land/ assets during construction and permanent acquisition of land and assets and these are spelt out in the Project Operational Manual and contracts with civil works contractors;
- Public consultation meeting will be carried out after social screening to consult with the Project Affected Persons 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 mode that are sensitive to local communities;
- Information disclosed in locations that are open to the public and that are readily accessible to Project Affected Persons. .
- Special measures to make sure that women and vulnerable groups are well represented in consultation and participatory processes.

#### **4.1. Eligibility**

Under this project, the following affected persons will be eligible for compensation and rehabilitation assistance.

- Persons losing land and other assets with legal ownership and user/lease rights
- Persons losing land without legal status on it are eligible to be compensated for loss of structures, perennial crops, etc. sited on the land, but not the land.
- Tenants and sharecroppers
- Persons losing business, income, sources and access to livelihoods and salaries as a direct result of the land acquisition
- Vulnerable groups (women headed households, persons below the poverty line, the elderly and ethnic minorities) losing livelihoods

In addition to the above mentioned items loss of affected community structures and public utilities is also eligible for compensation under the project.

Compensation eligibility will be limited by a cut-off date which is the last day of the census. On this date, all affected persons and properties will have been identified and the nature of impact determined. SFDI will document and disseminate the cut-off date information throughout the project area. Persons who settle in the affected areas or occupy lands after the cut-off date will not be eligible for compensation and modifications made to the property will not be considered.

#### **4.2. Compensation Entitlements**

Compensation entitlements will include permanent and temporary land losses; building and structure losses; crops and trees losses, business and income losses, and livelihood losses of Project Affected Persons.

Details of these entitlements are presented below:

**Loss of private land:** Project Affected Persons with legal and legalizable rights will be compensated in cash at current market rates to which 20% of the value is added to cover additional cost, or at replacement cost, whichever is higher. Market price is determined as the numerical average of the top three transaction prices took place in the same administrative unit. Eventual transaction taxes/fees will be paid by the Executing Agency (SFDI) or waived by the government. Based on the decree of the President of Azerbaijan Republic, an additional 20% of compensation amount will be paid to cover additional costs. IDPs who do not have ownership rights to land, but only usufruct rights to land, should be entitled to get land of equivalent value/utility under at least the same conditions as they had pre-project (and if not possible, should be eligible for a livelihood restoration plan.

**Loss of municipal land:** For loss of municipal lands respective municipalities will be compensated based on the provisions of the Land Acquisition Law. In this regard, prices of specific municipality lands are requested from the Ministry of Agriculture, State Committee on Property Issues and the relevant rayon Executive Power, Public land leased to private individuals will not be compensated as it is stipulated in the leased contract that such lease will be subject to cancellation in case the government needs the said land for public use. However, they will be informed about the project impacts at least 60 days before displacement takes place and will be assisted in finding a new lease land of similar characteristics in case of request by affected parties.

**Loss of business/income due to project activities:** Loss of business/income due to project activities: This category is classified into three sub-categories. The essence of these sub-categories and the relevant entitlements are explained below:

*(i) loss of income from operational business:* It includes persons who own businesses and lose a portion or entire of his/her income permanently or temporarily as a result of any project related activities. In this case, the value of the losses will be determined by experienced and qualified valuator. Loss of business will be compensated in cash (i) equal to 1 year's income, if loss is permanent; (ii) equal to income relevant to business interruption period, if loss is temporary. In addition these affected persons will receive assistance from the project to restore their source of livelihoods. For this purpose affected persons will be given a set of choices to select as an assistance, such as vocational training, micro-credit facilities, soft-loans and/or provision of business development skills.

*(ii) loss of income from temporary or permanent loss of access to lands:* Persons, who lose access to the land plot which he/she is using to earn an income, will get cash compensation equivalent to market price of average production for the period of disruption up to a maximum of three months. Moreover, vocational training and/or support for self-income generating activities will be provided for livelihood restoration.

*(iii) loss of access to a source of livelihood:* it includes any unforeseen impacts on livelihoods, including loss of employment. In these cases and each loss will be evaluated independently. In addition, these people will be assisted to restore their livelihood or find a similar source of income.

**Loss of structures:** Project affected persons will be compensated in cash at current market rates to which 20% of the value is added to cover additional cost, or at replacement cost, whichever is higher. Compensation will be free of deductions for depreciation, salvaged materials, and transaction costs irrespective of the registration status of the affected item. The cost of affected connections to utilities will be included in the compensation.

**Loss of crops:** Notices will be sent to project affected persons at least 60 days before the acquisition to harvest standing seasonal crops. In addition, all efforts will be made to ensure that people know about the project and don't invest on the affected land plot (or its section). In case harvesting of seasonal crops is not possible prior to commencement of work, cash compensation at current market rates for the gross value of 1 year's harvest losses. Crop compensation will be paid both to land owners and tenants based on their specific sharecropping agreements.

**Perennial Crops (Trees, Shrubs and Vines):** Cash compensation for perennial crops and fruit bearing trees will be calculated based on replacement principle. Cash compensation equivalent to prevailing market price of timber for non fruit bearing trees will be used to define compensation amount. Lumber from these trees may be kept by the owner (with no corresponding deductions in the compensation amount). Compensation for other trees and shrubs (not included in the Forestry Fund of Azerbaijan Republic and private lands) expected to be cut or replanted within the project

activity has to be conducted in agreement with the Rules for Use, Protection and Preservation of Trees and Bushes (September 19, 2005).

**Compensation for Improvements on Land:** This covers a range of items such as fences, walls, animal enclosures, small irrigation channels, drains, wells, hand pumps, artesian bores, water pumps, hay sheds, animal shelters and roads. These items must be valued at full replacement value.

**Community structures and public utilities:** if needed these assets will be fully relocated or rehabilitated so as to meet their pre-project functions and utilities.

**Temporary impacts during construction:** The civil works contract will require the contractor to be responsible for the temporary acquisition. The contractor will select the land parcels they require and they will be responsible for negotiating agreements with land owners and those who may be impacted adversely to occupy the land. The arrangement will be recorded in writing. In the event that a contractor fails to obtain the agreement of any land user, he would be required to select an alternative site and negotiate a new agreement. No involuntary occupation of land for temporary construction purposes would occur.

**Vulnerable groups:** Vulnerable groups affected will be given priority in employment in project-related jobs and/or will be assisted with their livelihoods restoration (provision of additional income sources such as municipal aids, works provided by Rayon and municipal authorities, payments from the state budgets according to the law on targeted state aid).

### 4.3. Methods of assets valuation

The methodology for assessing unit compensation values of different items will be as follows:

**Agricultural land** will be valued accordingly to two principals as per provisions of the Land Acquisition Law. These are: (i) Market price of the land (article 58) and (ii) replacement cost (article 59). Market price of land is determined by calculating numerical average of top three land transactions which took place in the same administrative area within last three months. Replacement cost is the value of land having equal productive potential 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 state registration and transfer fees. In case of both principles are applicable, the one that provides higher cost is used in determination of compensation.

