

Resettlement Framework

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AZE: Power Distribution Enhancement Investment Program

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ANNEXURE

Annex 1: LAR Screening Checklist

Annex 2: Standard LARP Outline

ABBREVIATIONS

ADB	–	Asian Development Bank
BPL	–	Below Poverty Line
CDM	–	Clean Mechanism Development
CMF	–	Consulting Management Firm
DP	–	Displaced Person
DMS	–	Detailed Measurement Survey
EA	–	Executing Agency
ED	–	Ecology Department
GoA	–	Government of Azerbaijan
GRC	–	Grievance Redress Commission
IA	–	Implementing Agency
IP	–	Indigenous People
IR	–	Involuntary Resettlement
IPSA	–	Initial Poverty and Social Assessment
LAG	–	Land Acquisition Group
LAR	–	Land Acquisition and Resettlement
LARF	–	Land Acquisition and Resettlement Framework
LARP	–	Land Acquisition and Resettlement Plan
MENR	–	Ministry of Ecology and Natural Resources
MFF	–	Multitranches Financing Facility
MoF	–	Ministry of Finance
NGO	–	Non-Government Organization
PMU	–	Program Management Unit
PPTA	–	Program Preparatory Technical Assistance
RC	–	Resettlement Commission
ROW	–	Right of Way
RLARC	–	Rayon Land Acquisition and Resettlement Commission
SCPI	–	State Committee on Property Issues
SPS	–	Safeguard Policy Statement

DEFINITION OF TERMS

Affected Household: All persons residing under one roof and operating as a single economic unit, who are adversely affected by the Program or any of its components. It may consist of a single nuclear family or an extended family group.

Compensation: Payment in cash or in kind of the replacement cost of the acquired assets.

Displaced Person (DP): Any person who experience full or partial, permanent or temporary physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) resulting from involuntary acquisition of land, or involuntary restriction on land use or access to legally designated parks and protected areas.

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

Cut-off-date: The date for eligibility for resettlement assistance. For this Program the commencement of the census of DPs in the project/subproject area will be considered as the cut-off date.

Land Acquisition: The process whereby a government agency compulsorily alienate all or part of the land and other assets a person owns or possesses and transfer the ownership and possession to the government agency for state needs subject to provision of compensation at replacement cost.

Rehabilitation: Compensatory measures provided under the Land Acquisition and Resettlement Framework other than payment of the replacement cost of acquired assets.

Relocation: The physical relocation of a DP from her/his pre-Program place of residence.

Replacement Value: The amount required by the DP to replace/reconstruct the assets acquired or damaged by the project calculated based the following elements: fair market value, transaction costs, interest accrued, transitional and restoration costs and other applicable payments.

Resettlement: All measures taken to mitigate any and all adverse impacts of the Program on DP's property and/or livelihood, including compensation, relocation (where relevant), and rehabilitation.

Below Poverty Line (BPL) Households: Households whose monthly income is less than the official designated poverty line at the time of the census as determined by the Government of Azerbaijan based on the household budget surveys conducted by the State Statistical Committee.¹

Vulnerable Households: Households headed by women, indigenous persons, and BPL households.

¹ In 2014, official poverty line in Azerbaijan is placed at 125 AZN.

I. INTRODUCTION

1. The Azerbaijan Power Distribution Enhancement Investment Program (the Program) intends to enhance and upgrade the distribution network in over 50 administrative districts under Azerishig managed power system, improve reliability of power supply, reduce distribution losses, enhance energy efficiency and, improve Azerishig's financial performance. The program will be financed by ADB through a Multi-tranche Financing Facility (MFF). The rehabilitation program will cover the whole country distribution networks in 54 districts administered respectively by 7 Regional Energy Supply and Sales Department (RESSD) namely Baku RESSD, Shimal Garb RESSD, Janub RESSD, Garb RESSD, Aran RESSD, Shimal RESSD and Markazi-Aran RESSD.

2. The investment program will have three major components: (i) rehabilitation of 110 kV, 35 kV, 10 kV, and 6 kV distribution networks including distribution lines and substations; (ii) rehabilitation of 0.4 kV customer service lines and installation of advanced electric meters; and (iii) strengthened institutional capacity of Azerishig. The proposed replacement of existing distribution lines, rehabilitation of distribution substations, and upgrading of distribution transformers work within the easement of existing distribution lines and state-owned lands without requirement of additional land, and therefore no potential adverse impacts are anticipated from the investment program. Based on the screening of components proposed under Tranche-1 subprojects, it is expected that there may be some temporary disturbance caused by contractors during the installation/upgrading activities, including sites for storage for equipment and materials, which will be determined during subproject implementation.

3. This Land Acquisition and Resettlement Framework (LARF) is prepared and agreed between ADB and the Government of Azerbaijan (GoA) to address LAR issues if and when they occur in the course of planning and implementation of projects/subprojects financed under the MFF. It establishes the principles and procedures for the compensation of possible loss of land, houses, buildings, crops, and livelihoods during the Program implementation in line with the *ADB Safeguard Policy Statement (SPS, 2009)* and relevant policies and guidelines on land acquisition of the Government of Azerbaijan. Subproject specific Land Acquisition and Resettlement Plans (LARP), if necessary, will be prepared in accordance with this LARF. This document has been endorsed by Azerishig, the Program Executing Agency (EA).

II. LAR PROCESSING REQUIREMENTS

4. Based on ADB policy/practice, the appraisal of the MFF/tranche 1 and subsequent tranches, contract award and commencement of civil works will require the following:

- a. **MFF/first tranche appraisal:** Conditional to: a.) preparation and disclosure of a LARF for the whole MFF acceptable to ADB and Government; b.) preparation of an IPSA and c.) preparation and disclosure of a LARP acceptable to ADB and Government for each subproject or component involving LAR.
- b. **Approval of PFR for following tranches:** Conditional to: a.) review/update/disclosure of the LARF, b) preparation of an IPSA and c.) preparation/disclosure of a LARP consistent with the revised LARF and acceptable to ADB and GoA for each subproject or component involving LAR.

- c. Contract awards/ signing (for subprojects/sections involving LAR): Conditional to preparation/disclosure of a final/implementation-ready LARP based on detailed design
- d. Provision of notice to proceed to contractors (for subprojects/sections involving LAR): Conditional to the full implementation of the relevant LARP (full delivery of compensation and rehabilitation) to be documented by a compliance report from the design and supervision consultant. Such a condition will be clearly spelled out in the text of the civil works contract.