**Buildings/structures** will be valued at replacement cost or market price plus 20%, whichever is higher, based on construction type, cost of materials, type of construction, labor, transport and other costs associated with building a similar structure. No deduction for depreciation and transaction costs will be applied. Physical relocation of households is not anticipated under this Project, and buildings and structures used for dwelling would not be impacted. If such impacts prove to be unavoidable under the final designs, these structures will be valued at replacement cost. Loss of or damage to farm outbuildings, fences, walls and other impacted structures will be compensated based on the replacement value.

**Annual crops.** In case if the construction schedule does not allow harvesting of annual crops and crop loss becomes inevitable, the lost crops will be compensated. The formula used for calculating compensation for annual crops is as follows:

$$CrC = ((RP \times Yd) - CC) \times A \times T$$

CrC = compensation for loss of income from annual crops; RP = retail price of the produce (Azeri Manat/100 kg); Yd = yield (100 kg/hectare); CC = growing costs including material inputs, agro-technical activities, transportation, taxes and duties (Azeri Manat/hectare); A = area cleared by the project (hectares) and T = number of lost growing seasons.

**Trees** will be valued according to different methodologies depending whether the tree lost is having only timber value or a fruit-bearing one.

a) Trees having timber value will be assessed based on (i) age category (ii) seedling; (iii) medium growth; and (iv) full growth; (v) timber value and (vi) volume.

b) Fruit-bearing/productive trees will be valued based on (i) age (ii) seedling (iii) adult-not fruit bearing and (iv) fruit bearing. These trees will be compensated at net market value of 1 year income multiplied by number of years needed to grow a fully productive tree.

**Businesses/income/livelihood:** Compensation for business and income losses, as well as impacts on livelihoods shall be determined on the following principles: -

*(i) loss of income from operational business:* If business is lost permanently it will be compensated in cash equal to a 1-year income based on tax declaration or, if unavailable, based on the average income of similar activities by using official statistical data; temporary business losses will be compensated in cash for the business interruption period based on tax declaration or, if unavailable based on the average income of similar activities by using official statistical data. Additionally assistances such as vocational training, micro-credit facilities, soft-loans and/or provision of business development skills will be offered to ensure restoration of livelihoods.

*(ii) loss of income from temporary or permanent loss of access to lands:* Project affected persons will get cash compensation equivalent to market price of average production for the period of disruption up to a maximum of three months. Moreover vocational training and/or support for self-income generating activities will be provided for livelihood restoration.

*(iii) loss of access to a source of livelihood:* Each loss will be evaluated independently and damages will be compensated. In addition, these people will be assisted to restore their livelihood or find a similar source of income.

**Agricultural land leaseholders, sharecroppers, and workers:** If available, affected leaseholders will receive a renewal of the lease in other plots presenting similar characteristics. If there is no available or suitable land plot for renewal of the leased land, then these affected persons will be assisted through project activities such as youth training, vocational trainings, and income generating activities to restore livelihoods. In case the leaseholders lose their harvest they will receive compensation for the lost income based on the calculation related to annual crops and/or perennials above. In addition, the leased land development costs, if any, will be also compensated to the leaseholders.

**Community structures and public utilities:** will be fully replaced or rehabilitated so as to satisfy their pre-project functions. If any IDP settled houses or improvements on the land they use will be affected, then they will also be restored at least to the pre-project levels.

**Severely affected /Vulnerable people's livelihood:** Vulnerable people<sup>5</sup> and severely affected persons (Physically displaced Project Affected Persons and/or those with 10% or more land take)

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<sup>5</sup> See definition of the vulnerable groups in the Section 4.1

will be provided by vocational trainings and assistance for self-income generating activity under the project. They will also be given priority in employment in project-related activities or will be assisted by the Project team and local authorities in provision of targeted social aid for those families as per the national legislation.

In case of land acquisition and resettlement impacts, SFDI will hire an independent valuer to do valuation of affected assets based on the replacement costs as defined in the above section. The valuation results will be agreed with MOF and afterwards will be used as the basis for agreements between Project Affected Persons and SFDI. If the affected person does not agree with the valuation results he/she can either submit his claim to SFDI together with justifications or apply to the relative court. When SFDI receives any claims or complaints regarding to the compensation amount it discusses the issue with the MOF. Afterwards the MOF investigates the issue and gives decision on compensation amount. Any disputes beyond this process are resolved by a court.

#### 4.4. Entitlement Matrix

The compensation and rehabilitation entitlements for each affected item are presented in the table 2:

**Table 2: Entitlement Matrix**

Type of Loss	Application	Entitled Person	Compensation measures	Policy Basis	Responsible Agency
Permanent loss of private land	All land losses (agricultural, residential and commercial)	Owner/ titleholder	<ul style="list-style-type: none"> <li>Cash compensation at replacement cost based on market rate free of taxes, registration costs and transfer charges. Unaffected portions of a plot will also be compensated if they become unusable after acquisition of affected portion.</li> <li>Additional 20% compensation will be paid to land owners according to the Presidential Decree dated 26.12.2007. OR</li> <li>Land for land compensation with plots of equal value and productivity to the plots lost, and acceptable to the PAPs;</li> <li>IDPs who do not have ownership rights to land, but only usufruct rights to land, should be entitled to get land of equivalent value/utility under at least the same conditions as they had pre-project (and if not possible, should be eligible for a livelihood restoration plan)</li> </ul>	The Civil Code Law on Acquisition of Lands for State Needs (LAL), April 20, 2010); The President Decree (December 26, 2007) on provision of 20% additional compensation	SFDI
Permanent loss of municipal land	All types of municipality lands	Relevant municipality	<ul style="list-style-type: none"> <li>Cash compensation at market rate free of taxes, registration costs and transfer charges for only loss of agricultural and perspective housing areas of municipal land. 20% additional compensation will also be paid.</li> <li>For other type of municipal lands (useless lands, wetlands, shrubby place) compensation is calculated on the normative price</li> </ul>	LAL (2010) Law on land lease Cabinet of Ministers' Decree No158 (1998), Land Code (1999):	SFDI State Committee on Property Issues (SCPI) Rayon Executive Power

Type of Loss	Application	Entitled Person	Compensation measures	Policy Basis	Responsible Agency
Temporary loss of land	Disturbances during construction or installation of distribution lines	All PAPs including non-titled users and informal users	Affected land/communal infrastructure will be restored or reconstructed to pre-project conditions. Rent shall be agreed (in written form) between landowner and contractor equal to the revenue lost at market value (e.g. compensation for harvests lost at average yield/hectare).	Contractor's Contract	SFDI Contractor
Loss of structures	Private, residential, commercial and other types like fences and animal stables	Owners(Including those with no registered right on the land where the structure is located).	Cash compensation based on replacement cost as per market value plus transportation of construction materials and expenses associated with designing and registration costs.	LAL (2010)	SFDI
	Community Structures and public utilities	Rayon administration	If damages to public structures and utilities are unavoidable, replacement or restoration to pre-project status will be undertaken as part of the Contractor's responsibility. 20% additional compensation will be added onto the compensation calculated for loss of structures		
	Public structures settled or used by IDPs	IDPs using the structure	The structure will be restored at least to pre-project levels		
Loss of crops	Standing crops	Owners/cultivators, tenants, lease holders	<ul style="list-style-type: none"> <li>60 days' advance notice to harvest standing seasonal crops. If crops cannot be harvested within 60 days, cash compensation equivalent to the gross income from the crop computed as the market value of the total annual produce from affected land.</li> </ul> <p>To be paid both to landowners and tenants based on their specific sharecropping agreements.</p>	Land Code (1999) LAL (April 20, 2010);	SFDI Contractor
Loss of perennial crops trees	Affected trees and perennial crops	Owners/cultivators, tenants, lease holders	<ul style="list-style-type: none"> <li>Cash compensation shall reflect income replacement.</li> <li>Fruit trees will be valued at market value of 1 year's produce X number of years needed to grow a tree of the same productivity.</li> <li>Cash compensation equivalent to prevailing market price of timber for non fruit bearing trees. Lumber from these trees may be kept by the owner</li> </ul>	LAL (April 20, 2010); Cabinet of Ministers' Decree (19.09.2005)	SFDI Contractor
Loss of business, income and livelihood	Temporary or permanent loss of income	PAPs losing income due to disruption of a business	<ul style="list-style-type: none"> <li>If business is lost permanently Cash compensation equal to a 1-year income based on tax declaration or, if unavailable, based on the average</li> </ul>	The Civil Code LAL (April 20, 2010);	SFDI

Type of Loss	Application	Entitled Person	Compensation measures	Policy Basis	Responsible Agency
		PAPs losing access to land  Other PAPs losing access to source of livelihood	<p>income of similar activities by using official statistical data; temporary business losses will be compensated in cash for the business interruption period based on tax declaration or, if unavailable based on the average income of similar activities by using official statistical data.</p> <ul style="list-style-type: none"> <li>• Additional assistances such as vocational training, micro-credit facilities, soft-loans and/or provision of business development skills to ensure restoration of livelihoods</li> <li>• cash compensation equivalent to market price of average production for the period of disruption up to a maximum of three months.</li> <li>• Vocational training and/or support for self-income generating activities will be provided for livelihood restoration.</li> <li>• Cash compensation for losses</li> <li>• Assistance in restoration of livelihoods and finding a similar source of income</li> </ul>		
Severe impact/vulnerable households	PAPs with 10% or more land take, PAPs living below than the poverty level, as well as households headed by an elderly or woman	Severely affected and vulnerable PAPs	<ul style="list-style-type: none"> <li>• Vocational trainings and assistance for self-income generating activity under the project to restore livelihoods</li> <li>• Assistance for additional income sources (such as benefits from other state programs which are relevant to development of IDPs, or provision of additional income sources such as municipal aids, works provided by Rayon and municipal authorities, payments from the state budgets according to the law on targeted state aid</li> <li>• Employment opportunities under the civil works contracts</li> </ul>	LAL (April 20, 2010); Contractor's Contract	SFDI Rayon Executive Power Local Municipalities Ministry of Labor and Social Protection and people Contractor

## 5. GENDER IMPACT AND MITIGATION MEASURES

The project will pay particular attention to ensure that women receive compensation and to ensure that women are clearly listed as beneficiaries of compensation and rehabilitation process. Therefore, all impacts and compensation related discussions must involve both spouses. Rights of women in property transaction and negotiation process are protected by the national legislation. Women should sign the agreement and should sign transaction document on the witness of a notary. In order to ensure greater participation of women in the project, following steps will have to be considered:

- Gender disaggregation of data to focus on women who are likely to be affected by the project and how to ensure their participation in every stage of the project;



- Ensure participation of women in all the public consultation processes to determine and negotiate for compensation entitlements and for effective implementation of the RAP. In this regard, the choice of time and place for meetings must take account of women's schedules and the availability of safe transport. Also, women should be targeted in promotional campaigns, as well as project staff should be trained in gender awareness and female community liaison officers should be hired;
- Ensure special attention of women and other vulnerable groups during monitoring and evaluation of the RAP. For this purpose, focus group discussions should be held among female members of the affected households. Moreover, female facilitators should be on place in order to draw women's attention and to get sincere views regarding to constraints affecting women.

## **6. ORGANIZATIONAL RESPONSIBILITIES & INSTITUTIONAL FRAMEWORK**

Based on the Land Acquisition Law of 2010, the main institutions that need to be involved in land acquisition and resettlement activities are Acquiring Agency (SCARI) represented by SFDI, Ministry of Finance (MOF), State Committee on Property Issues (SCPI), Ministry of Ecology and Natural Resources (MENR) and Rayon (district) and Baladiya (municipalities) authorities. Moreover, the following institutions will be created: (a) Land Acquisition Group(s)(LAG), (b) Resettlement Commission(s)(RC), and (d) Grievance Redress Committee(s) (GRC) in subprojects with in case of land acquisition and resettlement impacts.

SFDI will be responsible for screening for social impacts, establishing that these impacts will take place, and developing RAPs. To develop RAPs, SFDI will coordinate with the Real Estate Registration Service, as well as Real Estate Cadastre and Technical Inventory Center of the State Committee on Property Issues, who will provide list of registered affected persons and all affected structures and cadastral maps, and State Agency on Geodesy and Cartography under the Ministry of Ecology and Natural Resources, who will provide coordinates of the requested areas and detailed land use maps. State Financial Supervision Service under the Ministry of Finance is responsible for control over valuation and calculation of compensation amounts and resolving any such disputes. SFDI will then be responsible for implementing the RAP. Implementation will be coordinated with the relevant Rayon Executive Power and municipalities, as well as contractors and IDP community organizations.

However, in case impacts are limited which involve only temporary losses of crops and marginal structures, these will be addressed through a streamlined process with the participation from the rayon offices of local level key government agencies. SFDI will coordinate and cooperate with the local authorities in identification of those losses and determination of affected persons, as well as in collecting local market information for the purpose of compensation calculation. Compensations payments will also be done by SFDI in close collaboration with the local authorities.