5. The Initial Poverty and Social Assessment (IPSA) prepared during the preparation of each tranche should indicate whether or not there are LAR impacts or issues related to indigenous people (IPs) in the proposed tranche investments. All subprojects will be screened at the start of each tranche and after completion of the detailed design to identify the types, nature and magnitude of potential resettlement impacts. LAR screening checklist is attached as Annex 1. An LARP shall be prepared for subprojects that are screened to have LAR impacts in accordance with ADB SPS (2009) and the *Operations Manual (OM) Section F1 (March 2010)*. The outline for the LARP is shown in Annex 2.

III. LARP APPROVAL PROCESS

6. The LARP will be first reviewed by Azerishig and MOF as the control agencies, before this is endorsed by the PMU and submitted to ADB. The Consulting Management Firm (CMF) hired by Azerishig for the duration of the Program's LAR activities will monitor its implementation and report its completion and compliance with the LARF. The CMF will have international and local LAR capacity sufficient to cover all LAR planning and implementation needs throughout the Program implementation. Azerishig will implement the LARP in collaboration with the State Committee on Property Issues (SCPI) and the Ministry of Finance (MOF).

IV. LEGAL AND POLICY BACKGROUND

A. Azerbaijan Laws and Regulations on Land Acquisition and Resettlement

7. 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.

8. **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).

9. **The Land Code.** Article 101 states 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. Articles 110 and 111 describe willful occupation of land plots, implementation of illegal construction on land plots as violations of the land legislation, and state that these are prohibited acts. Such land plots will be returned to the relevant authorities without reimbursement of the expenses incurred during the illegal utilization. Rehabilitation of the lands should also be carried out by the illegal occupants, at their own expense.

10. **The Civil Code.** Articles 246, 247, 248 and 249 state that, 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 transaction agreement made; 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).

11. The Civil Code states that affected person can select one or more type of compensations. It also states that any rights to real estate must be registered with the State, and that land may be acquired from owners for state needs as approved by the relevant courts.

12. **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.

13. **The Land Acquisition Law or LAL:** 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 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. The law entitles persons who have no legal rights on the land to resettlement assistance and compensation for their non-land assets. It includes provision of compensation for loss of business/income, transition allowance and transportation support, and compensation for loss assets based on replacement cost. As per the LAL, in case of physical displacement, the acquiring authority needs to send notification to DPs at least 60 days before resettlement.

14. **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 a same quality can be provided to lessee. Losses incurred in this land shall be paid in accordance with the legislation.

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

16. **Law of Azerbaijan Republic on Electro energetic (№ 459-IQ, 3 April 1998).** It stipulates general conditions on use of protection corridor of electric lines.

17. **Decree of the President on additional activities regarding to implementation of the Law on "Acquisition of Lands for State Needs" of 15 February 2011:** The Decree stipulates additional provisions for the implementation of the Land Acquisition Law. It also assigns government agencies for each case of relevant executive body.

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

19. **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.

20. **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).

21. **Cabinet of Ministers' Decree No 103 dated 10 June 2005.** It includes width of protection corridor along electric lines, as well as shows restricted activities within the protection corridor. The right of way and restricted activities within the area is summarized in the Table: 1.

Table:1 Details of RoW defined by Decree-103 and Restricted Activities

Right of Way	Less than 1000 watt voltage	More than 1000 watt voltage
Air lines	2 meters from each side lines	<20 kw : 10 m from each side 35 kw: 15 m from each side 110 kw: 20 m from each side 150 kw: 25m from each side 220 kw: 25m from each side 330-500 kw: 30m from each side
Underground lines	1 meter from each side cable	1 meter from each side cable
Restricted Activity	Less than 1000 watt voltage	More than 1000 watt voltage
Air lines	Construction, installation, explosion, irrigation activities, plant or cut trees, construction of sport grounds, collection of fuel, fertilizer and other materials.	Construction, installation, rehabilitation and destructing of buildings; mining activities; soil digging; explosion; amelioration activities; planting and cutting of trees and bushes; fencing; placing of piles for vineyards and gardens.
Underground lines	In case of underground cables, digging of ground with machinery for more than 0.3 m deep is prohibited	In case of underground cables, digging of ground with machinery for more than 0.3 m deep is prohibited. If the land is agricultural then till 0.45 m is allowed.

B. Compensation Valuation Methods in Azerbaijan

22. **Land.** Land compensation prices must be based on market rate². In case, market price cannot be determined replacement cost³ is used. These rates are determined by a Valuation Commission established by a decree of the Cabinet of Ministers. An independent

² **Land market value** is determined on the basis of mean value of the three highest recorded land sales in past 3 months from the census date. "Article 58: Market Value" of Law of the Republic of Azerbaijan on the Acquisition of Lands for State Needs, April 2010.

³ The **replacement price** is determined based in 'Article 59: Replacement Price' of Law of the Republic of Azerbaijan on the Acquisition of Lands for State Needs, April 2010. This replacement price include expenses with respect to bringing the land or building the structure in same area and same size and production potential up to standard of acquired land/structure, and registration fee.

appraiser should be involved in valuation process by the Valuation Commission. If both market and replacement price are available the higher one is used. Market price of land is the average of three highest land transaction prices, which were sold and bought in the same area for recent three months. Replacement price of land is calculated price including expenses with respect to enrichment of productivity, provision of basic facilities, as well as registration costs.

23. **Annual Crops.** Compensation payable for loss of annual crops is determined by the Valuation Commission in coordination with land acquisition group(s) based on certified data on the productivity of crops and the average price of produce issued by the district Department of Statistics.

24. **Perennial Crops (Trees, Shrubs and Vines).** Compensation for trees and shrubs (not included in the Forestry Fund of Azerbaijan Republic) 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 (19 September 2005). Perennial crops such as fruit trees, grape vines, and blackberry bushes growing on private yards and orchards are valued on a per tree or per shrub basis by applying a standard formula.

25. **Compensation for Immovable Assets and Land Attachments.** 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 cost by the Independent Appraiser hired by Azerishig.

26. **Compensation for Temporary land Acquisition.** Upon the completion of works, the land must be restored to its pre-project condition and returned to the owner/user with compensation for the following items:

- (i) Loss of annual crop production
- (ii) Potential crop yield reduction for three years
- (iii) Loss of any trees or perennial crops
- (iv) Loss of use of grazing land
- (v) Loss of immovable assets and land attachments.

27. **Compensation for Loss of Residence.** In the event of loss of residences in the process of project planning and execution, the owner/user will be compensated additionally besides compensation for land, which include following items:

- (i) Cases associated with claimant;
- (ii) Possible expenses associated with execution of any juridical services, survey, assessment and other such compulsory measures with respect to land acquisition;
- (iii) Expenses related to safe and sound transportation of cattle of person affected by expropriation from their place to the place where person will be resettled;
- (iv) loss of income associated with the expropriation of lands. Payments will be provided to these persons, till the income they get from new place of residence or land be equaled to the income from his previous place and residence;
- (v) Expenses associated with required training in order the persons affected by expropriation be able to work in new place of residence according to its condition;

- (vi) If foodstuffs is provided from the land to fully or partially satisfy the needs of family of persons affected by expropriation, expenses for regular provision of the same type and expense food stuffs till they will get these food stuffs from the land in new place of residence or work in new place of residence;
- (vii) Other matters to be considered for fairness of paid compensation.