### **6.1. State Committee for Refugees and IDPs**

The State Committee for Refugees and IDPs (SCRI) will have overall responsibility for all the projects activities, including preparation, implementation, and financing of all LAR tasks and for interagency coordination. Social Fund for Development of IDPs (SFDI) represents the SCARI in daily implementation of the project tasks including LAR related activities. Once the impacts in the project locations are known and if any impacts on land, livelihoods or access are identified, the SFDI as a representative of SCRI will develop Resettlement Action Plans (RAPs) detailing the

social impacts of the subproject and indicating how they will be mitigated. SFDI will also be responsible for hiring of full time safeguard specialist to be responsible for environmental and social issues, as well as technical experts such as valuation expert, resettlement specialist etc. for proper RAP preparation and implementation.

## **6.2. Other Key Government Agencies**

Following are the roles of other key government agencies in LAR planning and implementation:

- i. **Ministry of Finance (MOF):**The Ministry of Finance is designated as supervision agency over land acquisition and resettlement activities in Azerbaijan by the Presidential decree (15 February 2012, № 382). The State Financial Supervision Service (SFSS) of the Ministry of Finance (MoF) is appointed as the supervision body by the Minister. It controls the entire land acquisition process including consultation, valuation, RAP preparation and compensation payments.
- ii. **State Committee on Property Issues (SCPI):** Provides cadastral maps, land registration data and list of PAPs and updates land documents after acquisition.
- iii. **Ministry of Ecology and Natural Resources (MENR):** Provides GIS data for topographic surveys, coordinates and land use maps.

## **6.3. Local Governments (Rayon Executive Powers and Municipalities)**

Local governments agencies involved in RAP preparation are the Rayon Executive Powers, and Municipalities. Local governments (a) provide detailed information on current land use and land users of the affected land, (b) identify unregistered/informal PAPs, and (c) participate in the relevant commissions to be formed for the project.

## **6.4. Civil Works Contractor:**

As a rehabilitation measure, members of households which are either severely affected or vulnerable will be given priority in project-related employment. This requires close coordination with the civil works contractor and the municipalities in informing and prioritizing workers from the targeted households. Moreover, the contractor will be responsible for identifying areas that may be affected temporarily during construction and in negotiating and compensating affected households/owners. All the negotiation and contractual process should be in writing and documented by the Contractor for further monitoring.

## **6.5. Funding for resettlement action plan (RAP):**

All preparation and implementation costs of the resettlement plan, including cost of compensation and land acquisition and resettlement administration, will be considered as an integral part of project costs and will be contributed by the Government of Azerbaijan. Each resettlement action plan will include a budget section indicating (i) unit compensation rates for all affected items and allowances, (ii) methodology followed for the computation of unit compensation rates, and(iii) An estimated cost table for all compensation expenses including administrative costs and contingencies. In order to ensure that sufficient funds are available for LAR tasks, the Government of Azerbaijan will allocate 100% of the cost of compensation at replacement cost plus 15% of contingencies before the implementation of the RAP.

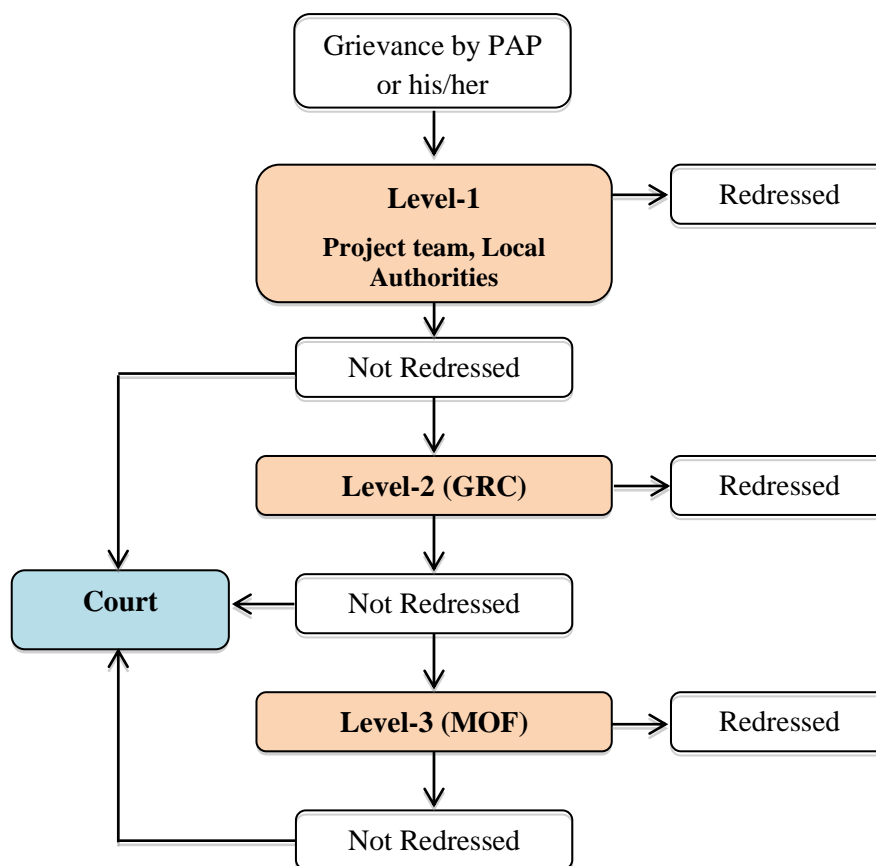
SFDI will be responsible for the timely allocation of the funds needed to implement resettlement action plans. In order to ensure timely delivery of fund, SFDI will closely coordinate with the MoF and the Cabinet of Ministers. The fund allocated for compensation payments for various losses and resettlement assistance will be disbursed by SFDI directly in coordination with concerned local governments.

## **7. GRIEVANCE REDRESS MECHANISMS**

The Grievance Redress Mechanism (GRM) is a process through which the project affected people need a trusted way to voice and resolve concerns about the project and the project finds an effective way to address affected people's concerns. The Law on Acquisition of Lands for State Needs (2010) stipulates procedure and responsible parties for grievance management. According to the requirements Executive Agency should deal with grievances and when the impacts and issues are significant the Grievance Redress Commission is established. According to provisions of the Law on Acquisition of Lands for State Needs (Article 75) in cases where it is considered necessary (when project impacts are significant and likely to create issues among the affected persons) by the Cabinet of Ministers, the relevant rayon executive power sets up Grievance Redress Commission (GRC) consisting of 3 to 5 persons having knowledge and experience of mediation and conflict management. According to the law and the current practice final step for grievance resolution is a court. Current projects implement the above described procedure. However, projects financed by International Financial Institutions establish the first step which consider grievance resolution within the Project without escalating to the above official steps. In this project, the grievance mechanism also will be in place by which the affected people will be fully informed of their rights and procedures for addressing complaints whether verbally or in writing during consultation, survey, and at the time of receiving compensation and resettlement assistance. RAPs should describe precise responsibilities and timeframe, as well as tools for registering, addressing and monitoring of grievances depending on the project's land acquisition and resettlement impacts. In addition, RAP should define specific avenues (such as municipality offices and contractor's office) that are accessible for affected persons. Exact address of these avenues and contact details of grievance focal person(s) should be reflected on leaflets and should be distributed to local communities and municipalities during resettlement preparation. Grievance focal person(s) will be assigned by SFDI for each sub-project/investment.

As stated above, care will be taken to prevent grievances rather than going through a redress process by ensuring active consultation with and participation of PAPs during the planning and implementation process. If grievances still arise, all attempts will be made to resolve those within the project level by the project staff together with the local authorities (representative of rayon executive power and municipality). Project level grievance management is the first level of the GRM. It starts with assigning of a grievance focal person by the Project Manager to register all complaints in the grievance log book (see Annex 4 for the sample log book). The grievance focal persons should deliver an acknowledgment letter to a complainer or his/her representative. Afterwards, the project team should discuss the grievance among the team and should coordinate with the local authorities and/or local nongovernmental organizations and seek to solve the issue within 7 calendar days. Complainer or his/her representative should be informed in written about the final decision related to resolution of the complaint. If this attempt fails, PAPs will have the option of taking their complaint to the further steps of the GRM described in Figure-.1. Steps to be followed to address grievance are as given below

**Figure-1: Grievance Resolution Mechanism**



## 8. CONSULTATION AND PARTICIPATION

Consultation with the affected persons and discussion of options with them is essential during preparation and implementation of the resettlement action plan. Thus, OP 4.12 specifies 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” (Clause 6 (i), (ii)). Azerbaijan legislation also stipulates requirement for public consultations (Land Acquisition Law, articles 15 and 16).

The important objective of public consultation is to engage the affected people in resettlement planning. Meaningful consultation has to begin early and is carried out on a continual basis throughout the project period. Ensuring consultation with wider sections, including women and vulnerable groups will be the major goal of public participation. The participation mechanisms facilitate the consultative process. This includes information sharing, consultation with the affected persons and other stakeholders, and active involvement of the affected persons in project tasks, committees, and decision making.

This RPF was presented to local IDP communities and other stakeholders on 20 November 2015 in Barda and 21 November 2015 in Bilasuvar. The Resettlement consultant had a presentation on content of the RPF, particularly on entitlements, compensation determination, grievance redress management, consultation and information disclosure. Number of participants was 31 (out of them 11 female) in Barda, while 22 (out of them 1 female) in Bilasuvar. A few questions were asked by participants. These were mainly about grievance management, compensation determination, project

activities entailing social impacts and information dissemination (see Annex 3 for detailed minutes of meetings).

Moreover, in case of involuntary resettlement impacts SFDI will issue official notice and disseminate it to PAPs and other stakeholders in locally accessible places, as per requirement of the Azerbaijan legislation (LAL, article 14). Official notice shall include description of the affected land and its location by specifying administrative division and its general boundaries and extent, as well as nature of the state needs for which the land may be acquired and dates of public meeting. During screening there must be adequate consultation and involvement of the local communities and the affected persons.

These consultations will be continued during construction to ensure that communities are fully aware of the project activities, grievance redress mechanism, livelihoods and employment opportunities in the civil works. Frequency and form of consultation and participations will be determined based on the nature of impacts and number of affected persons.

## **9. MONITORING ARRANGEMENTS**

The monitoring systems will be in place to track delivery of the planned resettlement activities to the affected people. The monitoring system will also set responsibilities for specific tasks, including data collection, data analysis, verification, quality control, coordination with related agencies, preparation of reports, submission of reports to the executing agency and the World Bank.

If any RAP implementation occurred then monitoring will be carried out routinely by SFDI either directly or through the services of a consultant. The results will be communicated to the World Bank through the project implementation reports. Indicators for the internal monitoring will be those related to process and immediate outputs and results. This information will be collected and reported monthly to assess the progress and results of RAP implementation, and to adjust the work program, if necessary. The monthly reports will be quarterly consolidated in the standard supervision reports to the World Bank. Specific process monitoring benchmarks will be (i) information campaign and consultation with affected persons; (ii) status of land acquisition and payments on land compensation; (iii) compensation for affected structures and other assets; (iv) relocation of affected persons; (v) payments for loss of income; (vi) selection and distribution of replacement land areas; (vi) payment of resettlement assistance, and (vii) income & livelihoods restoration activities. The above information will be collected by SFDI through the following instruments:

- review of census information for affected persons;
- consultation and informal interviews with affected persons
- in-depth case studies
- sample survey of affected persons
- key informant interviews, and
- community consultation meetings

The Monitoring will also assess the status of vulnerable groups such as female-headed households or families below the poverty line. The following will be considered as the basis for indicators in monitoring and evaluation of the RAP:

- Socio-economic conditions of the PAPs in the post-resettlement period;
- Communications and reactions from PAPs on entitlements, compensation, options, alternative developments and relocation timetables etc.;
- Changes in housing and income levels;

- Rehabilitation of informal settlers;
- Valuation of affected assets;
- Grievance management;
- Disbursement of compensation and
- Level of satisfaction of PAPs in the post resettlement period.

## **10. RESETTLEMENT PLANNING**

A resettlement plan is required for all projects with involuntary resettlement impacts. Its level of detail and comprehensiveness will be commensurate with the significance of potential involuntary resettlement impacts and risks. The outline of a resettlement plan is presented in Annex1. For preparation of the RAP screening of land acquisition and resettlement will be carried out. The screening will be done in harmonization with environmental screening after the specific investments/sub-project is determined. See the Annex 2 for screening form.

Preparation of RAP is supported by the following inter-related activities:

- Social Impact Assessment (SIA)
- Census of PAPs
- Demarcation and Detailed Measurement Survey (DMS)
- Market Survey for valuing affected assets

The purpose of the SIA is to identify the Project Affected People (PAP) to establish the social baseline of the project impact. A census will be carried out, based on which the inventory of project impact for individual PAP will be prepared. Among the project affected people, vulnerable groups will be identified for whom additional rehabilitation measures may be provided to ensure the restoration or improvement of their livelihood. All PAPs identified in the project impacted areas as of the date of census will be eligible for compensation, assistance and/or resettlement. The SIA will be linked to the socio-economic baseline surveys and RAP indicators.

Demarcation and Detailed Measurement Survey will be conducted during the early phase of RAP preparation in presence of affected individuals which will determine the exact scale of impact, and their lost assets, incomes, businesses and livelihoods. The inventory of impact will be updated which will form the basis on which compensation amounts will be determined for PAPs. A market survey will be undertaken as part of the RAP preparation to collect current market values of assets to be affected and prevailing wage levels. They will be used in determining compensations with the methods specified in the earlier sections of this RPF.