C. The ADB Safeguard Policy Statement (SPS), 2009

28. The ADB Safeguard Policy Statement, 2009, applies to losses due both to physical and economic displacement caused by involuntary acquisition of land and is based on the following basic principles:

- a. Compensation, Assistance and Benefits for Displaced Persons (DPs)
 - Compensate/assist those with formal legal rights to the land lost and those who have claims to lands that are recognized or recognizable under national laws. Compensate DPs who have neither formal legal rights nor recognized or recognizable claims to land for non-land assets.
 - Compensate for affected lands, structures and other assets and put in place a comprehensive income and livelihood rehabilitation program prior to displacement.
 - Give preference to land-based resettlement strategies for displaced persons whose livelihoods are land-based. Provide physically displaced persons with relocation assistance, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, and civic infrastructure and community services.
 - Promptly compensate economically displaced persons for the loss of income or livelihood sources at full replacement cost, and provide other assistance (i.e. access to credit, training, and employment opportunities) to help them improve, or at least restore, their income-earning capacity, production levels, and standards of living to pre-displacement levels.
 - Provide DPs with opportunities to share project benefits in addition to compensation and resettlement assistance.
- b. Social Impact Assessment
 - Conduct socioeconomic survey(s) and a census, with appropriate socioeconomic baseline data to identify all persons who will be displaced by the project and to assess the project's socioeconomic impacts on them.
 - Identify individuals and groups who may be differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status as part of the social impact assessment.
- c. Resettlement Planning
 - Prepare a resettlement plan based on the social impact assessment and through meaningful consultation with DPs.
 - Ensure that DPs are (i) informed about their options and entitlements pertaining to compensation, relocation, and rehabilitation; (ii) consulted on resettlement options and choices; and (iii) provided with resettlement alternatives.
 - Ensure that both men and women receive adequate and appropriate compensation for their lost property and resettlement assistance, if required, as well as assistance to restore and improve their incomes and living standards.

- Analyze and summarize national laws and regulations pertaining to land acquisition, compensation payment, and relocation of DPs; and compare with ADB SPS (2009) principles and requirements. In case of gap, propose a suitable gap-filling strategy in the resettlement plan in consultation with ADB.
- Consider all costs of compensation, relocation, and livelihood rehabilitation as project costs.
- Include detailed measures for income restoration and livelihood improvement of DPs. For vulnerable persons and households, provide extra assistance so that they can improve their incomes in comparison with pre-project levels.
- Finalize the resettlement plan soon after the completion of engineering design. Ensure that the final resettlement plan (i) adequately addresses all involuntary resettlement issues pertaining to the project, (ii) describes specific mitigation measures that will be taken to address the issues, and (iii) ensures the availability of sufficient resources to address the issues satisfactorily.
- Consult DPs identified after the formulation of the final resettlement plan and inform them of their entitlements and relocation options. A supplementary resettlement plan or a revised resettlement plan should be submitted to ADB for review before any contract is awarded.
- Use qualified and experienced experts to prepare the social impact assessment and the resettlement plan.

d. Information Disclosure

- Submit to ADB for disclosure on ADB's website: (i) the draft resettlement plan and/or resettlement framework endorsed by the borrower/client before project appraisal; (ii) the final resettlement plan endorsed by the borrower/client; (iii) the new resettlement plan or an updated resettlement plan, and a corrective action plan prepared during project implementation, if any; and (iv) resettlement monitoring reports.
- Provide relevant resettlement information in a timely manner, in an accessible place and in a form and language(s) understandable to affected persons and other stakeholders. For illiterate people, use other suitable communication methods.

e. Consultation and Participation

- Consult meaningfully DPs, their host communities, and civil society for every project and subproject with involuntary resettlement impacts.
- Pay particular attention to the need of disadvantaged or vulnerable groups, especially those below the poverty line, the landless, the elderly, female-headed households, women and children, indigenous peoples, and those without legal rights to land.

f. Grievance Redress Mechanism

- Establish a responsive, readily accessible and culturally appropriate mechanism to receive and facilitate the resolution of DPs' concerns and grievances, paying particular attention to the impacts on vulnerable groups.

g. Monitoring and Reporting

- Monitor and measure the progress of implementation of the resettlement plan. For projects/subprojects with significant LAR impacts, retain qualified and experienced external experts to verify internal resettlement monitoring information. If any significant involuntary resettlement issues are identified, prepare a corrective action plan to address such issues. Do not proceed with

implementing the project until such planning documents are formulated, disclosed and approved.

h. Unanticipated Impacts

- Conduct a social impact assessment, update the resettlement plan or formulate a new resettlement plan if unanticipated involuntary resettlement impacts are found during project implementation.

i. Special Considerations for Indigenous Peoples

- Avoid physical relocation of indigenous peoples that will result in adverse impacts on their identity, culture, and customary livelihoods. If adverse impacts cannot be avoided, formulate a combined indigenous peoples plan and resettlement to meet all relevant requirements specified under ADB Safeguard Requirements 3: Indigenous People.

j. Negotiated Settlement

- Encourage acquisition of land and other assets through a negotiated settlement whenever possible.
- Subject to third-party validation negotiated settlements that would result in expropriation to ensure that the compensation is based on fair price (replacement cost) of land and/or other assets, and is based on meaningful consultation with DPs.

D. Comparison of Azeri Laws and Regulations Relevant to Land Acquisition and Resettlement and ADB's Safeguard Policy Statement (2009)

29. The Law on Land Acquisition for State needs was prepared in regard to international financing institutions (IFI) policies on involuntary resettlement. The law considers payment of compensation to non-titled persons for their non-land assets and provision of rehabilitation and transition assistance. Compensation for structures do not deduct for depreciation and covers all transaction costs. Land valuation is made at replacement cost. The Act also provides additional compensation for disturbance caused by the acquisition and mandates the expropriating agency to assist DPs in their relocation and in restoring their livelihood. The only remaining difference between Azeri Law and ADB SPS (2009) is the requirement for targeted measures to assist vulnerable DPs, use of third-party validation for negotiated settlements, conduct of external monitoring for projects with significant impacts, and compensating non-legal DPs for lost structures. Differences between Azeri law and regulations and ADB's policy are outlined below in Table 2.

Table 2: Comparison of Azeri Laws and Regulations on LAR and ADB's Safeguard Policy Statement (2009)

S. N.	Issues	ADB SPS (2009) and ADB	Azerbaijan law
1	Livelihood rehabilitation	ADB Policy requires rehabilitation/improvement of AP livelihood standards.	Notion of livelihood rehabilitation is also sanctioned by national law.
2	Compensation entitlements	A. Legal and legalizable APs are to be compensated for lost land/other assets. B. Non-legal APs are to be compensated for non-land assets lost.	A. Legal and legalizable APs are to be compensated for lost land/other assets. B. Non-legal APs receive resettlement allowances but are not compensated for real estate losses.
3	Compensation	A. Loss of land. Replacement land as preferred option or cash compensation at full market rate for legal/legalizable APs.	A. Loss of land. Cash compensation in cash at market rate +20% or replacement land for legal/legalizable APs. An additional 10% premium for voluntary sale.

S. N.	Issues	ADB SPS (2009) and ADB	Azerbaijan law
		<p>B. Replacement of leased land. Based on replacement of lost income through cash compensation of gross income x the remaining lease years or a replacement lease</p> <p>C. Loss of structures/ buildings. Cash compensation at replacement cost for lost item free of depreciation, transaction costs, other deductions</p> <p>D. Loss of indirectly affected items. Non affected parts of an asset not usable after impact is to be compensated as well.</p> <p>E. Loss of business. Compensation up to 12 months based on tax declaration. In absence of tax declaration compensation based on mechanisms agreed with the borrower (usually maximum non-taxable salary).</p> <p>F. Loss of trees. Irrespective of legal land occupancy status compensation at replacement cost based on tree type/ wood volume for wood trees and lost income (x tree type x 1 year income x production years lost) for productive trees.</p> <p>G. Loss of crops. Compensation of crop in cash at market price.</p> <p>H. Loss of jobs. Indemnity ensuring AP rehabilitation. Arrangements to be agreed with EAs but usually based on salary x months of stoppage up to 6-12 months.</p>	<p>B. Replacement of leased land. Based on cash or lease replacement of lost income for remaining lease years or through a replacement lease.</p> <p>C. Loss of structures/ buildings. Cash compensation at replacement cost for lost item free of depreciation, transaction costs, other deductions +20%</p> <p>D. Loss of indirectly affected assets. The law prescribe their compensation if so requested by APs.</p> <p>E. Loss of business. Indirectly provided as compensation for lost income. Compensation methodology not specified.</p> <p>F. Loss of trees. Indirectly provided as compensation for lost income. Compensation methodology not specified.</p> <p>G. Loss of crops. Mandate by the law as well but application not clearly defined.</p> <p>H. Loss of jobs. Compensated based on job income lost.</p>
4	LAR planning, assessment and impacts valuation	<p>Preparation of a comprehensive LARP for all projects disregarding number of AP. LARP includes: a) detailed impacts measurement survey (DMS)/AP census; b) Socio-economic survey; c) entitlements definition, d) income/livelihood provisions, e) AP consultation results; f) grievance procedures, g) execution arrangements; h) monitoring schemes; and i) budget and implementation schedule.</p> <p>i. Measurement survey. Measures in trough a DMS all affected items.</p> <p>ii. AP Census. Identifies all APs and establishes legitimate beneficiaries based on legal status.</p> <p>iii. Socio-economic survey. Provides background information on AP' socio-economic features.</p> <p>iv. Valuation survey.</p> <p>a) Land: If land market exist based on a survey of recent transactions; without land market based on land</p>	<p>Comprehensive surveys needed but DMS specified only for land and houses. Other impacts are assessed but DMS is not clearly required. A Resettlement Plan is carried out only if there are more than 200 APs and includes only items related to relocation. Resettlement Guideline should be prepared in case of less than 200 APs.</p> <p>i. Measurement survey. Land and buildings clearly assessed through a DMS in the field. Other impacts also assessed but the surveying methodology is unspecified.</p> <p>ii. APs Identification. Same.</p> <p>iii. Socio-economic survey. No comparable requirements exist.</p> <p>iv. Valuation survey.</p> <p>a) Land: valued at market rate based on a transactions survey. Valuation includes transaction costs/third party</p>

S. N.	Issues	ADB SPS (2009) and ADB	Azerbaijan law
		productivity income.	liabilities.
		b) Buildings/structures. Based on replacement cost of materials, labour, transport and special construction features without discounting depreciation, salvaged materials or transaction costs.	b) Buildings/structures. Same.
		c) Trees/crops. Based on the methodology detailed in section 2.	c) Trees/crops. Valuation methodology not specified.
		d) Business losses. Based on methodology detailed in section 2.	d) Business losses. Valuation methodology to be specified.
		e) Job Loss. Based on methodology detailed in section 2.	e) Job Loss. Valuation methodology to be specified.
5	Due-Diligence support mechanisms	A. Information disclosure. LAR-related documents to be timely disclosed in the AP language.	A. Information disclosure. LAR documents/ impact assessment protocols to be disclosed.
		B. Public consultation. Meaningful public consultations to be held with the APs. APs to be informed on entitlements and options, as well as resettlement alternatives.	B. Public consultation. The legislation stipulates requirement for conducting Public Consultations by participation of APs and other stakeholders.
		C. Grievance procedure. A Grievance Redress Mechanism (GRM) is to be established for each project. Information on GRM to be communicated to the APs	C. Grievance Procedures. Grievance Redress Commission is formed if the Project has significant LAR impacts, A Resettlement Commission should also be established composed of 3-20 AP representatives to facilitate grievance redress process and other bilateral relations..
		D. Asset acquisition conditions. Property acquired only after full payment of compensation to APs	D. Asset acquisition conditions. Property to be acquired only after full payment of compensation to APs.
6	Assistance to vulnerable and severely affected AP	These APs are to be identified and special assistance is provided to restore/ improve their pre-project level of livelihoods.	No special consideration is given to these APs.

E. Remedial Measures to Bridge the Gap

30. In principle, Azeri laws and regulations relevant to LAR and ADB's SPS adhere to the objective of compensating affected households at replacement cost for their affected assets, and assisting them in restoring their livelihood. The difference between Azeri Laws and ADB policy are the compensation for non-legal structures on non-legal lands, attention provided to vulnerable households, and requirement for third-party validation/monitoring in case of Category-A. To address this, this Land Acquisition and Resettlement Framework ensures compensating non-legal DPs for all losses except land, attention to vulnerable households, and conduct of third-party validation/monitoring category-A project.