Throughout the process, Project Affected Persons will be provided with information such as valuation methodology, entitlements, budgetary provisions of compensation and resettlement and other assistance, which will be summarized and made available to affected populations in a booklet. The Draft RAP will be consulted with Project Affected Persons and local communities locally and comments received will be incorporated in the draft RAP. The Draft RAP will be reviewed by the SFDI and reviewed and cleared by the World Bank, and no civil works will be allowed to be commenced until the RAP for the project has been implemented, meaning Project Affected Persons have received compensation.

## **11. DISCLOSURES**

Officials of the concerned rayons, municipalities and villages will be informed about the Project, and their assistance will be requested in the conduct of the resettlement planning. Draft Resettlement Policy Framework was disclosed to stakeholders in the public consultations held in Barda and Bilasuvar districts on 20-21 Novemebr 2015 (see consultation section above and the annex 3 for details). Also, prior to the finalization of the Resettlement Action Plan all stakeholders will be informed and consulted.

The English version of RPF will be disclosed in the *info shop* of the World Bank, as per provisions under OP 17.50 and the Azeri version of the RPF will be disclosed at the website of the Social Fund for Development of IDPs. Azeri version of the RPF will also be available for any interested persons in local municipalities and rayon executive powers.

## **Annex1: Outline of a Resettlement Action Plan**

### **Introduction:**

- Briefly describe the project
- List project components including associated facilities (if any)
- Describe project components requiring land acquisition and resettlement; give overall estimates of land acquisition and resettlement

### **Minimizing Resettlement:**

- Describe efforts made to minimize displacement
- Describe the results of these efforts
- Describe mechanisms used to minimize displacement during implementation

### **Census and Socio-Economic Surveys:**

- Provide the results of the census, assets inventories, natural resource assessments, and socioeconomic surveys
- Identify all categories of impacts and people affected

### **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 resettlement implementation will be based on specific provisions of agreed RAP.
- Describe method of valuation used for affected structures, land, trees, and other assets.
- Prepare entitlement matrix.

### **Income Restoration:**

- Briefly spell out the restoration strategies 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
- How are the risks of impoverishment to be addressed?
- Describe the process for monitoring the effectiveness of the income restoration measures
- Describe any social or community development programmes currently operating in or around the project area

### **Institutional Arrangements:**

- Describe the institution(s) responsible for delivery of each item/activity in the entitlement policy; implementation of income restoration programmes; and coordination of the activities associated with and described in the resettlement action plan
- State how coordination issues will be addressed in cases where resettlement is spread over a number of jurisdictions or where resettlement will be implemented in stages over a long period of time
- Identify the agency that will coordinate all implementing agencies. Does it have the necessary mandate and resources?

### **Implementation Schedule:**

- List the chronological steps in implementation of the RAP, including identification of agencies responsible for each activity and with a brief explanation of each activity



- Prepare a month-by-month implementation schedule (using a Gantt chart, for example) of activities to be undertaken as part of resettlement implementation

**Participation and Consultation:**

- Describe the process of consultation/participation of affected populations and stakeholders in resettlement preparation and planning
- Describe the process of involving affected populations and other stakeholders in implementation and monitoring
- Describe the plan for disseminating RAP information to affected populations and stakeholders, including information about compensation for lost assets, eligibility for compensation, resettlement assistance, and grievance redress

**Grievance Redress:**

- 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 methods
- Describe the mechanism for appeal

**Costs and Budgets:**

- Provide a clear statement of financial responsibility and authority
- List the sources of funds for resettlement and describe the flow of funds
- Ensure that the budget for resettlement is sufficient and included in the overall project budget
- Identify resettlement costs, if any, to be funded by the government and the mechanisms that will be established to ensure coordination of disbursements with the RAP and the project schedule
- Prepare an estimated budget, by cost and by item, for all resettlement 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 resettlement

## Annex 2: LAR Screening Form

LAND ACQUISITION AND SOCIAL IMPACT ASSESSMENT CHECKLIST			
Rayon:			
City/Town:			
Settlement/Village:			
Brief Description of Site and Proposed Works:			
<b>1. Screening Questions for Land Acquisition &amp; Resettlement</b>			
Likely Impacts	Yes	No	Description
Is land used by individuals or families (homestead, agriculture or garden land) likely to be affected?			
Is the ownership status and current usage of the land known?			
Will there be loss of housing?			
Will there be loss of agricultural plots?			
Will there be loss of crops or trees?			
Will there be loss of business or enterprise?			
Will there be loss of incomes and livelihoods?			
Will people lose access to facilities, services?			
Is traditional or customary land affected?			
Are there non-titled people who live or earn their livelihood at the site or within the right of way?			
Potential Magnitude of Impacts	No.	Area (m <sup>2</sup> )	Description
Approximate loss of Housing			
Approximate loss of agricultural plots			
Approximate loss of crops and/or trees			

Approximate loss of business or enterprise			
Approximate loss of income or livelihoods			
<b>2. Information on Affected Persons</b>			
What is the estimate of total number of households likely to be affected?__ _____			
What is the estimate of total number of people likely to be affected? _____			
What is the estimated number of households affected by loss of income and livelihoods? _____			
Briefly describe the types of income or livelihoods to be affected and nature of impacts:			
<p>Are any households poor, refugees, internally displaced people (IDPs), headed by women, headed by elderly or vulnerable to poverty risks?</p> <p>No <input type="checkbox"/> Yes <input type="checkbox"/></p> <p>If yes, briefly describe their situation:</p>			
<b>3. Type of Plan Requirements</b>			
<p><input type="checkbox"/> Land acquisition and resettlement is required, a Resettlement Plan is required</p> <p><input type="checkbox"/> Land acquisition and resettlement is required, an abbreviated Resettlement Plan is required</p>			
The forgoing has been reviewed and agreed by:			
Name & Signature		Date:	

### **Annex 3: Summary Minutes of Disclosure Meetings**

#### **Public Consultation in Barda:**

**Place:** Barda city;

**Date and Time:** 20 November 2015, 15:00

**Participants:** 31 participants (20 male and 11 female)

**Agenda:** To disclose draft Resettlement Policy Framework and get comments and suggestions of IDPs and other stakeholders

#### **Minutes of the meeting:**

SFDI's representative opened the meeting with welcome remarks and gave generic information about the project. Then he introduced the Resettlement Consultant Ms.Vusala Rustamova to the meeting participants. Afterwards, Ms.Rustamova gave information about the rationale of the Resettlement Policy Framework and talked about requirements of Azerbaijan legislation and the World Bank's policy requirements on involuntary resettlement. She noted that Resettlement Policy Framework provides a framework to address possible adverse impacts related to land acquisition and resettlement. Once the detailed designs of the subprojects are finalized, and if any impacts on land, livelihoods or access are identified, SFDI will prepare Resettlement Action Plans (RAPs) detailing the social impacts of the subproject and indicating how they will be mitigated under the project. People were informed that SFDI will try to avoid any negative impacts. However if any impacts are foreseen then it will be minimized and mitigated. All of the involuntary resettlement matters will be clearly documented and consulted with the affected persons and other stakeholders. Land Acquisition and Resettlement screening process was also explained to meeting participants. The consultant also explained entitlements. She presented organizational responsibility for any land acquisition related activities. Roles and responsibilities of the SFDI, Ministry of Finance, State Committee on Property Issues, Rayon Executive Powers and municipalities were indicated in the meeting. It was also noted that the Resettlement Policy Framework includes a chapter on Grievance Redress Management which describes steps of grievance mechanism and relevant responsibilities. Scheme of the grievance mechanism was also reflected in the screen and each step was explained.