V. THE PROGRAM COMPENSATION ELIGIBILITY AND ENTITLEMENTS

31. The land acquisition and resettlement tasks under the program will be carried out according to the compensation eligibility and entitlement provisions developed in line with the Azeri laws and the ADB SPS (2009) as detailed in the next chapter.

A. Eligibility and Entitlements

32. Under the Program LARF the following categories of DPs will be entitled to compensation and/or rehabilitation benefits:

- (i) DPs losing land irrespective of whether land is held under valid legal rights or customary rights with or without legal status;
- (ii) Tenants and sharecroppers whether registered or not;
- (iii) Owners of buildings, crops, trees or other objects attached to the land; and
- (iv) DPs losing business or income/employment opportunities.

33. DPs and affected assets will be identified through a Detailed Measurement Survey (DMS). The DMS end date will be the cut-off date for compensation eligibility. DPs settling in affected areas after this date will not be eligible for compensation. They, however, will be given sufficient advance notice to vacate and dismantle the affected land/structures. Their dismantled structures will not be confiscated nor will they be fined or sanctioned.

34. The compensation and rehabilitation entitlements for each affected item established for the Program is detailed below on **Table 3**.

Table 3: Entitlement Matrix

Loss	Impact	Displaced People	Entitlement
Permanent loss of agricultural land	All land losses regardless of severity of impact	Owner/ titleholder	<ul style="list-style-type: none"> • Land for land compensation with plots of equal value and productivity to the plots lost, and acceptable to the DPs; OR • 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.
		Leaseholder (regardless if registered or not)	<ul style="list-style-type: none"> • Transfer of lease to other plots of equal value or productivity of plots lost; OR • Cash equivalent to the net income from the land calculated on the basis of the market value of annual production of affected land for the remaining lease years (up to maximum 10 years).
		Sharecroppers (regardless if registered or not)	<ul style="list-style-type: none"> • Cash compensation equal to market value of the lost harvest share (1 x for temporary impact and 2 x for permanent impact)
		Agricultural workers losing their job	<ul style="list-style-type: none"> • Cash compensation equivalent to their salary/wage in cash and kind for the remaining part of the agricultural year.
		Non-titled cultivators	<ul style="list-style-type: none"> • Rehabilitation allowance equal to 1 year's net income from the affected land (in addition to crop compensation) for land use loss.
	Severe/significant impact (loss of >10% of productive land)	Owner/titleholder	<ul style="list-style-type: none"> • Severe impact allowance equal to the net income from annual crop production (inclusive of winter and summer crop and addition to standing crop compensation) and the waiving of taxes and fees
		Sharecroppers (regardless if registered or not)	<ul style="list-style-type: none"> • Severe impact allowance equal to the net income from their annual share of harvest lost (additional to standard crop compensation)

Loss	Impact	Displaced People	Entitlement
		Non-titled cultivators and land users	<ul style="list-style-type: none"> Severe impact allowance equal to the net annual income from the affected land (additional to standard crop compensation)
Temporary loss of land	Disturbances during construction or installation of distribution lines	All DPs including non-titled users and squatters	<ul style="list-style-type: none"> Affected land/communal infrastructure will be restored or reconstructed to pre-project conditions. Rent shall be agreed between landowner and contractor equal to the revenue lost at market value (e.g. compensation for harvests lost at average yield/hectare).
Residential/ Commercial Land	All land losses regardless of severity of impact	Titleholder	<ul style="list-style-type: none"> Land for land compensation with plots of equal value and productivity to the plots lost, and acceptable to the APs; or Cash compensation for affected land at full replacement cost free of taxes, registration and transfer costs
		Non-titled users	<ul style="list-style-type: none"> Provision of a free or leased plot in a Government resettlement area; or Self-relocation allowance equal to 1 year at minimum salary.
Houses, buildings and structures	Full/partial loss of structures located within safety corridor	Owners (regardless if building registered or not or whether owns land or not)	<ul style="list-style-type: none"> Cash compensation at replacement rate for affected structure/ fixed assets without depreciation and transaction cost <ul style="list-style-type: none"> Free salvage of materials, depreciation and transaction costs. For partial impacts, full cash assistance to restore remaining structure. Cost of lost water and electricity connections will be included in the compensation
		Renter/Leaseholder	<ul style="list-style-type: none"> An allowance equal to 3 months rent
Standing crops	Removal of crops from pole footprint/foundation area	All DPs (including non-titled land users)	<ul style="list-style-type: none"> Cash compensation equivalent to the gross income from the crop computed as the market value of the total annual produce from affected land. To be paid both to landowners and tenants based on their specific sharecropping agreements.
Trees	Trees removed from safety corridor or pole footprint	All DPs (including non-titled land users)	<ul style="list-style-type: none"> Cash compensation shall reflect income replacement. 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.
Business/ employment	Temporary or permanent loss of business or employment	All DPs (including non-titled land users)	<ul style="list-style-type: none"> Business owner: (i) Cash compensation equal to 1 year's income, if loss is permanent; (ii) cash compensation for the period of business interruption, if loss is temporary. Compensations based on tax declaration or official minimum salary Worker/employees: Indemnity for lost wages for the period of business interruption up to a maximum period of 3 months.
Vulnerability Assistance	Any impact affecting vulnerable people	Vulnerable DP (households below	<ul style="list-style-type: none"> 1 additional allowance equal to 3 months of minimum salary.

Loss	Impact	Displaced People	Entitlement
		poverty line, and women headed families)	<ul style="list-style-type: none"> • Priority for employment in project-related jobs, training opportunities, self-employment and wage-employment assistance
Relocation Assistance	Relocation (physical displacement)	All DPs affected by relocation	Transport/ transitional livelihood costs: <ul style="list-style-type: none"> • Provision of cash compensation to cover transport expenses and livelihood expenses for one month. • If a person residing in place for at least 5 years, an extra compensation between 5-10% will be paid for loss of residential houses as per Article 66 of Expropriation Law, 2010. • The relocation sites should have public infrastructure facilities and utilities similar to original site from where a person is relocated.
Community assets or resources	Loss or damage to public infrastructure or natural resources	All DPs	<ul style="list-style-type: none"> • Rehabilitation/replacement of affected structures/utilities (i.e. mosques, footbridges, roads, schools, health centres, grazing lands etc.)

B. Assessment of Compensation Unit Values

35. The methodology for assessing minimum compensation rates of different items is as follows:

- (i) Land will be valued at replacement cost based on market rates derived from a survey of land sales three months before the impact survey. No deductions for taxes or transaction costs will be applied.
- (ii) Houses/buildings will be valued at replacement value based on cost of materials, type of construction, labor, transport and other construction costs. No deductions will be applied for depreciation, salvaged materials and transaction costs
- (iii) Annual crops will be valued at full market rate at the farm gate.
- (iv) Fruit trees will be valued based on age category (a. seedling; b. not yet productive; c. productive). Productive trees will be valued at market value of 1 year produce x the number of years needed to grow a new tree with the same productive potential of the lost tree.

36. Valuation of asset will be done by an Independent appraiser to be hired by Azerishig in case of LAR impacts. The valuation will be used as the basis of negotiation between the owners and Azerishig.

C. Disturbance and Temporary Impacts During Construction

37. During construction, there may be some temporary disturbance caused by subproject contractors when replacing power distribution lines and substations, dump sites, storage areas and similar other activities. These temporary impacts cannot be assessed at this stage and will only be known during subproject implementation.

38. Azerishig will address such issues through appropriate conditions in the civil works contract. The civil works contracts will require contractors to negotiate and reach an agreement with the owners/users of any land before it is used temporarily for the installation/rehabilitation activities. Proofs of such agreements will also be submitted to Azerishig for review to ensure that all appropriate provisions in the LARF are complied with.

39. Such agreements will be based on the following principles:
- Rent shall be agreed between contractor and the land owner based on the loss of revenue by the land owner/land user during the period of its use by the contractor;
 - Affected land and/or attachments on the land will be restored to its pre-subproject condition. Permanent damages to improvements/structures, if any, will be compensated in cash following the provisions in the entitlements matrix.
40. Upon the completion of works, the land that was temporarily used must be restored to its pre-project condition and returned to the owner/user with compensation for the following items, if applicable:
- (i) Loss of annual crop production
 - (ii) Potential crop yield reduction for three years
 - (iii) Loss of any trees or perennial crops
 - (iv) Loss of use of grazing land
 - (v) Loss of immovable assets and land attachments.
41. One of the conditions for release of final payment to the civil works contractors is the submission of proof that all temporarily used lands have been fully restored to their pre-project conditions and that there are no pending compensation issues related to the temporary use of land.

VI. PROVISION OF LAND FOR LAND COMPENSATION

42. If “land for land” is chosen as the compensation option, the Azerishig will identify a possible relocation site / replacement plots, and agree with Rayon Executive Power and related Municipality, from which the DPs can choose. They will also identify the associated infrastructure requirements (service roads, drainage, sanitation, water supply and electricity facilities) and site-preparation costs. All relocation activities will be carried out with the consent and cooperation of the DPs.

VII. GENDER IMPACT AND MITIGATION MEASURES

43. Women have important economic roles and engage in a very wide range of income making activities in the agricultural and marketing sector. The Program will pay particular attention to ensure that women are the recipients of the compensation pertaining to their activities and to ensure that women who are de-facto household heads are clearly listed as beneficiaries of compensation and rehabilitation proceedings under the loan. In order to ensure the above the following actions will be considered:

- (i) Impact assessment will disaggregate the DPs gender-wise and will clearly indicate the number of affected women-headed households and their pre-Program socioeconomic status.
- (ii) Women will be encouraged to actively participate in all LAR-related consultations and negotiations.
- (iii) LARP monitoring/evaluation will pay special attention on the impact of resettlement on women and other vulnerable groups.
- (iv) All compensation due to woman-headed families will be given to only the women family head.

VIII. PUBLIC PARTICIPATION AND DOCUMENTS DISCLOSURE

44. All land acquisition and resettlement activities will be carried out with the cooperation and assistance of affected people and the local administrative agencies. More specifically:

- (i) Officials of district (*Rayon*) and municipal towns (*Baladiya*) will be informed about the Program and their assistance will be solicited in the supervision of the DP census and the inventory of affected assets;
- (ii) The LAG will carry out the DMS with the cooperation of DPs and will inform them the results of the survey and the inventory prior to the finalization of the LARP and its submission to Azerishig.
- (iii) The preference of DPs related to compensation and other resettlement assistances will be given due consideration during the planning process.
- (iv) Specific mechanisms for ensuring the active involvement of DPs and other stakeholders will be detailed in subproject LARPs, which also will include an appendix with date, list of participants, and minutes of consultation meetings.

45. This LARF in Azeri will be made available to the DPs at the relevant Azerishig regional center and *baladiya* offices once subprojects are identified. The English version of the LARF will be disclosed on the ADB website after EA's endorsement. The LARPs in Azeri will be disclosed to the affected communities and a pamphlet in Azeri, summarizing compensation eligibility and entitlement provisions, will be sent to all DPs before tranche appraisal. The English translations of the LARPs and pamphlets will be disclosed on the ADB website prior to tranche appraisal.

IX. INSTITUTIONAL ARRANGEMENTS

46. Based on the Land Acquisition Act of 2010, the main institutions that need to be involved in LAR activities are Azerishig, Ministry of Finance (MOF), State Committee on Property Issues (SCPI), Ministry of Ecology and Natural Resources (MENR) and Rayon (district) and Baladiya (municipal towns) 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 or sections with LAR impacts.

47. However, in case impacts are limited which involve only temporary losses of crops and marginal structure, these will be addressed through a streamlined process with the participation from the rayon offices of local level key government agencies.

A. Azerishig

48. Azerishig has overall responsibility for all aspects of the Program. For the implementation of the proposed project, Azerishig, the EA for the project has established a Project Management Unit (PMU) at headquarter level by hiring a pool of consultant. The PMU is headed by a Project Director (PD) and presently supported by few technical and administrative staff, which will be expanded further as per project requirement during coming days.

49. Azerishig is in the process of recruiting a full time Environmental and Social Expert, who will look after both environmental and social aspects during Tranche-1 project implementation and further planning and implementation of subsequent tranches.

B. Other Key Government Agencies

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

- i. **Ministry of Finance (MOF):** Controls the entire land acquisition process from consultation, valuation, LARP preparation and compensation payments.
- ii. **State Committee on Property Issues (SCPI):** Provides cadastral maps, land registration data and list of DPs, participates in the LAG, and updates land documents after acquisition.
- iii. **Ministry of Ecology and Natural Resources (MENR):** Provides maps and landowners details.

C. Local Governments (Rayon Executive Powers and Municipalities)

51. Local governments agencies involved in LARP 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 DPs, and (c) participate in the relevant commissions to be formed for the project.

D. LAR-related Commissions

52. To comply with the requirements of the Land Acquisition Act (201), Azerishig will facilitate the creation of the following commissions to perform specific tasks as follows:

- i. **Land Acquisition Group (LAG):** Will be constituted by Azerishig with representatives from MOF, SCPI and MENR to (a) deliver and explain the notification to the DPs; (b) meet with DPs to explain about the compensation entitlements, valuation methods and compensation process; (c) receive and refer complaints to the grievance redress commission; (d) assist in the preparation of the LARP; and (e) collect necessary documents from the DPs.
- ii. **Resettlement Commission (RC):** Composed of 3-20 representatives from DPs, the RC is involved in the preparation of the LARP, public consultations and refers complaints from DPs to LAG.
- iii. **Grievance Redress Committee (GRC):** The rayon executive power will create the GRC wherever a LAR issue involves, receiving and resolving complaints from DPs and other stakeholders. If the complaint is not resolved, the GRC refers the complaint to the MOF.