**Question and answers:** (there were only five questions as explained below)

- 1) **Question:** Will you inform us about impacts when you know the project design?  
**Answer:** Yes, after the sub-project details are known land acquisition and resettlement screening will be carried out. If any impacts are identified then Resettlement Action Plan will be prepared and disclosed to affected persons and other stakeholders in public consultations. Electronic version of the resettlement documents will be disclosed in Azerbaijani language on the SFDI's website and hard copy of will be available for you in the offices of local authorities and municipalities as well.
- 2) **Question:** How can we know contact details of the responsible persons for grievances?

**Answer:** Contact details of the grievance focal persons and detailed information about the grievance registration and resolution will be shared with you through information leaflets. In addition, you will be able to find detailed information about the grievance management in the RAPs.

3) **Question:** What kind of project activities can have impacts on our properties?

**Answers:** For ex: rehabilitation of local and access roads, rehabilitation of sewerage and water supply systems

4) **Question:** Will you give compensation to us if there is any impacts on our fruit bearing trees:

**Answer:** Yes, all affected trees will be compensated on the basis of replacement costs

5) **Question:** Do you expect any physical displacement?

**Answer:** According to current planning the project will not cause any physical displacement. However, if any such impact will be unavoidable then it will be compensated on full replacement cost and plus additional livelihood restoration measures.

Moreover, the Resettlement Consultant asked the women participants about their specific needs and questions. Women participants said that they don't have any objections and questions.

At the end, participants of the public consultations thanked to representatives of SFDI and the resettlement consultant for the comprehensive information and consultation.

## **Public Consultation in Bilasuvar:**

**Place:** Bilasuvar, IDP settlement No1;

**Date and Time:** 21 November 2015, 12:00

**Participants:** 22 participants (21 male and 1 female)

**Agenda:** To disclose draft Resettlement Policy Framework and get comments and suggestions of IDPs and other stakeholders

### **Minutes of the meeting:**

SFDI's representative opened the meeting with welcome remarks and gave generic information about the project. Then he introduced the Resettlement Consultant Ms.Vusala Rustamova to the meeting participants. Afterwards, Ms.Rustamova gave information about the rationale of the Resettlement Policy Framework and talked about requirements of Azerbaijan legislation and the World Bank's policy requirements on involuntary resettlement. She noted that Resettlement Policy Framework provides a framework to address possible adverse impacts related to land acquisition and resettlement. Once the detailed designs of the subprojects are finalized, and if any impacts on land, livelihoods or access are identified, SFDI will prepare Resettlement Action Plans (RAPs) detailing the social impacts of the subproject and indicating how they will be mitigated under the project. People were informed that SFDI will try to avoid any negative impacts. However if any impacts are foreseen then it will be minimized and mitigated. All of the involuntary resettlement matters will be clearly documented and consulted with the affected persons and other stakeholders. Land Acquisition and Resettlement screening process was also explained to meeting participants. The consultant also explained entitlements. She presented organizational responsibility for any land acquisition related activities. Roles and responsibilities of the SFDI, Ministry of Finance, State Committee on Property Issues, Rayon Executive Powers and municipalities were indicated in the meeting. It was also noted that the Resettlement Policy Framework includes a chapter on Grievance Redress Management which describes steps of grievance mechanism and relevant responsibilities. Scheme of the grievance mechanism was also reflected in the screen and each step was explained.

**Question and answers:** (there were only four questions as explained below)

1) **Question:** Who will determine compensation amounts?

**Answer:** SFDI will hire an independent valuer to determine the compensation amounts based on the full replacement cost. Compensations will be agreed with the Ministry of Finance.

2) **Question:** In case of any impacts will you give us more detailed information about details of impacts?

**Answer:** Yes, all impacts and mitigation measures will be described in the Resettlement Action Plan(s) and will be discussed during public consultations and disclosed to public in Azerbaijani language.

3) **Question:** On what basis will you compensate tree and crop impacts?

**Answer:** Trees will be valued on full replacement costs and amount of crop losses will be identified by a qualified valuator on the basis of full replacement costs. In addition, if you will

have negative impact on your livelihood, then additional livelihood restoration measures will also be provided.

4) **Question:** Can you design the project in a way that will not have any impacts on our properties?

**Answer:** According to WB requirements the EA (in our case it is SFDI) should try to avoid any involuntary resettlement and land acquisition impacts. However, if it is not possible then impacts should be minimized. Relevant measures should be taken to compensate and restore minimized impacts. Therefore, SFDI will try to avoid and minimize impacts as well.

Most of the participants declared that sewerage systems and roads are in bad condition and need to be repaired. Therefore they requested SFDI representatives to take into account these problems.

Moreover, the Resettlement Consultant asked the only women participant about her specific need and question. She said that they don't have any objections and questions, but wants the sewerage systems to be reconstructed within the project.

At the end, participants of the public consultations thanked to representatives of SFDI and the resettlement consultant for the comprehensive information and consultation.

Barda city, 20 November 2015

Mecburi Köçkünlünlük Yaşayış Standartları ve Yaşayış Şəraitinin yaxşılaşdırılması Layihəsinin Əlavə Maliyyələşdirilməsi

Köçürülmə üzrə Çərçivə Siyasət Sənədinin ictimai müzakirəsi

İştirakçıların Siyahısı

S. s	Ad, Soyad	Təşkilat / Kənd	İmza
1	İsmayılov Əlxan	MƏRSİF	Əlxan
2	Gusibova Leyla	Yerli Həqəli Ələddinova 52/2	Leyla
3	Furqanbəyov Əsliməmmədov	Ağdam 2 saylı KÖÇKÜNLÜK MƏR.	Əsliməmmədov
4	Sərgiyeva Dadaşova	Regional Gender MƏRKƏZİ RB	Dadaşova
5	Əblucazadə Əsədova	Tərəfçü yə. K. M. M.	Əsədova
6	Əliyev İbrahim	Borçalı - İcma	İbrahim
7	Qasımova Türkan	Ümidçimər Dəri	Türkan
8	Babayeva Leyla	Hamqaya - İcma	Leyla
9	Qasımova Səyidə	Ümidçimər Dəri	Səyidə
10	Babayeva Əli	Pers. Xizməti	Əli
11	Hacıyeva Zülfiyyə	O. H. T.	Zülfiyyə
12	Məmmədova Nəcəfə	YAP.	Nəcəfə
13	Əliyeva Gülsüm	Ağdam	Gülsüm
14	Əliyev Vəqif	Ağdam	Vəqif
15	Feyziyeva Səadət Hüseyn	Ağdam	Səadət
16	Əliyev İlham	Borçalı, Nəcəfə ki	İlham
17	Dadaşova Telvan	Borçalı S/10	Telvan
18	Ələddinova Gündüz	Borçalı	Gündüz
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20	Sadıqov Vakil	Jema Etolezi	<i>[Signature]</i>
21	Əliyev Cəvhar	Bəzold	<i>[Signature]</i>
22	Zoynalov Ələməddin	Borob	<i>[Signature]</i>
23	Hüseynova Dilara	Baylisan	<i>[Signature]</i>
24	Sadıqova Aynur	Ağdam	<i>[Signature]</i>
25	Ajayev Fəxrət	Əzizova Beylisan	<i>[Signature]</i>
26	Məmməd İsmail	GRIMM	<i>[Signature]</i>
27	Ağaməliyev Kamran	icma iqtisad usulsi	<i>[Signature]</i>
28	Namig İbrahimov	MKSİF	<i>[Signature]</i>
29	Elnur Əbbasov	MKSİF	<i>[Signature]</i>
30	Elnur Əliyev	MKSİF	<i>[Signature]</i>
31	Pərviz Əhmədov	MKSİF	<i>[Signature]</i>
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## Bilasuvar rayonu, IDP settlement No:1

Məcburi köçkünlərin Yaşayış Standartları və Yaşayış Şəraitinin yaxşılaşdırılması Layihəsinin Əlavə Maliyyələşdirilməsi

Köçürülmə üzrə Çərçivə Siyasət Sənədinin İctimai müzakirəsi

Date: 21.11.2013

Time: 12:00

### İştirakçıların Siyahısı

S. s	Ad, Soyad	Təşkilat / Kənd	İmza
1	Murayev Məhəmməd	Bilasuvar rayonu S. Xeyli qmb. Topanı	
2	Umarbəyqulb Həsənzadə	Bəp Bəp	
3	İsacəndərov Bəyram	persianer.	
4	Əlexəndərov Muxətar	uvcuz	
5	Hüseynov Cəfər	islami.	
6	İsacəndərov Bəzət	müəllim	
7	Murayev Məhəmməd	Müəllim.	
8	Əlexəndərov Məhəmməd	uvcuz	
9	Əfəndov Cəfər	uvcuz	
10	Xeyli Cəfər	uvcuz	
11	Mikayilov Şəki	Mikis-ola islayızan	
12	Rəhimov Həsən	Rəhim Salay nazır.	
13	Səlimmüdəv Əbil	İssiz	
14	Pəsim müvə	Fur, Mikis-ola.	
15	Veysləv Əli	İslami.	
16	Murayev Cəfər	müəllim	
17	Əfəndov	EDMAN	
18	Hüseynov Gülnar	Sənət müəllim	

20	Omecov Vidadi	Murifi mantobinin direktoru	M. M. M.
21	Rohimov Adisizim	İzra Nirmayana	<del>M. M. M.</del>
22	Mizimel Mizza	mishlim	M. M. M.
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Additional Financing to IDP Living Standards and Livelihood Project  
Public Consultation on Resettlement Policy Framework  
List of participants

**Barda rayon, 20 November 2015**

No	Name, Surname	Organization/Village/Occupation	Signature
1	Ismayilov Elkhan	SFDI	
2	Yusibova Leyla	Head of Agali municipality	
3	Tunzale Valimammadova	IDP school No2, Agdam	
4	Shargiyya Dadasova	Regional Gender Center CSO	
5	Abdullayeva Elza	Zaramiyol village	
6	Aliyev Ibrahim	Hairdresser, community representative	
7	Gasimova Turkan	Umid society, tailor	
8	Babayeva Leyla	Hasangaya society	
9	Gasimov Ilgilab	Umid society, Carpenter	
10	Babayev Ali	Vocational lyceum	
11	Hajiyev Zulfiyya	O.H.T	
12	Mammadova Nuraya	New Azerbaijan Party	
13	Safarova Gulsum	IDP from Agdam	
14	Safarov Vagif	IDP from Agdam	
15	Feyziyeva Seadet	IDP from Agdam	
16	Aliyev Ilham	Barda, Nurane society	
17	Dadashov Telman	Baku society	
18	Allahverdiyev Gunduz	Barda	
19	Gurbanov Karrar	Agdam	
20	Sadigov Vakil	Society leader	
21	Eliyev Cherkez	Barda	
22	Zeynalov Galandar	Barda	
23	Huseynova Dilara	Beylagan	
24	Sadigova Aynur	Agdam	
25	Agayev Faxrat	Tazakand, Beylagan	
26	Hasanov Matlab	GRIMM	
27	Agamaliyev Kamran	Society development center	
28	Ibrahimov Namig	SFDI	
29	Abbaszade Elnur	SFDI	
30	Gulive Elnur	SFDI	
31	Ahmedov Rauf	SFDI	

Additional Financing to IDP Living Standards and Livelihood Project  
Public Consultation on Resettlement Policy Framework  
List of participants

**Bilasuvay rayon, IDP settlement No 1, 21 November 2015**

No	Name, Surname	Organization/Village/Occupation	Signature
1	Musayev Mahammad	Pensioner	
2	Imamverdiyev Najimeddin	Hairdresser	
3	Isgandarov Bayram	Pensioner	
4	Isgandarov Mukhdar	Unemployed	
5	Huseynov Jeyhun	Unemployed	
6	Isgandarov Barat	Teacher	
7	Musayev Mahmud	Teacher	
8	Alakbarov Mahammad	Unemployed	
9	Jafarov Gadir	Unemployed	
10	Khudiyev Sadi	Unemployed	
11	Mikayilov Shukur	Department on Communal Maintenance	
12	Rahimov Hamza	Salesperson	
13	Shahmammadov Gabil	Unemployed	
14	Rustamov Ali	Department on Communal Maintenance	
15	Veysalov Ali	Unemployed	
16	Murtuzayev Suleyman	Teacher	
17	Baratov Elman	Unemployed	
18	Husiyeva Gulova	Teacher at primary school	
19	Fatullayev Sarkhan	Club director	
20	Orujov Vidadi	Director of the music school	
21	Rahimov Adishirin	Representative of Executive Power	
22	Mirimli Mirza	Teacher	

**Annex 4: Sample grievance log book**

No	Project	Title of complaint	Date of complaint receipt	Who addressed complaint	Contact details of complainer	Summary of complaint	Time bound action	Responsible person and position	Status

## Photos (Public consultation in Barda)









**Photos (Bilasuvay rayon, IDP settlement No 1)**