E. Consulting Management Firm (CMF)

53. The Consulting Management Firm (CMF) will be hired to design and assist in the implementation of subprojects under the Program. CMF will have sufficient expertise on social assessment and resettlement and include international and national resettlement specialists. The CMF will monitor LARP implementation and report its completion.

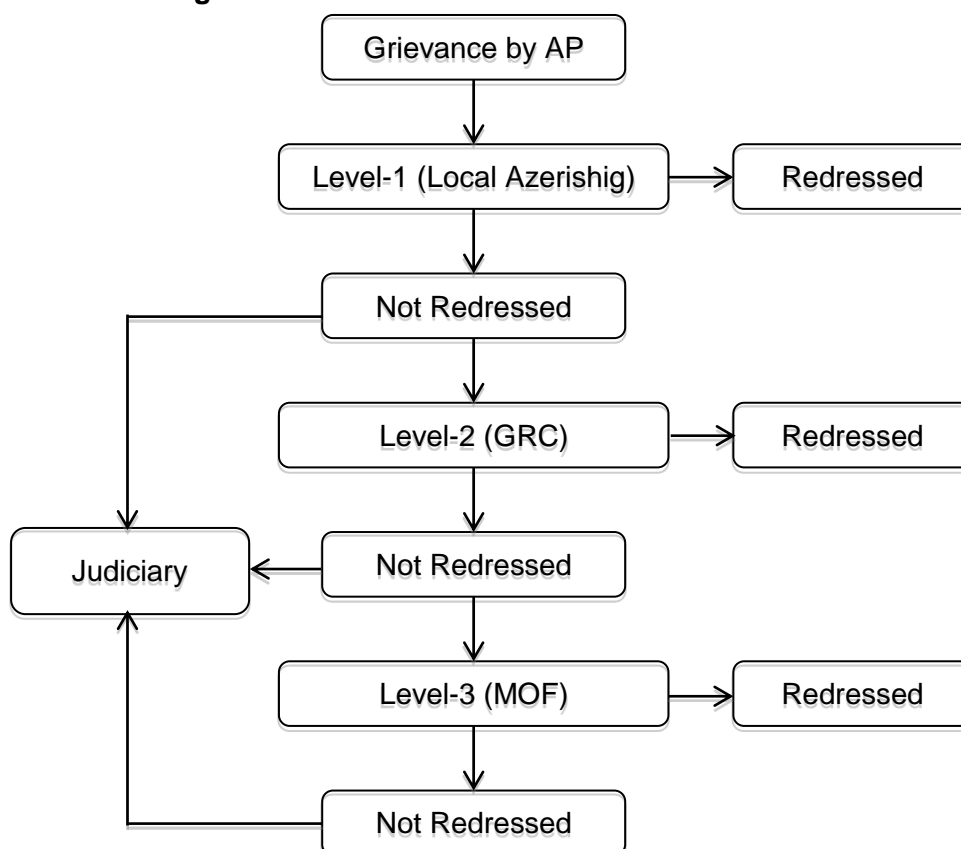
X. COMPLAINTS AND GRIEVANCES

54. A grievance redress mechanism will be established to allow appeals against any disagreeable decision, practice or activity arising from land or other assets compensation.

DPs will be fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, survey, and time of compensation.

55. Care will be taken to prevent grievances rather than going through a redress process by ensuring active consultation with and participation of DPs during the LAR planning and implementation process. If grievances still arise, all attempts will be made to resolve those informally at the local level of Azerishig. If this attempt fails, DPs will have the option of taking their complaint to the formal mechanism of addressing grievances described in **Figure-1**.

Figure-1: Grievance Resolution Mechanism



56. The 1st level of GRM is the local Azerishig office at Rayon level which deals in LAR planning and implementation. At the 2nd level, there will be Grievance Redress Committee (GRC) constituted with representatives from Executive Power, Municipality, PMU and representative of APs. At the 3rd level of GRM, the MoF will be the focal agency which may involve representatives from SCPI, RC, MENR and PMU.

57. Alternatively, DPs can also use Azerishig 186 Hotline Service to register their complaints. This is a centralized online service, in which complainants and inquirers can dial 186 and register their complaints. Azerishig will ensure that complaints are responded to within 24 hours from registering the complaints.

XI. MONITORING AND EVALUATION

58. All LAR tasks under the Program will be monitored by the Consulting Management Firm (CMF) and reported to the PIU and ADB. It is expected that land acquisition activities in subprojects/sections covered under the MFF are likely to be completed within three months. Related to this, only a completion report is expected which will cover:

- (i) Review and verification of land acquisition documentation;
- (ii) Review of the socio-economic baseline census information of DPs;
- (iii) Identification and selection of impact indicators;
- (iv) Impact assessment through formal and informal surveys with the DPs;
- (v) Consultation with DPs, officials, community leaders for preparing review report; and
- (vi) Assessment of the resettlement efficiency, effectiveness, impact and sustainability, drawing lessons for future resettlement policy formulation and planning.

59. 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 Program:

- (i) Socio-economic conditions of the DPs in the post-resettlement period;
- (ii) Communications and reactions from DPs on entitlements, compensation, options, alternative developments and relocation timetables etc.;
- (iii) Changes in housing and income levels;
- (iv) Rehabilitation of informal settlers;
- (v) Valuation of property;
- (vi) Grievance procedures;
- (vii) Disbursement of compensation and
- (viii) Level of satisfaction of DPs in the post resettlement period.

60. A final external evaluation of LARP implementation will be carried out about a year after completion of its implementation. The compelling reason for this study is to find out if the objectives of the LARP have been attained or not. The benchmark data of socioeconomic survey of severely affected DPs conducted during the preparation of the LARP will be used to compare the pre and post Program conditions. The evaluation will recommend appropriate supplemental assistance for the DPs should the outcome of the study shows that the objectives of the LARP have not been achieved.

XII. TRAINING IN LARP IMPLEMENTATION

61. Staff from the Azerishig, PMU, and regional agencies involved in LAR activities will undergo a week-long orientation and training in ADB SPS (2009), the Land Acquisition Law and the LARF. The training will be provided by the international specialist under the CMF's contract and will cover the following topics:

- (i) Principles and procedures of land acquisition;
- (ii) Public consultation and participation;
- (iii) Understanding ADB SPS (2009);
- (iv) Entitlements and compensation and assistance disbursement mechanisms;
- (v) Grievance resolution; and
- (vi) Monitoring of resettlement operations.

XIII. RESETTLEMENT BUDGET AND FINANCING

62. All LARP preparation and implementation costs including cost of compensation and LAR administration will be considered as an integral part of the Program cost. Each LARP 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) a cost table for all compensation expenses including administrative costs and contingencies.

63. Finances for compensation, allowances, and administration of LARP preparation and implementation will be provided by the Government as counterpart funds. Costs for LAR monitoring tasks will be allocated under the loan. In order to ensure that sufficient funds are available for LAR tasks, the PMU will have to allocate 100% of the cost of compensation at replacement cost and expected allowances estimated in each LARP plus 15% of contingencies before LARP implementation. Being the Program owner, Azerishig is responsible for the timely allocation of the funds needed to implement the LARPs.

XIV. LARP IMPLEMENTATION PROCESS

64. LARP implementation under the Program is expected to be completed within a period of less than three months. The PMU will establish and announce the cut-off-date based on the date of census for the proposed subproject based on the eligibility criteria defined in this LARF. The DPs of affected structures/assets will be paid their due compensations at least 1 month (30 days) prior to demolition of the structures from the corridor of impact. This time will allow them to dismantle and remove all salvageable material for rebuilding of houses and re-establishment of businesses. However, Azerishig through the PMU reserves the right of demolishing unauthorized structures without paying any compensation simply by serving a notice of eviction for a maximum of two weeks, provided it is established that those structures were constructed after the “cut-off” date.

65. The basic LAR-related steps for the preparation and implementation of tranches and within tranches, subprojects are summarized in **Table 4** below.

Table 4: LAR Tasks Schedule

Step	Action	Responsibility	Time frame
A)	TRANCHE PREPARATION	CMF	
1	Identify subprojects	PMU and CMF	3 days
2	Review and update LARF	PMU, ADB	2 days
3	Prepare activities plan detailing RP tasks and schedules	PMU	1 day
B)	LARP PREPARATION	PMU, CMF	
1	Assess the project's poverty and social Impacts (IPSA)	PMU	3 days
3	Prepare surveys forms for Census and DMS, train local Census and DMS teams, and coordinate with relevant local government agencies.	PMU	5 days
4	Collect cadastral and parcel maps of the Program area	LAG	10 days
5	Verify land records in affected areas, update cadastral maps and carry out impacts and valuation surveys – Detailed Measurement Survey (DMS)	LAG	10 days

Step	Action	Responsibility	Time frame
A)	TRANCHE PREPARATION	CMF	
1	Identify subprojects	PMU and CMF	3 days
2	Review and update LARF	PMU, ADB	2 days
3	Prepare activities plan detailing RP tasks and schedules	PMU	1 day
B)	LARP PREPARATION	PMU, CMF	
	Conduct first notification of DPs	Azerishig	3 days
7	Conduct public consultations	Azerishig	5 days
	Compute compensation	VC	10 days
	Notify DPs for negotiation	LAG	3 days
8	Negotiate with DPs	VC/LAG	10 days
10	Prepare and submit LARP to PMU, and ADB for approval.	PMU	10 days
C)	LARP IMPLEMENTATION		
1	LARP disclosure: distribute LARP and information pamphlets in Azeri in the affected communities; post LARP in English on the ADB website	PMU/ADB	10 days
2	Approve contract awards	ADB	1 day
4	Award checks for compensation	Azerishig	5 days
7	Submit LARP completion report	CMF	5 days
8	If LARP Implementation found satisfactory, Notice to proceed for Civil works is issued	ADB	1 day
3	Grievances Redress/Law Suites	GRC/MoF/ Court	-
4	Inter-agency coordination and Communication with AP	PMU/LAG	-

Annex 1: LAR Screening Form

LAND ACQUISITION AND SOCIAL IMPACT ASSESSMENT CHECKLIST			
Rayon:			
City/Town:			
Settlement/Village:			
Brief Description of Site and Proposed Works:			
1. Screening Questions for Land Acquisition & Resettlement			
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 ²)	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			
2. Information on Affected Persons			
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 [] Yes []</p> <p>If yes, briefly describe their situation:</p>	
3. Project Categorization for resettlement and Type of Plan Requirements	
<p>Based on the definition of impacts in ADB's Safeguard Policy Statement: Safeguard Requirement 2: Involuntary Resettlement, what is the conclusion?</p> <p>[] Land acquisition and resettlement is required, a Resettlement Plan is required</p> <p>[] Land acquisition and resettlement is not required, a resettlement Due Diligence Report is required</p>	
The forgoing has been reviewed and agreed by:	
Name & Signature	Date:

Annex 2: OUTLINE OF A LAND ACQUISITION AND RESETTLEMENT PLAN

- 1. LAR issues for the section/subproject**

This chapter describes the scheme activities and items requiring LAR; alternative options, if any, considered to minimize land acquisition effects; and why remaining effects are unavoidable.
- 2. Socioeconomic Background of the Section/Subproject Area**

This chapter describes the socioeconomic profile and living conditions of displaced persons and identifies vulnerable groups that may require special attention.
- 3. Scope of land acquisition and resettlement**

This chapter describes the preparation of the impacts (who carried it out and when it was initiated) and provides a full assessment of each type of impact and a census of affected peoples. The chapter also includes a description of the methodology followed to determine unit-compensation rates for each affected item and subsidy/allowance.
- 4. Objectives, policy framework, and entitlements**

This chapter outlines the eligibility and compensation framework for the scheme.
- 5. Consultation and grievance redress participation**

This chapter summarizes procedures for redress of grievances by people affected and describes the consultation/participation process and grievance redress that occurred in the subproject at hand.
- 6. Institutional framework**

This chapter outlines the institutional arrangements. It includes the following issues: responsibilities for main tasks and for planning, negotiating, consulting, approving, coordinating, implementing, financing, monitoring, and evaluating land acquisition and resettlement.
- 7. Compensation, relocation, and income restoration**

This chapter outlines the income restoration measures to be implemented.
- 8. Resettlement budget and financing**

This chapter provides the unit compensation rate for each affected item and assesses the LAR budget for the scheme. The LAR budget will include land acquisition and eventual land acquisition costs, amounts due for crop compensation and for the subsidies and allowances, monitoring and evaluation costs, and administrative costs and will be adjusted for inflation and applicable taxes.
- 9. Implementation schedule**

This chapter provides a time schedule showing the LAR process and linking LAR tasks with civil works implementation.
- 10. Monitoring and evaluation**

This chapter specifies arrangements for routine and independent monitoring and evaluation activities.